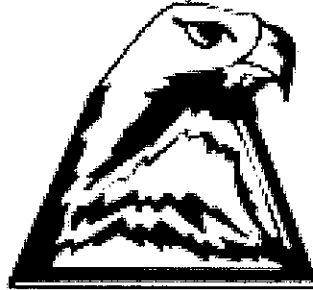


Gladstone Park Secondary College



Knowledge is Power

VCE SUBJECT INFORMATION

UNIT 3 Economics
Australia's economic prosperity

SAC DATES (week beginning):

- 1. 13th March**
- 2. 7th May**
- 3. 4th June**

Final Exam in November (VCAA to advise)

Area of Study 1 An introduction to microeconomics

SAC 1a

- Key Economic terms
- Perfectly Competitive market
- The law of Demand
- The law of Supply
- Elasticity (demand and supply)

SAC 1b

- Efficiencies
- Resource allocation
- Market Failure
- Government Intervention
- Contemporary example

Key skills

- define key economic concepts and terms and use them appropriately
- construct and interpret demand and supply diagrams
- interpret and analyse statistical and graphical data
- evaluate the role of the market in allocating resources
- explain the effect of government intervention in markets
- compare alternative economic viewpoints to form conclusions.

Area of Study 2 Domestic macroeconomic goals

- Nature and purpose of economic goals
- Economic Growth
- Inflation
- Employment

Key skills

- define key economic concepts and terms and use them appropriately
- calculate relevant economic indicators using real or hypothetical data
- explain trends, patterns, similarities and differences in economic data and other information
- apply economic concepts and theories to explain the nature and importance of the Australian Government's domestic macroeconomic goals
- analyse economic relationships through the interpretation of data, graphical trends, patterns and other information.

Area of Study 3

Australia and the World Economy

- External Stability
- Exchange Rate
- International competitiveness
- Trade Liberalisation

Key skills

- define key economic concepts and terms and use them appropriately
- explain key international economic relationships and how they may affect living standards
- explain trends, patterns, similarities and differences in economic data and other information
- calculate relevant economic indicators using real or hypothetical data
- access and interpret, and draw conclusions from, information gathered from a range of sources.

All students will be given the opportunity to submit a practice SAC prior to the SAC for marking and feedback.



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| Unit 3 | Outcome 1 | SAC 1a | 20% of Unit 3 | |
| | | SAC 1b | 20% of Unit 3 | |
| | | | | 40% of Unit 3 |
| | Outcome 2 | SAC 2 | 30% of Unit 3 | 30% of Unit 3 |
| | Outcome 3 | SAC 3 | 30% of Unit 3 | 30% of Unit 3 |
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| Unit 3 | | | | 25% |
| Unit 4 | | | | 25% |
| End of Year Exam | Duration: 2 hours. | | | 50% |

End of the Year Exam

Still to be advised

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| Week 1 | <ul style="list-style-type: none"> • Revise Holiday homework • The law of demand and the demand curve including movements along, and shifts of, the demand curve • Factors likely to affect demand and the position of the demand curve: changes in disposable income, the prices of substitutes and complements, preferences and tastes, interest rates, changes in population and consumer confidence |
| Week 2 5–9 Feb. | <ul style="list-style-type: none"> • The law of supply and the supply curve including movements along, and shifts of, the supply curve • Factors likely to affect supply and the position of the supply curve: changes in the cost of production, technology change, productivity growth and climatic conditions • The effects of changes in supply and demand on equilibrium prices and quality traded |
| Week 3 12–16 Feb. | <ul style="list-style-type: none"> • The meaning and significance of price elasticity of demand and supply • Factors affecting price elasticity of demand: degree of necessity, availability of substitutes, proportion of income and time • Factors affecting price elasticity of supply: spare capacity, production period and durability of goods |
| Week 4 19–23 Feb. | <ul style="list-style-type: none"> • The role of relative prices in markets on the allocation of resources and the effect on living standards • The meaning and significance of economic efficiency: allocative efficiency, productive efficiency, dynamic efficiency and inter-temporal efficiency |

