

Economics 2019 v1.1

General Senior Syllabus

This syllabus is for implementation with Year 11 students in 2019.

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1 Course overview

1.1 Introduction

1.1.1 Rationale

The discipline of economics is integral to every aspect of our lives: our employment opportunities, business operations and living standards. The subject challenges us to use evidence and be innovative when solving problems in a world of complex global relationships and trends, where a knowledge of economic forces and flows leads to better decisions. In Economics, decision-making is core: how to allocate and distribute scarce resources to maximise well-being.

Economic literacy is essential for understanding current issues: to make informed judgments and participate effectively in society. Students develop knowledge and cognitive skills to comprehend, apply analytical processes and use economic knowledge. They examine data and information to determine validity, and consider economic policies from various perspectives. Economic models and analytical tools are used to investigate and evaluate outcomes to draw conclusions. In the process, students appreciate ideas, viewpoints and values underlying economic issues.

The field of economics is typically divided into two: microeconomics being the study of individuals, households and businesses; and macroeconomics, the study of economy-wide phenomena. Within this context, students study opportunity costs, economic models and the market forces of demand and supply. These concepts are applied to real-world issues of how and why markets may be modified, and the effects of government strategies and interventions. The final units of the course dissect and interpret the complex nature of international economic relationships and the dynamics of Australia's place in the global economy. This segues to Australian economic management, as students analyse trends and evaluate economic policies.

Curiosity is essential when studying Economics — how can we best use and allocate resources and production, and what are the consequences of trade-offs? Accordingly, learning is centred on an inquiry approach that facilitates reflection and metacognitive awareness. Intellectual rigour is sharpened by the appraisal of a variety of often-contradictory data and information, which tests the role of assumptions in economic models, ideas and perspectives.

In the 21st century, the study of economics develops the transferable skills of critical thinking and questioning assumptions. As students develop intellectual flexibility, digital literacy and economic thinking skills, they increase the tertiary pathways and opportunities in the workplace open to them.

Economics is based on possibility and optimism. It appeals to students from Humanities and Business, and those interested in the broader relevance of Mathematics, Technology and Science because of their connection with economic forces. The subject positions students to think deeply about the challenges that confront individuals, business and government, and provides students with tools to think creatively beyond what is known and predictable.

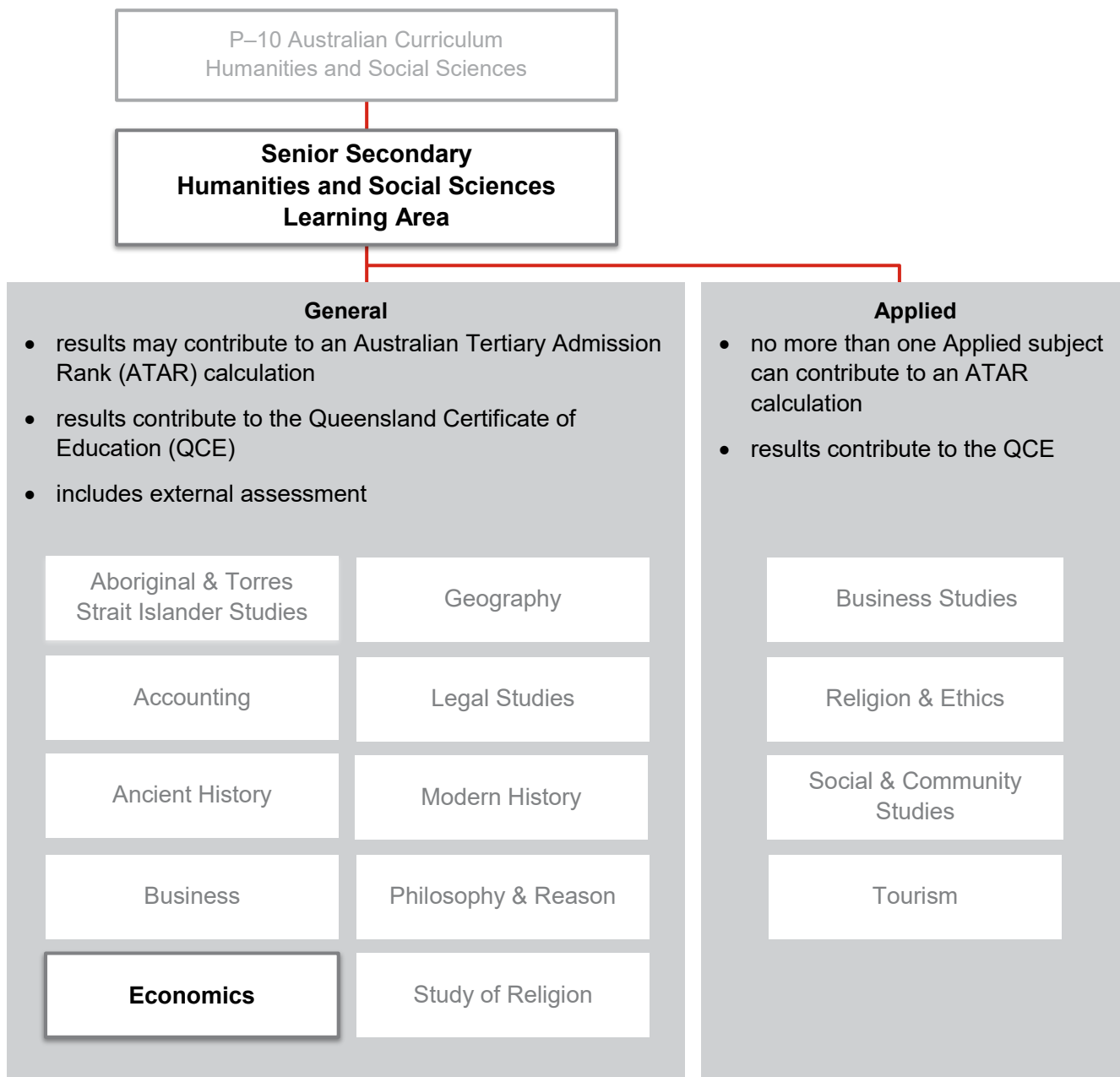
Pathways

Economics is a General subject suited to students who are interested in pathways beyond school that lead to tertiary studies, vocational education or work. A course of study in Economics can establish a basis for further education and employment in the fields of economics, econometrics, management, data analytics, business, accounting, finance, actuarial science, law and political science. Economics is an excellent complement for students who want to solve real-world science or environmental problems and participate in government policy debates. It provides a competitive advantage for career options where students are aiming for management roles and developing their entrepreneurial skills to create business opportunities as agents of innovation.

1.1.2 Learning area structure

All learning areas build on the P–10 Australian Curriculum.

Figure 1: Learning area structure



1.1.3 Course structure

Economics is a course of study consisting of four units. Subject matter, learning experiences and assessment increase in complexity from Units 1 and 2 to Units 3 and 4 as students develop greater independence as learners.

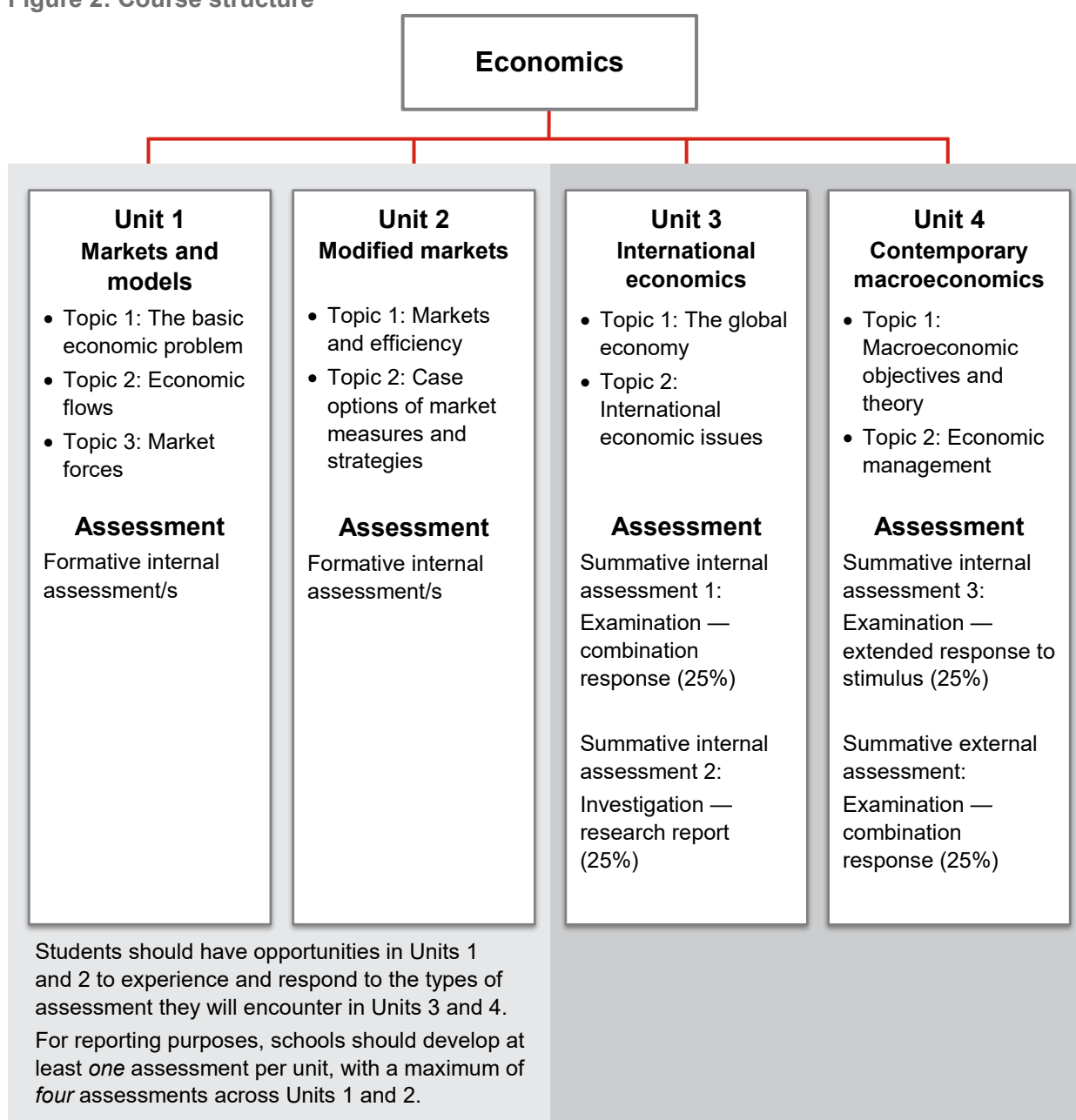
Units 1 and 2 provide foundational learning, which allows students to experience all syllabus objectives and begin engaging with the course subject matter. Students should complete Units 1 and 2 before beginning Unit 3. It is recommended that Unit 3 be completed before Unit 4.

Units 3 and 4 consolidate student learning. Only the results from Units 3 and 4 will contribute to ATAR calculations.

Figure 2 outlines the structure of this course of study.

Each unit has been developed with a notional time of 55 hours of teaching and learning, including assessment.

Figure 2: Course structure



1.2 Teaching and learning

1.2.1 Syllabus objectives

The syllabus objectives outline what students have the opportunity to learn. Assessment provides evidence of how well students have achieved the objectives.

