Gladstone Park Secondary College

Knowledge is Power

VCE SUBJECT INFORMATION

UNIT 4 Economics

SAC DATES (week beginning):

1. 11\textsuperscript{th} July (Budgetary Policy)
2. 25\textsuperscript{th} July (Monetary Policy)
3. 8\textsuperscript{th} August (AS Policy)
2. 29\textsuperscript{th} August (Policy Mix)

Final Exam is 27\textsuperscript{th} October 2pm to 4.15pm (15 mins reading time and 2 hour written exam)
Area of Study 1 (Macroeconomic demand management policies)

• the nature and operation of budgetary policy including the level and composition of government receipts and expenditure, the operation of automatic (built-in) and discretionary stabilisers, and methods of financing a budget deficit or using a budget surplus;

• the ways budgetary policy may be utilised to influence the level of aggregate demand in order to manage the goals of stability of the currency (low inflation), strong and sustainable economic growth, and full employment, and the impact on living standards;

• the ways budgetary policy may be utilised to influence external stability and equity in income distribution;

• specific budgetary policy initiatives from the past four years that were designed to influence the level of aggregate demand;

• the nature and operation of monetary policy including the ways monetary policy may be utilised to influence the level of aggregate demand in order to manage the stability of the currency (low inflation), strong and sustainable economic growth and full employment, and its impact on living standards;

• the way the implementation of monetary policy in the past four years may have influenced the level of aggregate demand;

• the relationship between monetary policy and budgetary policy in the management of aggregate demand

Key skills

• define key economic concepts and use them appropriately;
• gather relevant data and information about the nature and operation of aggregate demand management policies in Australia;
• apply economic theories and concepts to government demand management policies;
• apply skills of economic analysis, including problem-solving, to analyse how aggregate demand management policies have been used to influence key economic goals;
• analyse the impact of aggregate demand policies on living standards in Australia.
Area of Study 2 Aggregate supply policies

- the nature, operation and aims of aggregate supply policies;

- how one of the following microeconomic reform policies is intended to influence the achievement of the government’s key economic goals and living standards:
  - National Competition Policy
  - Labour market reform
  - Deregulation of key markets
  - Trade liberalisation;

- how budgetary policy, including the role of taxation and infrastructure spending, may affect the level of aggregate supply in order to influence the government’s key economic goals and living standards;

- the impact of immigration policies on the labour market and aggregate supply and the way in which this influences the achievement of the government’s key economic goals and living standards;

- how one environmental policy is designed to influence aggregate supply, long-term economic prosperity and living standards;

- the relationship between aggregate supply and macroeconomic demand policies in the current government policy mix.

**Key skills**

These skills include the ability to
- define key economic concepts and use them appropriately;
- gather and interpret relevant data and information about the nature and operation of aggregate supply management policies in Australia;
- apply economic theories and concepts to aggregate supply policies implemented by the Australian Government;
- analyse the impact of aggregate supply policies on living standards in Australia;
- analyse the role of aggregate demand and aggregate supply policies in the current government policy mix.

**Achieving an ‘S’ for the unit**

_In order to achieve an ‘S’ for both Areas of Study, you will be required to complete the following:_

- Achieve a _satisfactory result_ in each SAC and/or
- Successful completion of weekly _quizzes_ (completed in class)
- Submission of homework demonstrating an adequate understanding of the key knowledge (tasks)
- Completion of classwork demonstrating an adequate level of the key skills
- In the event of an impending ‘N’ students and the Senior School will be advised in order to allow the student the opportunity to successfully complete the unit.
- As per school VCE policy, any work required to be completed to meet the outcome _must be completed prior to the SAC._
Where a student does not meet classwork requirements prior to the SAC and does not achieve a satisfactory result on the SAC, the student will not meet the requirements of the outcome and will therefore not be able to achieve an ‘S’. This will result in a failure to successfully complete the subject.

Course Structure

Achieving a graded assessment

There is one SAC that makes up each outcome.

All SACs are tests that will combine multiple choice, short response and extended response questions. SACs will test your ability to explain and analyse information to link concepts in the key knowledge and your ability to demonstrate key skills.

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

All completed SACs will be returned to students for their own reference and learning

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End of the Year Exam

Section A (Multiple Choice)
15 questions (30 marks)

Section B (Short and extended response 2 – 6 marks)
4 questions (60 marks)

Total 90 marks