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| | <ul style="list-style-type: none"> • The effect of competitive markets on the efficiency of resource allocation |
| <p>Week 5 26 Feb. –2 Mar.</p> | <ul style="list-style-type: none"> • Reasons for market failure: public goods, externalities, asymmetric information and common access resources • The role and effect of indirect taxation, subsidies, government regulations and government advertising as forms of government intervention in the market to address market failure |
| <p>Week 6 5–9 Mar.</p> | <ul style="list-style-type: none"> • One contemporary example of government intervention in markets that unintentionally leads to a decrease in the efficiency of resource allocation • SAC revision |
| <p>Week 7 13–16 Mar. Labour Day 12 Mar.</p> | <p>Area of Study 2: 'Domestic macroeconomic goals' <i>The nature and purpose of economic activity</i></p> <ul style="list-style-type: none"> • The difference between material and non-material living standards • Factors that may influence living standards including access to goods and services, environmental quality, physical and mental health, life expectancy, crime rates and literacy rates <p>The circular flow model of income including the role of households, businesses, government, financial institutions and the external sector in an open contemporary macroeconomy</p> |
| <p>Week 8 19–23 Mar.</p> | <ul style="list-style-type: none"> • The nature and causes of the business cycle • The meaning and importance of aggregate demand and the factors that may influence the level of aggregate demand in the economy: changes in the general level of prices, disposable income, interest rates, consumer confidence, business confidence, the exchange rate and rates of economic growth overseas • The aggregate demand curve |
| <p>Week 9 26–29 Mar. Good Friday 30 Mar.</p> | <ul style="list-style-type: none"> • The meaning and importance of aggregate supply and the factors that may influence the level of aggregate supply in the economy: changes in the general level of prices, quantity and quality of the factors of production, cost of production, technological change, productivity growth, exchange rates and climatic conditions • The aggregate supply curve • The effects of changes in aggregate demand and aggregate supply on the level of economic growth, employment and price levels |
| <p>31 Mar. –15 Apr.</p> | <ul style="list-style-type: none"> • break |
| <p>Term 2 Week 10 16–20 Apr.</p> | <p>The Australian Government's domestic macroeconomic goals</p> <ul style="list-style-type: none"> • The meaning of the goal of low inflation (price stability) • Measurement of the inflation rate using the Consumer Price Index (CPI) including the difference between the headline and underlying (core) rate of inflation • Causes of inflation including demand and cost inflation <p>Consequences of a high inflation rate: erosion of purchasing power, redistributive effects, resource misallocation, savings and investment and international competitiveness</p> |
| <p>Week 11 23–27 Apr. Anzac Day 25 Apr.</p> | <ul style="list-style-type: none"> • The meaning of the goal of strong and sustainable economic growth • Measurement of the rate of economic growth using real Gross Domestic Product (GDP) • The reasons for pursuing strong and sustainable economic growth including lowering of the unemployment rate, growth in real income and increased ability of government to provide essential services |
| <p>Week 12 30 Apr. – 4 May</p> | <ul style="list-style-type: none"> • The meaning of the goal of full employment and classifications within the labour force: employed, unemployed, hidden unemployment, disguised or underemployed • Measurement of the labour force including the participation rate, the unemployment rate and the labour force underutilisation rate • Types and causes of unemployment: cyclical, structural, frictional, seasonal and hard-core unemployment • The consequences of unemployment including loss of GDP, loss of tax revenue, reductions in living standards and greater income inequality |

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| Week 13 7–11 May | <ul style="list-style-type: none"> Aggregate demand and aggregate supply factors that have influenced inflation, economic growth, the unemployment rate and living standards in the past two years SAC revision |
| Week 14 14–18 May | <p>Area of Study 3: 'Australia and the world economy'</p> <ul style="list-style-type: none"> The relationship between trade and living standards including lower prices for consumers, greater choice for consumers, the ability of businesses to achieve economies of scale and access to more resources for business and government The balance of payments and its components Causes of Australia's current account deficit including cyclical and structural factors The relationship between the current account and the capital and financial account |
| Week 15 21–25 May | <ul style="list-style-type: none"> The composition and cause of net foreign debt and net foreign equities The terms of trade: meaning and measurement and the factors that may influence the terms of trade \ The effect of movements in the terms of trade on the current account balance, the domestic macroeconomic goals and living standards |
| Week 16 28 May – 1 June | <ul style="list-style-type: none"> Factors affecting the value of the exchange rate including relative interest rates, demand for exports and imports, capital flows, the terms of trade and relative rates of inflation The effect of exchange rate movements on the current account balance, the domestic macroeconomic goals and living standards |
| Week 17 4–8 June | <ul style="list-style-type: none"> Factors that may influence Australia's international competitiveness including productivity, production costs, availability of natural resources, exchange rates and relative rates of inflation, and the effect of these factors on domestic macroeconomic goals and living standards The effect of trade liberalisation on Australia's international competitiveness, domestic macroeconomic goals and living standards <p>SAC</p> |
| Week 18 12–15 June Queen's Birthday 11 June | <ul style="list-style-type: none"> GAT: Wednesday 13 June |