Syllabus objectives inform unit objectives, which are contextualised for the subject matter and requirements of the unit. Unit objectives, in turn, inform the assessment objectives, which are further contextualised for the requirements of the assessment instruments. The number of each objective remains constant at all levels, i.e. Syllabus objective 1 relates to Unit objective 1 and to Assessment objective 1 in each assessment instrument.

Syllabus objectives are described in terms of actions that operate on the subject matter. Students are required to use a range of cognitive processes in order to demonstrate and meet the syllabus objectives. These cognitive processes are described in the explanatory paragraph following each objective in terms of four levels: retrieval, comprehension, analytical processes (analysis), and knowledge utilisation, with each process building on the previous processes (see Marzano & Kendall 2007, 2008). That is, comprehension requires retrieval, and knowledge utilisation requires retrieval, comprehension and analytical processes (analysis).

By the conclusion of the course of study, students will:

Syllabus objective	Unit 1	Unit 2	Unit 3	Unit 4
1. comprehend economic concepts, principles and models	•	•	•	•
2. select data and economic information from sources	•	•	•	•
3. analyse economic issues	•	•	•	•
4. evaluate economic outcomes	•	•	•	•
5. create responses that communicate economic meaning	•	•	•	•

1. comprehend economic concepts, principles and models

When students comprehend economic concepts, principles and models, they identify the features of an economic problem to demonstrate understanding. Students apply knowledge of these features to theoretical or real-world examples. Comprehending includes describing, explaining, translating knowledge into symbolic representations, constructing diagrams completing calculations, and using economic terminology.

2. select data and economic information from sources

When students select data and economic information, they choose data and economic information from primary and/or secondary sources, for example government and other institutional websites, published reports, media articles and expert commentaries. Students make these choices based on currency, accuracy and reliability, and use a recognised system of referencing to document and acknowledge sources.

3. analyse economic issues

When students analyse economic issues, they use data and economic information to interpret patterns and trends, and to explain economic relationships.

4. evaluate economic outcomes

When students evaluate economic outcomes, they use their knowledge from their analysis to draw conclusions or make decisions based on economic criteria. They synthesise economic ideas and perspectives to support their conclusions or decisions with economic reasoning.

5. create responses that communicate economic meaning

When students create a response, they use their knowledge to communicate economic meaning according to the intended purpose using reports, essays, graphs and diagrams. Students use language conventions and genres that suit the context and convey economic meaning.

1.2.2 Underpinning factors

There are three skill sets that underpin senior syllabuses and are essential for defining the distinctive nature of subjects:

- literacy — the set of knowledge and skills about language and texts essential for understanding and conveying Economics content
- numeracy — the knowledge, skills, behaviours and dispositions that students need to use mathematics in a wide range of situations, to recognise and understand the role of mathematics in the world, and to develop the dispositions and capacities to use mathematical knowledge and skills purposefully
- 21st century skills — the attributes and skills students need to prepare them for higher education, work and engagement in a complex and rapidly changing world.

These skill sets, which overlap and interact, are derived from current education, industry and community expectations. They encompass the knowledge, skills, capabilities, behaviours and dispositions that will help students live and work successfully in the 21st century.

Together these three skill sets shape the development of senior subject syllabuses. Although coverage of each skill set may vary from syllabus to syllabus, students should be provided with opportunities to learn through and about these skills over the course of study. Each skill set contains identifiable knowledge and skills that can be directly assessed.

Literacy in Economics

Ongoing systematic teaching and learning focused on the literacy knowledge and skills specific to Economics is essential for student achievement.

Students need to learn and use knowledge and skills of reading, viewing and listening to understand and learn the content of Economics. Students need to learn and use the knowledge and skills of writing, composing and speaking to convey the Economics content they have learnt.

To understand and use Economics content, teaching and learning strategies include:

- developing familiarity with the syntax of economics, that is, the use of terminology and specialised language
- comprehending economic texts, graphs, symbols and visual information from a range of sources to stimulate learning, including government and other institutional websites, published reports, media articles and expert commentaries
- transforming economic ideas from a variety of sources to develop understanding
- using language and text to convey economic meaning in written and non-written formats.

These aspects of literacy knowledge and skills are embedded in the syllabus objectives, unit objectives and subject matter, and instrument-specific marking guide (ISMGs) for Economics.

Numeracy in Economics

Although much of the explicit teaching of numeracy skills occurs in Mathematics, being numerate involves using mathematical skills across the curriculum. Therefore, numeracy development is an essential component of teaching and learning across the curriculum and a responsibility for all teachers.

To understand and use Economics content, teaching and learning strategies include:

- extracting, converting, translating or extrapolating data and information given in numerical forms
- representing and interpreting data and information using models, statistics and calculations
- identifying patterns and trends in data and information
- communicating economic meaning through the application of numeracy.

These aspects of numeracy knowledge and skills are embedded in the syllabus objectives, unit objectives and subject matter, and ISMGs for Economics.

21st century skills

The 21st century skills identified in the following table reflect a common agreement, both in Australia and internationally, on the skills and attributes students need to prepare them for higher education, work and engagement in a complex and rapidly changing world.

21st century skills	Associated skills	21st century skills	Associated skills
critical thinking	<ul style="list-style-type: none"> • analytical thinking • problem-solving • decision-making • reasoning • reflecting and evaluating • intellectual flexibility 	creative thinking	<ul style="list-style-type: none"> • innovation • initiative and enterprise • curiosity and imagination • creativity • generating and applying new ideas • identifying alternatives • seeing or making new links
communication	<ul style="list-style-type: none"> • effective oral and written communication • using language, symbols and texts • communicating ideas effectively with diverse audiences 	collaboration and teamwork	<ul style="list-style-type: none"> • relating to others (interacting with others) • recognising and using diverse perspectives • participating and contributing • community connections
personal and social skills	<ul style="list-style-type: none"> • adaptability/flexibility • management (self, career, time, planning and organising) • character (resilience, mindfulness, open- and fair-mindedness, self-awareness) • leadership • citizenship • cultural awareness • ethical (and moral) understanding 	information & communication technologies (ICT) skills	<ul style="list-style-type: none"> • operations and concepts • accessing and analysing information • being productive users of technology • digital citizenship (being safe, positive and responsible online)

Economics helps develop the following 21st century skills:

- critical thinking and reasoning skills by breaking complex aspects into component parts to construct understanding, then using this understanding to make and verify findings, and to critically reflect, evaluate and justify decisions
- creative thinking by encouraging curiosity and posing questions about economics and the consequent impacts to imagine possibilities, consider alternatives and generate solutions
- communication by cultivating specialised language, terminology, symbols and diagrams associated with effective and efficient communication
- collaboration and teamwork by promoting opportunities to work constructively in groups and to maximise their own understanding of economic concepts through peer discussions
- personal and social skills including management during assessment and inquiry tasks, and cultural awareness and ethical understanding concerning the allocation of resources and distribution of production
- ICT skills using digital technologies to research and interrogate primary and secondary source information, and manipulate data to ascertain relationships, patterns and trends.

These elements of 21st century skills are embedded in the syllabus objectives, unit objectives and subject matter, and ISMGs for Economics.

1.2.3 Aboriginal perspectives and Torres Strait Islander perspectives

The QCAA is committed to reconciliation in Australia. As part of its commitment, the QCAA affirms that:

- Aboriginal peoples and Torres Strait Islander peoples are the first Australians, and have the oldest living cultures in human history
- Aboriginal peoples and Torres Strait Islander peoples have strong cultural traditions and speak diverse languages and dialects, other than Standard Australian English
- teaching and learning in Queensland schools should provide opportunities for students to deepen their knowledge of Australia by engaging with the perspectives of Aboriginal peoples and Torres Strait Islander peoples
- positive outcomes for Aboriginal students and Torres Strait Islander students are supported by successfully embedding Aboriginal perspectives and Torres Strait Islander perspectives across planning, teaching and assessing student achievement.

Guidelines about Aboriginal perspectives and Torres Strait Islander perspectives and resources for teaching are available at www.qcaa.qld.edu.au/k-12-policies/aboriginal-torres-strait-islander-perspectives.

1.2.4 Pedagogical and conceptual frameworks

An approach to inquiry

Learning in the 21st century is dynamic, and is enhanced by an inquiry approach that applies discipline knowledge and skills to real-world situations and contemporary events (Masters 2016). An inquiry approach involves a range of instructional practices that stimulate student learning and give precedence to students' investigative work (Aditomo et al 2013).

Inquiry-based learning

An inquiry approach involves:

- a method of learning, initiated by questions or problems
- personal construction of a student's own knowledge, i.e. knowledge that is new to the student
- an active approach to learning where students have the central role
- the teacher acting as a facilitator
- developing self-directed learning over time, as students assume increasing responsibility for their learning.

These core elements are stated by Spronken-Smith and Walker (2010, p. 726), and supported by references to Justice et al (2007), Khan and O'Rourke (2004) and Weaver (1989).

The following table describes three different approaches to teaching inquiry along the continua between teaching *for* and *through*. This is based on Spronken-Smith and Walker (2010, p. 726), who built on the problem-solving approach of Staver and Bay (1987).

Inquiry type	Description	Teaching <i>for or through</i> inquiry
Structured	Teacher provides students with an issue, problem or question and an outline for addressing it. The inquiry components are structured and each component may be the focus of class activities either in isolation or through connections structured by the teacher.	For
Guided	Teacher provides questions to stimulate inquiry, and students are self-directed in terms of exploring these questions. Teacher provides guidance with some or all inquiry components.	Through
Open	Teacher cedes control and students work more independently to formulate their own questions and problems, and progress through the full inquiry cycle, with the teacher monitoring this progress.	Through

Classroom learning may involve activities and experiences that focus on particular components of an inquiry process so that these are explicitly taught — it is not necessary that students undertake all components of an inquiry approach in order to develop mastery, confidence and independence. Figure 3 depicts the four components of an inquiry approach.

Figure 3: Stages of an inquiry approach

An inquiry approach illustrated

Reflecting is the crucial metacognitive activity that connects the four inquiry components of forming, finding, analysing, and evaluating. As students progress in their inquiry, they develop meaning about previous understandings and inquiry decisions. Consequently, students should be encouraged to view all key decisions and activities as formative and therefore worthy of reflection and revision (see Marzano & Kendall 2007, 2008).

Forming

- Describing the task and its components
- Developing questions about the task
- Writing the methodology

Finding

- Exploring sources
- Informing
- Locating and gathering data, information and sources



Evaluating

- Making decisions and judgments
- Drawing conclusions
- Synthesising findings
- Verifying findings

Analysing

- Matching
- Comparing
- Interpreting relationships, patterns and trends

1.2.5 Subject matter

Subject matter is the body of information, mental procedures and psychomotor procedures (see Marzano & Kendall 2007, 2008) that are necessary for students' learning and engagement with Economics. It is particular to each unit in the course of study and provides the basis for student learning experiences.

Subject matter has a direct relationship to the unit objectives, but is of a finer granularity and is more specific. These statements of learning are constructed in a similar way to objectives. Each statement:

- describes an action (or combination of actions) — what the student is expected to do
- describes the element — expressed as information, mental procedures and/or psychomotor procedures
- is contextualised for the topic or circumstance particular to the unit.

Links and connections to current events, as communicated in the media and government statistics, are crucial to the study of economics and the development of economic literacy.

When interpreting the subject matter and assessment specifications, it is important to understand the intent of the terms 'including' and 'for example'.

