

Gladstone Park Secondary College



Knowledge is Power

VCE SUBJECT INFORMATION

UNIT 1 Economics

The behaviour of consumers and businesses

SAC DATES (week beginning):

- 1. 6th March – Investigation**
- 2. 17th April – SAC**
- 3. 15th May – Case Study**
- 4. 29th June - SAC**

Exam in mid June (TBA)

Area of Study 1 Thinking like an economist

- Introductory concepts
- Consumers
- Businesses

Key skills

- define key economic concepts and terms and use them appropriately
- apply economic theory to make economic predictions
- gather and synthesise information from a wide range of sources to assess the effect of economic decisions on relevant stakeholders
- compare the traditional economic viewpoint with research in the behavioural economics area
- construct, interpret and apply economic models to analyse the consequences of economic decisions
- evaluate the costs and benefits associated with a range of economic decisions
- investigate and evaluate alternative viewpoints on economic issues.

Area of Study 2 Decision making in markets

Students consider one or more of the following markets:

- Agricultural markets such as wool, wheat and beef
- Other commodity markets such as minerals and energy
- The property/housing market

Key knowledge

- the assumptions of a perfectly competitive market system
- the law of demand and the demand curve
- the way non-price factors such as changes in disposable income, the prices of substitutes and complements, preferences and tastes, interest rates, changes in population, consumer sentiment and government intervention, affect demand and the position of the demand curve
- the distinction between a movement along the demand curve and a shift of the demand curve
- the law of supply and the supply curve
- the way non-price factors such as changes in the cost of production, technological change, productivity growth, climatic conditions and government intervention affect supply and the position of the supply curve
- the distinction between a movement along the supply curve and a shift of the supply curve
- effects of changes in demand and supply on equilibrium prices and quantities
- the role of relative prices in the allocation of resources in a market-based economy
- the degree of market power in different markets such as perfect competition, monopolistic competition, oligopoly and monopoly, and the effect on prices, resource allocation and living standards

Key skills

- define key economic concepts and terms and use them appropriately
- acquire economic information from a range of sources
- construct graphs to represent and interpret economic information
- use economic tools and theories to analyse and predict economic outcomes
- research and synthesise information about a particular market
- apply economic knowledge, concepts and theories to predict the effect of changes in conditions on market outcomes.

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 your own reference and learning

Unit 1	Outcome 1		50% of Unit 1	
	Outcome 2		50% of Unit 1	
Unit 1				25%
Unit 2				25%
End of Year Exam	Duration: 2 hours.			50%

End of the Year Exam

Still to be advised

Course Orientation

Time	Topic
Double	<ul style="list-style-type: none"> • Unit 1 outline—key knowledge, key skills, outcomes, • School-assessed Coursework • Resources • Keeping up-to-date with the latest economics news and statistics • Economics glossary of key terms • Approach to study/homework • Taking notes • Whiteboarding • the basic economic problem of relative scarcity and the need for economic decision making • the concept and applications of opportunity cost