When preceding a list, 'including' refers to the aspects, elements or contexts that must be covered when teaching topics in the units; additional aspects, elements or contexts may be used at the teacher's discretion. In instances when 'for example' is used, teachers may select examples from the provided content or choose other relevant examples that are not stated. There is no expectation that all examples must be covered.

1.3 Assessment — general information

Assessments are formative in Units 1 and 2, and summative in Units 3 and 4.

Assessment	Unit 1	Unit 2	Unit 3	Unit 4
Formative assessments	•	•		
Summative internal assessment 1			•	
Summative internal assessment 2			•	
Summative internal assessment 3				•
Summative external assessment				•

1.3.1 Formative assessments — Units 1 and 2

Formative assessments provide feedback to both students and teachers about each student's progress in the course of study.

Schools develop internal assessments for each senior subject, based on the learning described in Units 1 and 2 of the subject syllabus. Each unit objective must be assessed at least once.

For reporting purposes, schools should devise at least *two* but no more than *four* assessments for Units 1 and 2 of this subject. At least *one* assessment must be completed for *each* unit.

The sequencing, scope and scale of assessments for Units 1 and 2 are matters for each school to decide and should reflect the local context.

Teachers are encouraged to use the A–E descriptors in the reporting standards (Section 1.4) to provide formative feedback to students and to report on progress.

1.3.2 Summative assessments — Units 3 and 4

Students will complete a total of *four* summative assessments — three internal and one external — that count towards their final mark in each subject.

Schools develop *three* internal assessments for each senior subject, based on the learning described in Units 3 and 4 of the syllabus.

The three summative internal assessments will be endorsed and the results confirmed by the QCAA. These results will be combined with a single external assessment developed and marked by the QCAA. The external assessment results for Economics will contribute 25% towards a student's result.

Summative internal assessment — instrument-specific marking guides

This syllabus provides ISMGs for the three summative internal assessments in Units 3 and 4.

The ISMGs describe the characteristics evident in student responses and align with the identified assessment objectives. Assessment objectives are drawn from the unit objectives and are contextualised for the requirements of the assessment instrument.

Criteria

Each ISMG groups assessment objectives into criteria. An assessment objective may appear in multiple criteria, or in a single criterion of an assessment.

Making judgments

Assessment evidence of student performance in each criterion is matched to a performance-level descriptor, which describes the typical characteristics of student work.

Where a student response has characteristics from more than one performance level, a best-fit approach is used. Where a performance level has a two-mark range, it must be decided if the best fit is the higher or lower mark of the range.

Authentication

Schools and teachers must have strategies in place for ensuring that work submitted for internal summative assessment is the student's own. Authentication strategies outlined in QCAA guidelines, which include guidance for drafting, scaffolding and teacher feedback, must be adhered to.

Summative external assessment

The summative external assessment adds valuable evidence of achievement to a student's profile. External assessment is:

- common to all schools
- administered under the same conditions at the same time and on the same day
- developed and marked by the QCAA according to a commonly applied marking scheme.

The external assessment contributes 25% to the student's result in Economics. It is not privileged over the school-based assessment.

1.4 Reporting standards

Reporting standards are summary statements that succinctly describe typical performance at each of the five levels (A–E). They reflect the cognitive taxonomy and objectives of the course of study. The primary purpose of reporting standards is for twice-yearly reporting on student progress. These descriptors can also be used to help teachers provide formative feedback to students and to align ISMGs.

Reporting standards

A
<p>The student demonstrates <u>accurate</u> and <u>detailed</u> comprehension of a <u>significant</u> range of economic concepts, principles and models, using <u>sophisticated</u> economic terminology.</p> <p>The student selects a <u>discerning</u> variety of data and economic information, with accurate and <u>systematic</u> acknowledgment of sources. There is a <u>comprehensive</u> analysis of economic issues with <u>considerable complexity</u> and discerning use of data and economic information to support the analysis.</p> <p>The student evaluates economic outcomes demonstrating discerning synthesis, <u>perceptive</u> conclusions and decisions with <u>critical</u> economic reasoning. They create responses that communicate economic meaning through sophisticated control of language conventions and genre, <u>concise</u> expression and <u>accomplished</u> use of diagrammatic and statistical forms.</p>
B
<p>The student demonstrates <u>considerable</u> comprehension of a <u>substantial</u> range of economic concepts, principles and models, using <u>effective</u> economic terminology.</p> <p>The student selects an effective variety of data and economic information, with a system of acknowledging sources. There is considerable analysis of economic issues with <u>some</u> complexity and effective use of data and economic information to support the analysis.</p> <p>The student evaluates economic outcomes demonstrating <u>purposeful</u> synthesis, effective conclusions and decisions with <u>detailed</u> economic reasoning. They create responses that communicate economic meaning through substantial control of language conventions and genre, and effective use of diagrammatic and statistical forms.</p>
C
<p>The student demonstrates <u>sufficient</u> comprehension of a <u>range</u> of relevant economic concepts, principles and models, using <u>adequate</u> economic terminology.</p> <p>The student selects a range of data and economic information, and uses a <u>basic</u> system of acknowledging sources. There is adequate analysis of economic issues and sufficient use of data and economic information to support the analysis.</p> <p>The student evaluates economic outcomes demonstrating adequate synthesising skills, <u>reasonable</u> conclusions and decisions, with <u>feasible</u> economic reasoning. They create responses that communicate economic meaning through adequate language conventions and genre, and <u>some</u> use of diagrammatic and statistical forms.</p>
D
<p>The student demonstrates a <u>partial</u> comprehension of economic concepts, principles and models, with few uses of economic terminology.</p> <p>The student selects a <u>narrow</u> range of data and economic information with a partial acknowledgment of sources. There are <u>obvious</u> descriptions of economic issues and a narrow use of data or economic information to support an analysis.</p> <p>The student evaluates using <u>superficial</u> judgments of economic outcomes with <u>some</u> reasons. They create responses that superficially communicate economic meaning through partial control of language conventions and genre.</p>
E
<p>The student identifies <u>aspects</u> of economic concepts, principles and/or models.</p> <p>The student selects <u>unrelated</u> or <u>irrelevant</u> data and economic information. There are aspects of analysis provided in statements about economic issues.</p> <p>The student shows aspects of evaluation in opinions or statements attempting to <u>judge</u> economic outcomes. They create responses that impede the communication of economic meaning through an <u>inconsistent</u> use of language conventions and genre.</p>

2 Unit 1: Markets and models

2.1 Unit description

In Unit 1, students understand how the fundamental economic concepts of scarcity, choice and opportunity cost compel individuals, businesses and governments to make decisions about how best to allocate resources among competing needs. The nature of the basic economic problem is examined, and the consequences of scarcity are expressed in the production possibility curve and through the choices made by modern economic systems. Students analyse the factors that impact on the economy through the circular flow of income model, and investigate the price mechanism as a model for the efficient allocation of resources.

It is crucial that the learning for this unit is studied through current economic contexts linked to the basic economic problem. Students develop an appreciation for current news in order to apply and add depth to their learning from class.

Unit requirements

The learning for this unit is divided into three separate and interrelated topics. Each is of equal importance in providing students with the knowledge and skills of the unit.

The table below outlines the notional time between topics. Topics 2 and 3 may be taught in reverse order.

Topics	Notional hours
Topic 1: The basic economic problem	16
Topic 2: Economic flows	19
Topic 3: Market forces	20

2.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

1. comprehend economic concepts, principles and models of the economic problem, economic flows and market forces
2. select data and economic information from sources relevant to economic problems, economic flows and/or market forces
3. analyse economic issues that involve economic problems, economic flows and/or market forces
4. evaluate economic outcomes relevant to economic problems, economic flows and/or market forces
5. create responses that communicate economic meaning to suit the intended purpose.

2.3 Topic 1: The basic economic problem

Notional time: 16 hours

In Topic 1, students understand the foundations of the subject in terms of scarcity and choices. Students learn key terminology as they consider the different stakeholders involved in the economy, and the basic economic problem of satisfying needs and wants. The first economic model presented in the course is the production possibility curve, which enables students to identify and examine relationships between resources and production. This topic allows students to consider finite resources and how these require choices to be made at an individual and at a national level.

Subject matter

In this topic, students will:

- **describe** key concepts using economic terminology, including the ceteris paribus assumption, choice, economic growth, economic resources, **efficiency**, factors of production, **opportunity cost**, production possibility curve (frontier), productivity and scarcity
- describe the basic **economic problem** of relative scarcity and the need for decision-making by individuals, businesses and governments at local, state, national and international levels
- **explain** the concept of opportunity cost and **recognise** its significance in decision-making, where benefits are subjectively measured against costs
- **classify** the factors of production (land, labour, capital and entrepreneurial ability) and link these to income (rent, wages, interest and profit)
- explain the concept of models in economics and how making assumptions aims to simplify and identify complex economic relationships
- **identify** assumptions and use the production possibility curve to explain, by illustrating in diagrammatic form, the concepts of scarcity, choice, opportunity cost, trade-offs, underutilisation of resources, efficiency, productivity, unemployment and economic growth
- **analyse** and **evaluate** the production possibility curve to show the effects of different economic events, e.g. improvements in health, education or productivity of labour, asymmetric technology advances, war and famine
- explain
 - ways that an economy attempts to solve the economic problem by considering the three basic economic questions — ‘what and how much to produce’, ‘how to produce’ and ‘for whom to produce’
 - the distinction between efficiency (use of resources) and equity (who owns the resources)
- **select** data and economic information, and analyse and evaluate the ways that different economic systems attempt to resolve the three economic questions, using real-world examples, e.g. Norway, Singapore, North Korea, Cuba, China, Saudi Arabia, United States and the United Kingdom
- **create** responses that **communicate** economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

2.4 Topic 2: Economic flows

Notional time: 19 hours

In Topic 2, students explore the economic idea of the economy as a system of real and monetary connections between the five key sectors, using the circular flow of income model. They analyse the forces that affect flows to and from the household, business, financial, government and overseas sectors, the effect of government decisions on the economy, and the interrelationships between each sector. This topic enables students to see links and connections in the economic system that they experience every day.

Subject matter

In this topic, students will:

- **describe** key concepts using economic terminology, including aggregate demand, aggregate supply, circular flow of income model, consumption, exports, government expenditure, gross domestic product (GDP), imports, investment, subsidy and taxes
- **construct** the five-sector circular flow of income model, and **explain** the significance of its assumptions. The diagram shows withdrawals (Savings (S), Taxation (T) and Imports (M)) in one area, with injections (Investment (I), Government Expenditure (G) and Exports (X)) in the opposite area
- explain the
 - relationship existing between the five sectors of the circular flow of income model in closed and open form, both in words and in diagrammatic form
 - components of aggregate demand: Consumption + Investment + Government Expenditure + net exports (Exports – Imports), or $C + I + G + (X - M)$
 - equilibrium condition, where injections equal withdrawals, and understand why equilibrium is not where $S = I$ and $T = G$ and $M = X$
 - connection between aggregate demand and GDP, and locate GDP on the Australian Bureau of Statistics website
 - connection between the resources and goods markets, and the business and household sectors in the circular flow of income model
 - economic cycle (business cycle) with booms and busts, and how the government can minimise fluctuations in the economic cycle (the level of complexity is less than the requirement for Units 3 and 4)
 - **paradox of thrift** (**fallacy of composition**) exposed by the circular flow of income model
- **select** data and economic information and **analyse** (the level of complexity is less than the requirement for Units 3 and 4)
 - the various forces impacting on the size of the circular flow of income, e.g. retail sales growth, business investment, exports and imports using current data from the Australian Bureau of Statistics
 - the effects of government spending and taxation on the size of the economy using aggregate demand and the circular flow of income model
 - the effects of changes in the cash rate by the Reserve Bank of Australia on aggregate demand and the circular flow of income model, and explain the meaning of **basis points** and **percentage points**
- explain the effects of changes in the factors of aggregate supply to the circular flow of income model (e.g. technology, innovation, entrepreneurship and immigration) and make connections to the production possibility curve, economic growth and employment
- analyse and **evaluate** how current and topical economic events affect various economic flows, e.g. changes to confidence levels; minimum wage; government subsidies to an industry (e.g. renewable energy, mining or agricultural); currency movements; or economic conditions in a major trading partner
- analyse and evaluate outcomes from changes in economic flows and draw **conclusions** or **make decisions**
- **create** responses that **communicate** economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

2.5 Topic 3: Market forces

Notional time: 20 hours

In Topic 3, students examine the forces of demand and supply that underlie the operation of the price mechanism in the economy. Important concepts of shortages, surpluses and elasticities are scrutinised. This topic is studied through the lens of the economic problem in a specific current Australian context and market, for example: agricultural (e.g. wool, wheat and beef); other commodities (e.g. minerals and energy); community; financial; share; labour; property/housing and health. This topic develops students' comprehension of market forces, and how they can use these to their advantage when understanding and predicting prices.

Subject matter

In this topic, students will:

- describe key concepts using economic terminology, including consumer sovereignty, elasticity, equilibrium, the law of demand and the law of supply
- describe the different characteristics of goods and services, including private, public, merit, substitute and complementary
- explain
 - the concepts of a market and of consumer sovereignty
 - and apply the theory of demand and supply to determine market equilibrium, and express in diagrammatic forms
 - the significance of the ceteris paribus assumption with respect to the law of demand and supply
- distinguish movements along from shifts of demand and supply curves; express each graphically and explain the impact on equilibrium price and quantity
- analyse the impact of non-price factors on demand and supply curves, and equilibrium price and quantity in various situations, with diagrams. Challenging economic problems and application of economic theory can be considered, e.g. how housing prices increase despite increases in supply, or how Valentine's Day flowers increase in price despite a significant increase in supply of flowers
- analyse market situations that are not in equilibrium in the short term, and express graphically to demonstrate shortage and surplus (i.e. the operation of the 'invisible hand' as explained by Adam Smith)
- explain
 - price elasticity of demand and the difference between elastic, inelastic and unitary elasticity, construct appropriate diagrams and apply to various situations
 - the factors affecting elasticity of demand, including necessities and luxuries, the existence of substitutes, the proportion of income spent on the good, and the length of time following a price change
- calculate
 - the percentage change in prices from one period to the next, using the calculation for change
 - the price elasticity of demand using the total revenue and/or point method, explain the numerical values, and relate to real economic scenarios
- analyse the significance of price elasticity of demand to consumers, business and government
- explain price elasticity of supply, and elasticities of demand (income and cross)
- select data and economic information and investigate how the price mechanism operates within a specific market
- analyse the significant components within a specific market to explore trends in prices and the relationships between supply and demand and the impacts upon price and quantity
- evaluate the effects of market forces on consumers and businesses
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

2.6 Assessment guidance

In constructing assessment instruments for Unit 1, schools should ensure that the objectives cover, or are chosen from, the unit objectives. If one assessment instrument is developed for a unit, it must assess all the unit objectives; if more than one assessment instrument is developed, the unit objectives must be covered across those instruments.

For Unit 1, suggested assessment instruments include an Examination (combination response) and an Investigation (research report).

3 Unit 2: Modified markets

3.1 Unit description

In Unit 2, students explore the imperfections within markets and the economic concept that markets do not always deliver socially desirable or efficient outcomes. They investigate the causes and effects of market failure and the measures and strategies that may be used to modify markets in attempts to maximise economic and social well-being. Various market interventions are evaluated in terms of their effectiveness in minimising the short- and long-term consequences of markets not delivering socially optimal outcomes.

Examples that focus on various causes of market failure and different types of government strategies and interventions can be used, for example:

- the ability of the Australian Competition and Consumer Commission (ACCC) and the courts to mitigate the impact of dominant firms in the market, for example the grocery, banking or petrol industries
- environmental sustainability (fisheries, pollution and waste) and economic equality (regional and individual)
- the provision of public goods (police force, public infrastructure, Australian Broadcasting Commission (ABC), Australian Prudential Regulation Authority (APRA), and Australian Securities and Investments Commission (ASIC))
- the provision of merit goods (schools, hospitals and national parks).

Unit requirements

The learning for this unit is divided into two separate and interrelated topics. Each is of equal importance in providing students with the required knowledge and skills.

The table below outlines the notional time between topics.

Topics	Notional hours
Topic 1: Markets and efficiency	21
Topic 2: Case options of market measures and strategies	34

3.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

1. comprehend economic concepts, principles and models of markets and efficiency, and market measures and strategies
2. select data and economic information from sources relevant to markets and efficiency, and market measures and strategies
3. analyse economic issues that involve markets and efficiency, and market measures and strategies
4. evaluate economic outcomes relevant to markets and efficiency, and market measures and strategies
5. create responses that communicate economic meaning to suit the intended purpose.

3.3 Topic 1: Markets and efficiency

Notional time: 21 hours

In Topic 1, students understand that markets can fail when the price mechanism results in a sub-optimal allocation of resources. They examine market failure and explore traditional and innovative measures and strategies using economic criteria, for example socially optimal and/or efficient outcomes. This topic analyses how markets may not always work efficiently and effectively, and the different choices and opportunities that exist when this phenomenon occurs.

Subject matter

In this topic, students will:

- describe key concepts using economic terminology, including allocative efficiency, productive efficiency, dynamic efficiency, externalities, incentives, market failure, monopolistic competition, perfect competition, oligopoly, monopoly, goods (public, private, merit and demerit), and signals
- describe
 - the meaning of allocative, productive and dynamic efficiency as these relate to the optimal operation of markets
 - the assumptions of a perfectly competitive market system, and outline the continuum between a perfectly competitive market and monopoly
- compare optimal versus socially desirable outcomes
- analyse the difference between complete market failure (missing markets) and partial market failure
- explain and analyse the causes and effects of market failure, including
 - how the excesses of boom and bust cycles in economic growth may result in suboptimal and socially undesirable outcomes
 - the concepts of positive and negative externalities of production and consumption with a diagrammatic representation of the welfare loss/benefit associated with them
 - how market power may create a loss of market efficiencies
 - the difference between public goods (e.g. fresh air, national security, street lighting) and private goods, why markets might not adequately provide public goods and the concept of the free rider problem
 - the ‘tragedy of the commons’ as it relates to common resources and the problem of ill-defined property rights, e.g. oceans and the atmosphere
 - how the lack of common ownership and the problems associated with global coordination limit government options when modifying markets, e.g. global warming and space junk in the outer atmosphere
 - ways in which the immobility of factors of production might lead to the misallocation of resources
 - how asymmetric (imperfect) information can lead to a misallocation of resources, e.g. adverse selection such as in the market for used cars (lemons), and moral hazard
- explain and analyse the different methods of market modification required to correct market failure, including direct and indirect taxation (e.g. Pigouvian taxes), subsidies, price floors/ceilings; in addition, suasion, tradable permits or direct state provision and regulation may be examined
- explain how the features and characteristics of the extension of property rights may resolve economic inefficiencies associated with common resources, e.g. economic exclusion zones and economic zones in national parks
- select data and economic information, and analyse and evaluate
 - how market failure can create opportunities for innovation and business
 - the tension between the costs to society of market failure and the unintended consequences of possible mitigation methods
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

3.4 Topic 2: Case options of market measures and strategies

Notional time: 34 hours, including suggested investigation assessment

In Topic 2, students study a choice of *two* of the three case options listed below of market measures and strategies to apply the economic concepts and economic ideas developed in Topic 1.

Students analyse different situations to explain the causes and effects of the market failure and the need for intervention. They evaluate strategies and/or interventions to achieve socially desirable and/or optimal outcomes.

Case option A: Market concentration

Notional time: 12 hours

Subject matter

In this case, students will:

- describe and explain the meaning of market concentration and market power, and consider allocative, productive and dynamic efficiency as these relate to the desirable operation of markets
- explain how market concentration can change over time resulting in changes to market structure, including perfect competition, monopolistic competition, oligopoly and monopoly; diagrammatic analysis is an optional extension
- select data and economic information that offer evidence of concentrated markets in Australia and other countries (e.g. banking, grocery and petroleum industries), and examine these sources to appreciate their underlying assumptions and perspectives
- explain the impact of competitive pressures on innovation and investment, resource allocation and market efficiency, using economic reasoning
- analyse and evaluate
 - private and social costs and benefits of concentrated markets (e.g. under-provision of goods, and positive and negative externalities), and support with diagrams
 - the role of the Australian Competition and Consumer Commission (ACCC) and the courts in reducing anticompetitive behaviour
 - government strategies and/or interventions to increase competition in markets to achieve more efficient market outcomes, e.g. in oligopolistic industries such as banking, grocery and petroleum, and considering different perspectives
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

Case option B: Environmental economics

Notional time: 12 hours

Subject matter

In this case, students will:

- describe and explain the meaning of ecologically sustainable development relating to allocative, productive and dynamic efficiency
- explain the environmental impacts of economic activities
- select data and economic information from a range of sources to appreciate the trade-off between economic growth and ecologically sustainable development, e.g. the environmental performance index and the environmental Kuznets curve (the optimism bias of 'grow now and clean later')
- explain the challenge of valuing externalities and ensuring these are reflected in market prices
- select data and economic information from sources that offer evidence of environmental degradation in Australia (e.g. climate change, depletion of natural resources in the long term and deterioration of common access resources), and examine these sources to appreciate their underlying assumptions and perspectives
- analyse and evaluate
 - the private/social costs versus private/social benefits of environmental degradation to determine socially optimal levels of production and/or consumption, in words and diagrammatic forms
 - government strategies and/or interventions to redress environmental degradation and significant measures to achieve economic and ecological sustainability, e.g. a carbon tax and other fiscal methods to reduce emissions, quotas on resource extraction, and rehabilitation charges
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

Case option C: Inequality

Notional time: 12 hours

Subject matter

In this case, students will:

- describe key concepts using economic terminology, including absolute and relative poverty, egalitarian society, income, transfer payments, wealth, and the welfare state
- describe a range of measures and indicators of inequality, e.g. the Lorenz curve, Gini coefficient, Henderson poverty lines, household income, mean and medium income, and equivalence scales
- explain the causes of inequality of income and wealth in Australia (e.g. educational attainment, employment status, gender, age, occupation, ethnic background, uneven distribution of factors of production, and family structure) and other factors that impact particular groups in society, e.g. Australian Aboriginal peoples and Torres Strait Islander peoples, migrants, and people living with disabilities
- select data and economic information from sources that offer evidence of the consequences of inequality in Australia. Examine these sources to appreciate their underlying assumptions and perspectives
- analyse and evaluate
 - the private and social costs and benefits of pursuing a redistribution of income and wealth, e.g. taxation, transfer payments, subsidisation of merit goods and other assistance
 - government strategies and/or interventions to address inequality and measures aimed at alleviating inequality and improving living standards, e.g. taxation, transfer payments, subsidising of merit goods and other assistance
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

3.5 Assessment guidance

In constructing assessment instruments for Unit 2, schools should ensure that the objectives cover, or are chosen from, the unit objectives. If one assessment instrument is developed for a unit, it must assess all the unit objectives; if more than one assessment instrument is developed, the unit objectives must be covered across those instruments.