Week	Area of study/key knowledge
Term 1 Week 1 31 Jan. – 3 Feb.	Area of Study 1: 'Thinking like an economist' (8–9 weeks) Introductory concepts <ul style="list-style-type: none"> The basic economic problem of relative scarcity and the need for economic decision-making Resources used to meet needs and wants: natural, labour and capital
Week 2 6–10 Feb.	Area of Study 1: 'Thinking like an economist' (continued) <ul style="list-style-type: none"> The meaning and significance of positive and normative economics The purpose of economic activity and the influence on material and non-material living standards The three basic economic questions: 'What and how much to produce?', 'How to produce?', 'For whom to produce?'
Week 3 13–17 Feb.	Area of Study 1: 'Thinking like an economist' (continued) <ul style="list-style-type: none"> The need for trade-offs such as current versus future, short run versus long run, and cost-benefit analyses The concept and applications of opportunity cost (<i>note: this key knowledge is here so that it flows into studying PPC/PPF</i>) The production possibility model to illustrate the concepts of scarcity, choice, opportunity cost, underutilisation of resources and efficiency The two-sector circular flow model of the economy
Week 4 20–24 Feb.	Area of Study 1: 'Thinking like an economist' (continued) Consumers <ul style="list-style-type: none"> The traditional economic viewpoint of consumer behaviour such as rationality, ordered preferences, informed decision-making and marginal benefits from consumption Economic factors that may influence economic decisions made by consumers such as: <ul style="list-style-type: none"> utility maximisation budget constraints internal influences on economic decision-making, for example, personality types, ethics, habit external influences on economic decision-making, for example, culture, marketing and government
Week 5 27 Feb. – 3 Mar.	Area of Study 1: 'Thinking like an economist' (continued) <ul style="list-style-type: none"> Developments in research about consumer behaviour, including the contribution of behavioural economics The ways consumers and workers might respond to positive and negative incentives The effects of technological change on consumer behaviour
Week 6 6–10 Mar.	Area of Study 1: 'Thinking like an economist' (continued) Business <ul style="list-style-type: none"> The traditional economic viewpoint of business in the economy: profit maximisation How businesses might respond to positive and negative incentives
Week 7 14–17 Mar. Labour Day 13 Mar.	Area of Study 1: 'Thinking like an economist' (continued) <ul style="list-style-type: none"> The evolution of business and changing goals such as sustainability, community involvement, gender equality, innovation, research and development The effect of technology on business behaviour and the trade in goods and services
Week 8 20–24 Mar.	Area of Study 1: 'Thinking like an economist' (continued) <ul style="list-style-type: none"> The nature and effectiveness of strategies businesses may use to increase profitability including price discrimination, multiple branding and illegal, anti-competitive behaviour as outlined in the Australian <i>Competition and Consumer Act 2010</i>.

Week	Area of study/key knowledge
Week 9 27–31 Mar.	Area of Study 1: 'Thinking like an economist' (continued) <i>Class revision of Area of Study 1</i>
1–17 Apr. Holiday Break	
Term 2 Week 10 17–21 Apr. Easter Monday 17 Apr.	Area of Study 2: 'Decision-making in markets' (8–9 weeks) <ul style="list-style-type: none"> • The assumptions of a perfectly competitive market system • The law of demand and the demand curve • The way non-price factors, such as changes in disposable income, the prices of substitutes and complements, preferences and tastes, interest rates, changes in population, consumer sentiment and government intervention, affect demand and the position of the demand curve • The distinction between a movement along the demand curve and a shift of the demand curve
Week 11 24–28 Apr. Anzac Day 25 Apr.	Area of Study 2: 'Decision-making in markets' (continued) <i>Class: Case study of a market</i>
Week 12 1–5 May	Area of Study 2: 'Decision-making in markets' (continued) <ul style="list-style-type: none"> • The law of supply and the supply curve • The way non-price factors such as changes in the cost of production, technological change, productivity growth, climatic conditions and government intervention affect supply and the position of the supply curve • The distinction between a movement along the supply curve and a shift of the supply curve
Week 13 8–12 May	Area of Study 2: 'Decision-making in markets' (continued) <ul style="list-style-type: none"> • Effects of changes in demand and supply on equilibrium prices and quantities • The role of relative prices in the allocation of resources in a market-based economy
Week 14 15–19 May	Area of Study 2: 'Decision-making in markets' (continued) <i>Class: Case study of a market</i>
Week 15 22–26 May	Area of Study 2: 'Decision-making in markets' (continued) <ul style="list-style-type: none"> • The degree of market power in different markets such as perfect competition, monopolistic competition, oligopoly and monopoly, and the effect on prices, resource allocation and living standards.
Week 16 29 May – 2 June	Area of Study 2: 'Decision-making in markets' (continued) <i>Work on market case study</i>
Week 17 5–9 June	Area of Study 2: 'Decision-making in markets' (continued) <i>Presentations of market case studies</i>
Week 18 13–16 June Queen's Birthday 12 June	Unit 1 examination preparation Revision/exams GAT: Wednesday 14 June 2017
Week 19 19–23 June	Exams/Introduction to VCE Economics Unit 2
Week 20 26–30 June	