For Unit 2, suggested assessment instruments include an Examination (extended response to stimulus).

4 Unit 3: International economics

4.1 Unit description

In Unit 3, students focus on the complex ideas and relationships underlying the international economy and the impact that these have on Australia’s domestic economy and decision-making. Students consider Australia’s engagement in international trade and the global economy, including the theories behind trade and exchange rates. International economic issues involving trade barriers and the balance of payments are investigated from a theoretical and contemporary viewpoint, and form the basis of student-led research.

Current economic events and economic measurements will be used to support and develop understanding in this unit. Students will understand measurements of economic data and how to calculate changes in percentages.

Unit requirements

The learning for this unit is divided into two separate and interrelated topics. Each topic is of equal importance in providing students with the required knowledge and skills.

The table below outlines the notional time between topics, including assessments.

There are two assessment instruments in this unit.

Topics and assessments	Notional hours
Topic 1: The global economy	25
Summative internal assessment 1: Examination — combination response	2
Topic 2: International economic issues	18
Summative internal assessment 2: Investigation — research report	10

4.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

Unit objective	IA1	IA2
1. <u>comprehend</u> economic <u>concepts</u> , <u>principles</u> and <u>models</u> of the global economy and international economic issues	•	•
2. <u>select</u> data and economic information from sources relevant to international economic issues		•
3. <u>analyse economic issues</u> that involve the global economy and international economic issues	•	•
4. <u>evaluate economic outcomes</u> relevant to the global economy and international economic issues	•	•
5. <u>create</u> responses that <u>communicate</u> economic meaning to suit the intended purpose.		•

4.3 Topic 1: The global economy

Notional time: 25 hours

In Topic 1, students understand the dynamic nature and extent of Australia's global interconnections. They examine the reasons for international trade and Australia's place in the global economy. Current statistics are analysed to reveal relationships, patterns and trends that cause and affect economic integration. Economic models are used to analyse movements in exchange rates over time and evaluate the consequent impacts on the domestic economy.

Subject matter

In this topic, students will:

- describe key concepts using economic terminology, including absolute advantage, comparative advantage, competitive advantage, currency devaluation, currency revaluation, economic integration, economic union, exchange rate appreciation and depreciation, external stability, internal stability, factor endowment, exchange rates (fixed, floating and managed), free trade, globalisation, sustainable economic growth, and trade liberalisation
- recall the concept of an open economy and explain how it operates in terms of the circular flow of income model
- explain the advantages and disadvantages of international trade, and how trade can impact economic policy, including the pursuit of sustainable economic growth, and external and internal stability
- analyse the composition and direction of Australia's trade patterns (e.g. the five largest importers and exporters), compare them to emerging patterns and trends in international trade, and calculate the percentage change from one period to the next
- explain the
 - development and contemporary relevance of trade theories, including the economic theories of absolute (see Adam Smith), comparative (see David Ricardo) and competitive advantage (see Michael Porter), and apply using relevant diagrams and models
 - factors that have contributed to the growth of multi-company and multinational supply chain integration, e.g. the location of natural factor endowments; digital and other innovation; infrastructure (including logistics); and government incentives
 - factors that have contributed to globalisation and current international trade patterns, including: technology; multi-national corporations; regional trading blocs; and deregulation of financial capital markets and of non-government institutions, e.g. the World Trade Organization, International Monetary Fund and World Bank
- define an exchange rate and explain the factors underlying the demand and supply of a currency
- distinguish between a fixed, floating and managed exchange rate system
- construct diagrams to explain the demand and supply factors influencing a floating exchange rate
- select data and economic information, and analyse and evaluate
 - effects of changes in Australia's terms of trade on the economy from a range of perspectives
 - causes of exchange rate appreciation or depreciation movements
- evaluate government policy responses to exchange rate movements and changing trade relationships using criteria e.g. employment in trade-exposed industries, economic growth (nationally or in state or local regions), efficiency (allocative and dynamic costs), and importation of goods and services
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

4.4 Topic 2: International economic issues

Notional time: 18 hours

In Topic 2, students explore two major factors affecting Australia's trade relationships with the rest of the world. Firstly, economic ideas and models are used to examine the impacts of different barriers to trade, and the economic tensions they create. Second, trends in the balance of payment accounts are analysed to evaluate the implications for the Australian economy.

Subject matter

In this topic, students will:

- describe key concepts using economic terminology, including balance of payments, balance of trade, capital and financial account, current account deficit, current account, foreign investment, foreign debt, free trade agreements, trading blocs, methods of trade protection, and terms of trade
- explain the methods of protection employed by nations, and construct supply and demand diagrams to demonstrate the effect of methods of trade protection, including tariffs and non-tariff barriers (e.g. subsidies, quotas and bureaucratic requirements)
- evaluate the economic arguments for and against protectionism and trade liberalisation responses from different viewpoints using economic criteria (e.g. economic efficiency, economic growth, living standards or resource allocation) to draw conclusions or make decisions about the relative merits of trade policy alternatives
- explain different trade agreements that Australia has, including bilateral, regional and multilateral agreements
- select data and economic information, and analyse and evaluate the contemporary role of 'free trade' agreements and their impact on Australia's international trade (e.g. trade creation and trade diversion) and the domestic economies of the nations involved
- evaluate the economic outcomes of international trading bloc agreements (e.g. Australia–New Zealand Closer Economic Relations Trade Agreement (CER), European Union (EU), North American Free Trade Agreement (NAFTA), (ASEAN)–Australia–New Zealand Free Trade Agreement (AANZFTA)) on Australian economic growth, and decide on the net benefits using economic criteria, e.g. economic efficiency, economic growth, living standards or resource allocation
- explain
 - and classify a country's international transactions into current and capital account statements
 - the significance of foreign investment to Australian economic development, e.g. to finance mining booms
- select data and economic information and
 - analyse the patterns of Australia's balance of payments including the current account and balance of trade over the last 5 or 10 years, including the percentage change
 - investigate the causes and effects of Australian current and capital account trends
 - evaluate the significance of movements within the balance of payments on the domestic economy, from a variety of perspectives, e.g. import and export suppliers, and buyers
 - analyse and evaluate the significance of Australia's foreign debt position and foreign investment longitudinally
- create responses that communicate economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraphs and extended responses.

4.5 Assessment

4.5.1 Summative internal assessment 1 (IA1): Examination — combination response (25%)

Description

The examination assesses the application of a range of cognitions to multiple provided items: questions, scenarios and problems.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend economic concepts, principles and models of exchange rates, international trade patterns and trade theories
3. analyse an economic issue that involves exchange rates, trade patterns and/or trade theories
4. evaluate an economic outcome relevant to exchange rates, trade patterns and/or trade theories.

Note: Objectives 2 and 5 are not assessed in this instrument.

Specifications

The examination includes a combination of multiple choice questions, short-response and extended-response items relating to Unit 3 Topic 1: The global economy.

To maintain the validity of the examination, the items cannot have been specifically practised or rehearsed in class. Unseen materials or items must not be copied from information or texts that students have previously been exposed to or have used in class.

Part A — Comprehending

Short-response items that include:

- five multiple choice questions
- five to eight short response items that may include
 - explanation, measurement, calculation, drawing, labelling and annotating diagrams and graphs
 - responses may take the form of diagrams and graphs, sentences and/or paragraphs as required by each item.

Stimulus specifications

Stimulus materials may be used but are not required. If stimuli are used, care must be taken to ensure that items assess comprehension of knowledge, not analysis.

Part B — Analysing and evaluating

One extended response item in response to unseen stimulus with:

- appropriate scope and scale to allow students to demonstrate their skills of analysis and evaluation
- multiple possible responses from the stimulus provided.

Stimulus specifications

Stimulus materials that are unseen and:

- are succinct enough to engage with in the planning time and fit on one side of an A3 page or equivalent
- should consist of a minimum of four different stimuli from a range of visual texts, e.g. graphs, diagrams, infographics, images, statistics and minimal text (no greater than 100 words in any text stimuli).

Conditions

- Time: 2 hours plus 15 minutes planning time.
- Length:
 - multiple-choice items
 - short-response items — 50–100 words
 - extended-response item — 400–500 words
 - examination in its entirety — 800–1000 words.
- Rulers free from markings other than measurement indicators are permitted.
- Non-programmable calculator permitted.

Summary of the instrument-specific marking guide

The following table summarises the criteria, assessment objectives and mark allocation for the Examination — combination response.

Criterion	Objectives	Marks
Part A — Comprehending	1	10
Part B — Analysing	3	8
Part B — Evaluating	4	7
Total		25

Instrument-specific marking guide

Criterion: Part A — Comprehending

Assessment objective

1. comprehend economic concepts, principles and models of exchange rates, international trade patterns and trade theories

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • <u>accurate</u> and <u>detailed</u> identification of the essential features of exchange rates, international trade patterns and trade theories • <u>perceptive</u> application of economic concepts, principles and models to exchange rates, international trade patterns and trade theories • <u>precise</u> use of economic terminology. 	9–10
<ul style="list-style-type: none"> • <u>effective</u> identification of the essential features of exchange rates, international trade patterns and trade theories • effective application of economic concepts, principles and models to exchange rates, trade patterns and trade theories • effective use of economic terminology. 	7–8
<ul style="list-style-type: none"> • <u>adequate</u> identification of the features of exchange rates, international trade patterns and trade theories • adequate application of economic concepts, principles and models to exchange rates, international trade patterns and trade theories • adequate use of economic terminology. 	5–6
<ul style="list-style-type: none"> • <u>partial</u> identification of the features of exchange rates, international trade patterns and international trade theories • partial application of economic concepts, principles and/or models to exchange rates, international trade patterns and trade theories • <u>narrow</u> use of economic terminology. 	3–4
<ul style="list-style-type: none"> • identification of <u>aspects</u> of exchange rates, international trade patterns and/or trade theories • identification of aspects of economic concepts, principles or models • <u>inconsistent</u> or <u>unclear</u> use of terminology. 	1–2
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Part B — Analysing

Assessment objective

3. analyse an economic issue that involves exchange rates, trade patterns and/or trade theories

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • <u>discerning</u> interpretation of patterns and trends in exchange rates and/or trade data and economic information • discerning explanation of economic relationships involving exchange rates and/or Australia's place in the global economy • <u>perceptive</u> use of data and economic information to support the analysis. 	7–8
<ul style="list-style-type: none"> • <u>effective</u> interpretation of patterns and trends in exchange rates and/or trade data and economic information • effective explanation of relationships involving exchange rates and/or Australia's place in the global economy • effective use of data and economic information to support the analysis. 	5–6
<ul style="list-style-type: none"> • <u>adequate</u> interpretation of patterns and trends in exchange rates and/or trade data and economic information • adequate explanation of international trade relationships • adequate use of data and/or economic information within the analysis. 	3–4
<ul style="list-style-type: none"> • <u>superficial</u> descriptions of patterns and/or trends in exchange rates and/or trade data or economic information • superficial identification of <u>elements</u> of international trade relationships • <u>narrow</u> or <u>inconsistent</u> use of data and/or economic information. 	1–2
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Part B — Evaluating

Assessment objective

4. evaluate an economic outcome relevant to exchange rates, trade patterns and/or trade theories

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>discerning</u> synthesis of economic ideas and/or perspectives to support the conclusion or decision• <u>perceptive</u> conclusion drawn or decision made about exchange rates, trade patterns and/or trade theories, based on the use of relevant economic criteria• <u>critical</u> economic reasoning and justification.	6–7
<ul style="list-style-type: none">• <u>effective</u> synthesis of economic ideas and/or perspectives to support the conclusion or decision• effective conclusion drawn or decision made about exchange rates, trade patterns and/or trade theories, based on the use of relevant economic criteria• <u>feasible</u> economic reasoning and justification.	4–5
<ul style="list-style-type: none">• description of ideas and/or perspectives that link to the conclusion or decision• <u>reasonable</u> conclusion drawn or decision made, based on economic criteria/criterion• <u>identification</u> of some economic reasoning.	2–3
<ul style="list-style-type: none">• opinions and statements about economic ideas or <u>unclear</u> conclusion.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

4.5.2 Summative internal assessment 2 (IA2): Investigation — research report (25%)

Description

The assessment requires students to research a current economic issue through collection, analysis and synthesis of primary and secondary data, information and sources. A research report uses research practices to assess a range of cognitions in a particular context. Research practices include locating and using information beyond students' own knowledge and the data they have been given.

Students are encouraged to use technology, for example word processors, spreadsheet programs and economic databases, to increase their productivity during the investigation:

- as a means of locating data and information
- as an aid in recording sources and notes
- assisting analytical processes, for example graphing and/or exposing patterns or trends
- assisting with the drafting process and production of the final response.

Assessment objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend economic concepts, principles and models of trade protection, trade agreements and/or the balance of payments
2. select data and economic information from sources relevant to trade protection, trade agreements and/or the balance of payments
3. analyse an economic issue that involves trade protection, trade agreements and/or the balance of payments
4. evaluate an economic outcome relevant to trade protection, trade agreements and/or the balance of payments
5. create a response that communicates economic meaning to suit the intended purpose in a research report.

Specifications

The research report focuses on Unit 3, Topic 2: International economic issues. The context of the assessment is a contemporary international economic issue of national, state and/or regional significance to Australia.

Students are required to locate and select data and economic information from current, accurate and reliable primary and/or secondary sources, for example a variety of government and other institutional websites, published reports, media articles and expert commentaries.

The extended-response item given to students must elicit a variety of possible responses.

Conditions

- Time:
 - 4 weeks, including 10 hours of the time allocation for Unit 3
 - students may use class time and their own time to develop a response.
- Length: 1500–2000 words.

Summary of the instrument-specific marking guide

The following table summarises the criteria, objectives and mark allocation for the Investigation — research report.

Criterion	Objectives	Marks
Comprehending	1	5
Selecting	2	4
Analysing	3	6
Evaluating	4	6
Creating a response	5	4
Total		25

Instrument-specific marking guide

Criterion: Comprehending

Assessment objective

1. comprehend economic concepts, principles and models of trade protection, trade agreements and/or the balance of payments

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • <u>comprehensive</u> identification of essential features of trade protection, trade agreements and/or the balance of payments • <u>perceptive</u> application of economic concepts, principles and models to the trade protection, trade agreements and/or the balance of payments issue • <u>precise</u> use of economic terminology. 	4–5
<ul style="list-style-type: none"> • <u>effective</u> identification of features of trade protection, trade agreements and/or the balance of payments • effective application of economic concepts, principles and/or models to the trade protection, trade agreements and/or the balance of payments issue • <u>adequate</u> use of economic terminology. 	2–3
<ul style="list-style-type: none"> • identification of <u>some</u> economic concepts, principles or models. 	1
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Selecting

Assessment objective

2. select data and economic information from sources relevant to trade protection, trade agreements and/or the balance of payments

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • <u>discerning</u> choice of current, accurate and reliable data and economic information from primary and/or secondary sources relevant to trade protection, trade agreements and/or the balance of payments • <u>perceptive</u> use of data and economic information • <u>consistent</u> and <u>accurate</u> documentation of data and economic information in the form of a reference list and citations. 	3–4
<ul style="list-style-type: none"> • <u>adequate</u> choice of current, accurate and/or reliable data and economic information from primary and/or secondary sources relevant to trade protection, trade agreements and/or the balance of payments • adequate use of data and economic information • <u>some</u> documentation of data and economic information in the form of a reference list and/or citations. 	2
<ul style="list-style-type: none"> • <u>narrow</u> use of data and/or economic information. 	1
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Analysing

Assessment objective

3. analyse an economic issue that involves trade protection, trade agreements and/or the balance of payments

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>discerning</u> interpretation of patterns and trends in trade protection, trade agreements and/or balance of payment data and economic information• discerning explanation of international trade relationships• <u>perceptive</u> use of data and economic information to support the analysis.	5–6
<ul style="list-style-type: none">• <u>effective</u> interpretation of patterns and trends in trade protection, trade agreements and/or balance of payment data and economic information• effective explanation of international trade relationships• <u>adequate</u> use of data and economic information to support the analysis.	3–4
<ul style="list-style-type: none">• <u>superficial</u> description of patterns and/or trends in trade protection, trade agreements and/or balance of payment data and/or economic information• superficial identification of international trade relationships• <u>narrow</u> or <u>inconsistent</u> use of data and/or economic information.	1–2
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Evaluating

Assessment objective

4. evaluate an economic outcome relevant to trade protection, trade agreements and/or the balance of payments

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>discerning</u> synthesis of economic ideas and perspectives to support the conclusion or decision• <u>perceptive</u> conclusion drawn or decision made about trade protection, trade agreements and/or the balance of payments, based on the use of relevant economic criteria• <u>critical</u> economic reasoning and justification.	5–6
<ul style="list-style-type: none">• <u>effective</u> synthesis of economic ideas and/or perspectives to support the conclusion or decision• effective conclusion drawn or decision made about trade protection, trade agreements and/or the balance of payments, based on the use of relevant economic criteria• <u>feasible</u> economic reasoning and justification.	3–4
<ul style="list-style-type: none">• opinions and statements about either economic ideas or perspectives• <u>superficial</u> conclusion or decision made about trade protection, trade agreements and/or the balance of payments• identification of <u>some</u> reasons for the conclusion or decision.	1–2
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Creating a response

Assessment objective

5. create a response that communicates economic meaning to suit the intended purpose in a research report

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>concise</u> expression and development of relevant ideas that enhance economic meaning and <u>effective</u> use of graphs, diagrams and/or statistics• features of a report genre are <u>consistently</u> demonstrated• minimal errors in spelling, grammar and punctuation.	3–4
<ul style="list-style-type: none">• <u>adequate</u> expression and development of ideas that convey economic meaning and <u>some</u> use of graphs, diagrams and/or statistics• features of a report genre are demonstrated• <u>some</u> errors in spelling, grammar and punctuation.	2
<ul style="list-style-type: none">• <u>some</u> elements of report formatting and <u>inconsistent</u> use of language conventions.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

5 Unit 4: Contemporary macroeconomics

5.1 Unit description

In Unit 4, students concentrate on the practical application of the Australian Government's domestic macroeconomic objectives. They investigate the performance of the economy by focusing on the concept of the economic cycle, and analysing a variety of economic indicators to evaluate the nation's current position in the economic cycle. Students examine aggregate demand and supply to model the level of output in the economy and its relationship to the government's current macroeconomic objectives. Available policy instruments are analysed and evaluated in order to draw conclusions or make decisions about the relevant policy mix with reference to the current economic climate.

Current economic events and economic measurements will be used to support and develop understanding in this unit. Students will understand measurements of data, how different economic indicators are measured, and basis point or percentage point movements.

Unit requirements

The learning for this unit is divided into two separate and interrelated topics. Each topic is of equal importance in providing students with the required knowledge and skills.

The table below outlines the notional time between topics, including assessments.

There are two assessment instruments in this unit.

Topics and assessments	Notional hours
Topic 1: Macroeconomic objectives and theory	26
Summative internal assessment 3: Examination — extended response to stimulus	2
Topic 2: Economic management	25
Summative external assessment: Examination — combination response	2

5.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

Unit objective	IA3	EA
1. <u>comprehend</u> economic <u>concepts</u> , <u>principles</u> and <u>models</u> of macroeconomic objectives and economic management	•	•
2. <u>select</u> data and economic information from sources relevant to macroeconomic objectives	•	
3. <u>analyse economic issues</u> that involve macroeconomic objectives and economic management	•	•
4. <u>evaluate economic outcomes</u> relevant to macroeconomic objectives and economic management	•	•
5. <u>create</u> responses that <u>communicate</u> economic meaning to suit the intended purpose.	•	

5.3 Topic 1: Macroeconomic objectives and theory

Notional time: 26 hours

In Topic 1, students study the primary macroeconomic objectives of the Australian Government and consider these in context as they examine recent economic patterns and trends. They connect this knowledge to a variety of economic concepts and models in determining national production, income, expenditure and employment. As a consequence, students become cognisant of the significance of economic indicators and their interrelationships.

Subject matter

In this topic, students will:

- **describe** key concepts using economic terminology, including consumer price index; deflation; headline and underlying inflation; labour force underutilisation; leading, lagging and coincident indicators; marginal propensities to consume and save; the multiplier; nominal and real gross domestic product; non-accelerating inflation rate of unemployment; participation rate; price stability; stagflation; and unemployment rate
- **distinguish** nominal and real gross domestic production, wages and interest rates
- **recall** the circular flow of income model, the components of aggregate demand (represented by Consumption + Investment + Government + Net exports (Exports – Imports) or $C + I + G + (X - M)$) and the key factors affecting these components
- **explain**
 - the factors affecting both the short- and long-run aggregate demand and supply
 - and **apply** the aggregate demand/aggregate supply model to determine the overall price level and equilibrium level of real output in an economy
 - the concept of the multiplier effect and **calculate** the value of the simple Keynesian multiplier, in terms of the marginal propensity to consume
 - the four phases of the economic cycle, in the context of macroeconomic objectives
 - policy tools that are used to influence the achievement of economic objectives, including the Reserve Bank of Australia, the federal budget and microeconomic policies
- **examine** and **categorise** economic indicators of economic performance, including leading, lagging, and coincident descriptors, using current data from objective sources, e.g. the Australian Bureau of Statistics (ABS) and the Reserve Bank of Australia (RBA)
- examine the accuracy, reliability and efficacy of common indicators used to measure macroeconomic objectives
- **select** data and economic information and investigate key economic indicators in order to assess the position of the Australian economy on the economic cycle
- describe the macroeconomic objectives of sustainable economic growth: full employment; price stability; external stability; sustainable development; and improved living standards
- **analyse** the importance, causes and effects of the following to different groups and stakeholders
 - unemployment, including cyclical, structural, frictional, seasonal, natural, hard-core, hidden, long-term and voluntary, and underemployment
 - inflation, including demand-pull, cost-push and imported, and inflation expectations
- analyse and **evaluate** the benefits and costs of economic growth
- calculate the rate of real economic growth, rate of unemployment, labour force participation rate, and changes
- analyse the relationship between the economic cycle and economic objectives, and explain inherent trade-offs, conflicting objectives, and **intertemporal** relationships, including the short- and long-run Phillips curve
- evaluate the Australian Government's economic management and achievement of its macroeconomic objectives in the last 10 years
- **create** responses that **communicate** economic meaning using data, information, graphs and diagrams to suit the intended purpose in paragraph and extended responses.

5.4 Topic 2: Economic management

Notional time: 25 hours

In Topic 2, students examine policy choices made by the Australian Government in response to data and information about the current level of economic activity. This topic has three sub-topics, each of which focuses on an aspect of policy decision-making based on demand management and supply-side economic ideas and perspectives. All models used in the course of study support the subject matter of this unit, including the production possibility curve, circular flow of income model, and demand and supply model.

Subject matter

In this topic, students will:

- determine a rationale for the government to develop and implement macroeconomic policies, including the stabilisation of the economic cycle and the attainment of the range of economic objectives
- distinguish between demand management and supply side policies and their limitations including time lags, global influences and political constraints.

This topic has three sub-topics that each focus on an aspect of policy decision-making.

Sub-topic A: Demand management policies — fiscal policy

In this sub-topic, students will:

- summarise the sources of government income (direct and indirect taxation, revenue from government enterprises and sale of government assets) and the components of government expenditure (current, capital and transfer payments) in the federal budget
- analyse the role of automatic stabilisers and the role of discretionary spending in influencing aggregate demand and stabilising the economic cycle, and apply using diagrams
- investigate recent Australian federal budget outcomes to analyse the causes and effects of expansionary and contractionary fiscal policy stances
- analyse and evaluate the effectiveness of fiscal policy responses in achieving the government's economic objectives of sustainable economic growth, internal and external stability in order to improve living standards.

Sub-topic B: Demand management policies — monetary policy

In this sub-topic, students will:

- explain the role of the Reserve Bank of Australia (RBA) and the objectives of monetary policy, as outlined in its charter
- understand the concept of inflation targeting and the significance of cash rate changes on the level of economic activity, and include discussion of percentage change and basis point change
- examine the transmission mechanism of monetary policy and its influence on the level of aggregate demand
- analyse and evaluate the impact of different monetary policy stances on the levels of aggregate demand and the government's economic objectives of sustainable economic growth, internal and external stability
- analyse and evaluate the effectiveness of monetary policy responses in contributing to the government's economic objectives.

Subject matter

Sub-topic C: Microeconomic policies

In this sub-topic, students will:

- describe the nature, operation and aims of aggregate supply policies (microeconomic reforms), and explain their relationship to domestic macroeconomic objectives
- recall and apply the production possibility curve and long-run aggregate supply curve to microeconomic policies
- explain the historical significance of aggregate supply policies to Australia's economic growth and development, e.g. prices and income accord, financial industry deregulation, and floating of the exchange rate
- analyse at least one recent microeconomic policy aimed at improving Australia's economic growth through efficiency or competitiveness, including at least one of the following initiatives: investment in infrastructure; investment in education and training; research and development; innovation, deregulation and competition policy; welfare and taxation reform; privatisation of government business enterprises; and labour market reform
- analyse and evaluate the effectiveness of microeconomic policy responses in achieving the government's economic objectives.

5.5 Assessment

5.5.1 Summative internal assessment 3 (IA3): Examination — extended response to stimulus (25%)

Description

The assessment is a supervised test that assesses the application of a range of cognitions to a provided problem, question or issue.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend economic concepts, principles and models of macroeconomic objectives and theory
2. select data and economic information from sources relevant to macroeconomic objectives
3. analyse an economic issue that involves macroeconomic objectives
4. evaluate an economic outcome relevant to macroeconomic objectives
5. create a response that communicates economic meaning to suit the intended purpose in an analytical essay.

Specifications

The examination focuses on Unit 4, Topic 1: Macroeconomic objectives and theory. The context of the assessment is a contemporary macroeconomic issue that is of national, state and/or regional significance to Australia.

The examination requires an analytical essay response to one unseen item using seen and unseen stimulus materials.

Students are required to select current, accurate and reliable primary and/or secondary data and economic information from the variety of sources provided within the assessment instrument, for example a variety of government and other institutional websites, published reports, media articles and expert commentaries.

The scope and scale of the assessment must allow students to demonstrate their skills of analysis and evaluation within the time limit and word length. The item must allow responses to focus on depth rather than breadth.

The extended-response item and stimulus materials (seen and unseen) must elicit a variety of possible responses. The range of data and economic information within the stimulus materials must allow students to show discernment in their choices.

Stimulus

- Stimulus materials must
 - be composed of 4–6 seen stimuli and 2–3 unseen stimuli
 - include visual stimulus and data, as well as text
 - fit on both sides of two A3-size pages or equivalent.
- A clean copy of seen and unseen stimulus materials is to be provided at the start of the examination. Students must not bring a previously provided copy of seen stimulus materials into the examination.

Seen stimulus

- Stimulus materials are provided to students 5–7 calendar days prior to the examination and teachers must not discuss these with students, whether individually or as a class.

Unseen stimulus

- Unseen stimulus materials must
 - be succinct enough to give students sufficient time to engage with them during the examination.
 - include information that is critical to the item, so that students cannot write pre-prepared responses.
- To maintain the validity of the examination, the item cannot have been specifically practised or rehearsed in class. Unseen materials and the item must not be copied from information or texts that students have previously been exposed to or have directly used in class.

Conditions

- Time: 2 hours plus 15 minutes planning time.
- Length: 800–1000 words.
- Rulers free from markings other than measurement indicators are permitted.
- Non-programmable calculator permitted.

Summary of the instrument-specific marking guide

The following table summarises the criteria, assessment objectives and mark allocation for the Examination — extended response to stimulus.

Criterion	Objectives	Marks
Comprehending	1	5
Selecting	2	4
Analysing	3	6
Evaluating	4	6
Creating a response	5	4
Total		25

Instrument-specific marking guide

Criterion: Comprehending

Assessment objective

1. comprehend economic concepts, principles and models of macroeconomic objectives and theory

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>comprehensive</u> identification of the essential features of macroeconomic objectives and theory• <u>perceptive</u> application of economic concepts, principles and models• <u>precise</u> use of economic terminology.	4–5
<ul style="list-style-type: none">• <u>effective</u> identification of features of macroeconomic objectives and theory• <u>effective</u> application of economic concepts, principles and/or models• <u>adequate</u> use of economic terminology.	2–3
<ul style="list-style-type: none">• identification of <u>some</u> economic concepts, principles or models.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Selecting

Assessment objective

2. select data and economic information from sources relevant to macroeconomic objectives

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>discerning</u> choice of current, accurate and reliable data and economic information from sources relevant to macroeconomic objectives• <u>perceptive</u> use of data and economic information from seen and unseen sources• <u>consistent</u> and <u>accurate</u> documentation of data and economic information in the form of citations.	3–4
<ul style="list-style-type: none">• <u>adequate</u> choice of current, accurate and reliable data and economic information from sources relevant to macroeconomic objectives• <u>adequate</u> use of data and economic information from seen and unseen sources• <u>some</u> documentation of data and economic information in the form of citations.	2
<ul style="list-style-type: none">• <u>narrow</u> use of data and economic information from seen or unseen sources.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Analysing

Assessment objective

3. analyse an economic issue that involves macroeconomic objectives

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>discerning</u> interpretation of patterns and trends in data and economic information• discerning explanation of macroeconomic relationships• <u>perceptive</u> use of data and economic information to support the analysis.	5–6
<ul style="list-style-type: none">• <u>effective</u> interpretation of patterns and trends in data and economic information• effective explanation of macroeconomic relationships• <u>adequate</u> use of data and economic information to support the analysis.	3–4
<ul style="list-style-type: none">• <u>superficial</u> description of patterns and/or trends in data and/or economic information• superficial identification of macroeconomic relationships• <u>narrow</u> or <u>inconsistent</u> use of data and/or economic information.	1–2
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Evaluating

Assessment objective

4. evaluate an economic outcome relevant to macroeconomic objectives

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>discerning</u> synthesis of economic ideas and perspectives to support the conclusion or decision• <u>perceptive</u> conclusion drawn or decision made about macroeconomic objectives, based on the use of relevant economic criteria• <u>critical</u> economic reasoning and justification.	5–6
<ul style="list-style-type: none">• <u>effective</u> synthesis of economic ideas and/or perspectives to support the conclusion or decision• effective conclusion drawn or decision made about macroeconomic objectives, based on the use of relevant economic criteria• <u>feasible</u> economic reasoning and justification.	3–4
<ul style="list-style-type: none">• opinions and statements about either economic ideas or perspectives• <u>superficial</u> conclusion or decision about macroeconomic objectives• identification of <u>some</u> reasons for the conclusion or decision.	1–2
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Creating a response

Assessment objective

5. create a response that communicates economic meaning to suit the intended purpose in an analytical essay.

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>concise</u> expression and <u>logical</u> development of relevant ideas that enhance economic meaning, and <u>effective</u> use of graphs, diagrams and/or statistics• features of an analytical essay genre are <u>consistently</u> demonstrated• minimal errors in spelling, grammar and punctuation.	3–4
<ul style="list-style-type: none">• <u>adequate</u> expression and development of ideas that convey economic meaning and <u>some</u> use of graphs, diagrams and/or statistics• features of an analytical essay genre are demonstrated• <u>some</u> errors in spelling, grammar and punctuation.	2
<ul style="list-style-type: none">• <u>some</u> elements of essay formatting and <u>inconsistent</u> use of language conventions.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

5.5.2 Summative external assessment (EA): Examination — combination response (25%)

General information

Summative external assessment is developed and marked by the QCAA. In Economics it contributes 25% to a student's overall subject result.

The external assessment in Economics is common to all schools and administered under the same conditions, at the same time, on the same day.

Description

The examination assesses the application of a range of cognitions to multiple provided items — questions, scenarios and problems.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend economic concepts, principles and models of economic management
3. analyse an economic issue that involves economic management
4. evaluate an economic outcome relevant to economic management

Note: Objectives 2 and 5 are not assessed in this instrument.

Specifications

The examination includes a combination of multiple-choice, short-response and extended-response items relating to Unit 4, Topic 2: Economic management.

Students respond to:

- multiple-choice and short-response items. Responses may take the form of diagrams and graphs, sentences and/or paragraphs as required by each item.
- unseen stimulus for one extended-response item which assesses analysis and evaluation objectives. The stimulus will include text and/or visual stimulus.

Conditions

- Time: 2 hours plus 15 minutes planning time.
- Length:
 - multiple-choice items
 - short-response items — 50–250 words per item
 - extended-response item — 400–600 words
 - examination in its entirety — 800–1000 words.
- Rulers free from markings other than measurement indicators are permitted.
- Non-programmable calculator permitted.

Summary of the external assessment

The following table summarises the criteria, assessment objectives and approximate weighting of items within the examination.

Criterion	Objectives	Approximate weighting
Comprehending	1	40%
Analysing	3	30%
Evaluating	4	30%
Total		100%

Instrument-specific marking guide

No ISMG is provided for the external assessment.

6 Glossary

Term	Explanation
A	
accomplished	highly trained or skilled in a particular activity; perfected in knowledge or training; expert
accuracy	the condition or quality of being true, correct or exact; freedom from error or defect; precision or exactness; correctness; in science, the extent to which a measurement result represents the quantity it purports to measure; an accurate measurement result includes an estimate of the true value and an estimate of the uncertainty
accurate	precise and exact; to the point; consistent with or exactly conforming to a truth, standard, rule, model, convention or known facts; free from error or defect; meticulous; correct in all details
adept	very/highly skilled or proficient at something; expert
adequate	satisfactory or acceptable in quality or quantity equal to the requirement or occasion
analyse	dissect to ascertain and examine constituent parts and/or their relationships; break down or examine in order to identify the essential elements, features, components or structure; determine the logic and reasonableness of information; examine or consider something in order to explain and interpret it, for the purpose of finding meaning or relationships and identifying patterns, similarities and differences
analytical essay	analyses questions and then draws conclusions in an evaluation of an issue; in an analytical structure, the issue is divided into different components, which are discussed, explained, and/or compared in paragraphs or sections, and which demonstrate a balance of ideas, rather than one viewpoint
applied learning	the acquisition and application of knowledge, understanding and skills in real-world or lifelike contexts that may encompass workplace, industry and community situations; it emphasises learning through doing and includes both theory and the application of theory, connecting subject knowledge and understanding with the development of practical skills
Applied subject	a subject whose primary pathway is work and vocational education; it emphasises applied learning and community connections; a subject for which a syllabus has been developed by the QCAA with the following characteristics: results from courses developed from Applied syllabuses contribute to the QCE; results may contribute to ATAR calculations
apply	use knowledge and understanding in response to a given situation or circumstance; carry out or use a procedure in a given or particular situation
appraise	evaluate the worth, significance or status of something; judge or consider a text or piece of work
appreciate	recognise or make a judgment about the value or worth of something; understand fully; grasp the full implications of

Term	Explanation
appropriate	acceptable; suitable or fitting for a particular purpose, circumstance, context, etc.
apt	suitable to the purpose or occasion; fitting, appropriate
area of study	a division of, or a section within a unit
argue	give reasons for or against something; challenge or debate an issue or idea; persuade, prove or try to prove by giving reasons
aspect	a particular part of a feature of something; a facet, phase or part of a whole
assess	measure, determine, evaluate, estimate or make a judgment about the value, quality, outcomes, results, size, significance, nature or extent of something
assessment	purposeful and systematic collection of information about students' achievements
assessment instrument	a tool or device used to gather information about student achievement
assessment objectives	drawn from the unit objectives and contextualised for the requirements of the assessment instrument (see also 'syllabus objectives', 'unit objectives')
assessment technique	the method used to gather evidence about student achievement, (e.g. examination, project, investigation)
astute	showing an ability to accurately assess situations or people; of keen discernment
ATAR	Australian Tertiary Admission Rank
authoritative	able to be trusted as being accurate or true; reliable; commanding and self-confident; likely to be respected and obeyed
B	
balanced	keeping or showing a balance; not biased; fairly judged or presented; taking everything into account in a fair, well-judged way
basic	fundamental
basis point	one-hundredth of one percentage point, used when expressing differences in percentages such as cash rates, e.g. if the Reserve Bank of Australia lifts the cash rate by 25 basis points, it would move from 2.5% to 2.75%
bias	in decision-making, a systematic deviation from expected or rational choice, when making a decision or drawing a conclusion
C	
calculate	determine or find (e.g. a number, answer) by using mathematical processes; obtain a numerical answer showing the relevant stages in the working; ascertain/determine from given facts, figures or information
calculation for change	formula for determining change from one period to the next: $\frac{Y_2 - Y_1}{Y_1} \times 100 = X\% \text{ change}$

Term	Explanation
categorise	place in or assign to a particular class or group; arrange or order by classes or categories; classify, sort out, sort, separate
challenging	difficult but interesting; testing one's abilities; demanding and thought-provoking; usually involving unfamiliar or less familiar elements
characteristic	a typical feature or quality
citation	a reference to an authority to show the source and authorship of data, ideas or a quotation that occurs within the body of the response or text; typically expressed as (corporate author–date) or (author–date), and the full bibliographical details listed in the reference list
clarify	make clear or intelligible; explain; make a statement or situation less confused and more comprehensible
clarity	clearness of thought or expression; the quality of being coherent and intelligible; free from obscurity of sense; without ambiguity; explicit; easy to perceive, understand or interpret
classify	arrange, distribute or order in classes or categories according to shared qualities or characteristics
clear	free from confusion, uncertainty, or doubt; easily seen, heard or understood
clearly	in a clear manner; plainly and openly, without ambiguity
coherent	having a natural or due agreement of parts; connected; consistent; logical, orderly; well-structured and makes sense; rational, with parts that are harmonious; having an internally consistent relation of parts
cohesive	characterised by being united, bound together or having integrated meaning; forming a united whole
comment	express an opinion, observation or reaction in speech or writing; give a judgment based on a given statement or result of a calculation
common access resources	natural resources characterised by the difficulty of excluding individuals from using them, causing an inability to charge a price for their use
communicate	convey knowledge and/or understandings to others; make known; transmit
compare	display recognition of similarities and differences and recognise the significance of these similarities and differences
competent	having suitable or sufficient skills, knowledge, experience, etc. for some purpose; adequate but not exceptional; capable; suitable or sufficient for the purpose; having the necessary ability, knowledge or skill to do something successfully; efficient and capable (of a person); acceptable and satisfactory, though not outstanding
competently	in an efficient and capable way; in an acceptable and satisfactory, though not outstanding, way
competitive advantage	a benefit or gain over other nations or regions, where the capacity of local industries to innovate and upgrade give them a competitive

Term	Explanation
	advantage; theory of trade put forward by Michael Porter
complex	composed or consisting of many different and interconnected parts or factors; compound; composite; characterised by an involved combination of parts; complicated; intricate; a complex whole or system; a complicated assembly of particulars
composite indicators	formed when individual indicators are compiled into a single index, on the basis of an underlying model of the multi-dimensional concept that is being measured
comprehend	understand the meaning or nature of; grasp mentally
comprehensive	inclusive; of large content or scope; including or dealing with all or nearly all elements or aspects of something; wide-ranging; detailed and thorough, including all that is relevant
concepts	in economics, economic concepts and principles may be used interchangeably; economic idea, statements based on economic theory or schools of thought
concise	expressing much in few words; giving a lot of information clearly and in a few words; brief, comprehensive and to the point; succinct, clear, without repetition of information
concisely	in a way that is brief but comprehensive; expressing much in few words; clearly and succinctly
conclusion	in economics, a judgment or opinion based upon economic criteria, reasoning and evidence
conduct	direct in action or course; manage; organise; carry out
consider	think deliberately or carefully about something, typically before making a decision; take something into account when making a judgment; view attentively or scrutinise; reflect on
considerable	fairly large or great; thought about deliberately and with a purpose
considered	formed after careful and deliberate thought
consistent	agreeing or accordant; compatible; not self-opposed or self-contradictory, constantly adhering to the same principles; acting in the same way over time, especially so as to be fair or accurate; unchanging in nature, standard, or effect over time; not containing any logical contradictions (of an argument); constant in achievement or effect over a period of time
construct	create or put together (e.g. an argument) by arranging ideas or items; display information in a diagrammatic or logical form; make; build
contrast	display recognition of differences by deliberate juxtaposition of contrary elements; show how things are different or opposite; give an account of the differences between two or more items or situations, referring to both or all of them throughout
controlled	shows the exercise of restraint or direction over; held in check; restrained, managed or kept within certain bounds
convincing	persuaded by argument or proof; leaving no margin of doubt; clear; capable of causing someone to believe that something is true or real; persuading or assuring by argument or evidence;

Term	Explanation
	appearing worthy of belief; credible or plausible
course	a defined amount of learning developed from a subject syllabus
create	bring something into being or existence; produce or evolve from one's own thought or imagination; reorganise or put elements together into a new pattern or structure or to form a coherent or functional whole
creative	resulting from originality of thought or expression; relating to or involving the use of the imagination or original ideas to create something; having good imagination or original ideas
credible	capable or worthy of being believed; believable; convincing
criterion	the property or characteristic by which something is judged or appraised
critical	involving skilful judgment as to truth, merit, etc.; involving the objective analysis and evaluation of an issue in order to form a judgment; expressing or involving an analysis of the merits and faults of a work of literature, music, or art; incorporating a detailed and scholarly analysis and commentary (of a text); rationally appraising for logical consistency and merit
critique	review (e.g. a theory, practice, performance) in a detailed, analytical and critical way
current	(of sources) most recent data or information; comparisons of data based on the different time periods or dates should be recognised
cursory	hasty, and therefore not thorough or detailed; performed with little attention to detail; going rapidly over something, without noticing details; hasty; superficial
D	
decide	reach a resolution as a result of consideration; make a choice from a number of alternatives
deduce	reach a conclusion that is necessarily true, provided a given set of assumptions is true; arrive at, reach or draw a logical conclusion from reasoning and the information given
defensible	justifiable by argument; capable of being defended in argument
define	give the meaning of a word, phrase, concept or physical quantity; state meaning and identify or describe qualities
demonstrate	prove or make clear by argument, reasoning or evidence, illustrating with practical example; show by example; give a practical exhibition
derive	arrive at by reasoning; manipulate a mathematical relationship to give a new equation or relationship; in mathematics, obtain the derivative of a function
describe	give an account (written or spoken) of a situation, event, pattern or process, or of the characteristics or features of something
design	produce a plan, simulation, model or similar; plan, form or conceive in the mind; in English, select, organise and use particular elements in the

Term	Explanation
	process of text construction for particular purposes; these elements may be linguistic (words), visual (images), audio (sounds), gestural (body language), spatial (arrangement on the page or screen) and multimodal (a combination of more than one)
detailed	executed with great attention to the fine points; meticulous; including many of the parts or facts
determine	establish, conclude or ascertain after consideration, observation, investigation or calculation; decide or come to a resolution
develop	elaborate, expand or enlarge in detail; add detail and fullness to; cause to become more complex or intricate
development	(of ideas) the central idea and main points are identifiable and advanced throughout the response
devise	think out; plan; contrive; invent
differentiate	identify the difference/s in or between two or more things; distinguish, discriminate; recognise or ascertain what makes something distinct from similar things; in mathematics, obtain the derivative of a function
discerning	discriminating; showing intellectual perception; showing good judgment; making thoughtful and astute choices; selected for value or relevance
discriminate	note, observe or recognise a difference; make or constitute a distinction in or between; differentiate; note or distinguish as different
discriminating	differentiating; distinctive; perceiving differences or distinctions with nicety; possessing discrimination; perceptive and judicious; making judgments about quality; having or showing refined taste or good judgment
discuss	examine by argument; sift the considerations for and against; debate; talk or write about a topic, including a range of arguments, factors or hypotheses; consider, taking into account different issues and ideas, points for and/or against, and supporting opinions or conclusions with evidence
disjointed	disconnected; incoherent; lacking a coherent order/sequence or connection
distinguish	recognise as distinct or different; note points of difference between; discriminate; discern; make clear a difference/s between two or more concepts or items
diverse	of various kinds or forms; different from each other
document	support (e.g. an assertion, claim, statement) with evidence (e.g. decisive information, written references, citations)
draw conclusions	make a judgment based on reasoning and evidence
E	
economic criteria	standard by which something can be evaluated, judged or decided; e.g. economic objectives such as sustainable economic growth, employment, inflation, external stability, as well as productivity, economic efficiency, and equity considerations such

Term	Explanation
	as the distribution of income and wealth; economic criteria can vary depending on circumstances or purpose
economic ideas	economic concepts or principles that are supported by economic theory, economic reasoning and/or empirical evidence; may reflect various economic schools of thought, economic beliefs or values
economic issue	a subject or matter involving an economic problem that is worthy of investigation, developed from data and economic information
economic outcome	(for the purpose of this syllabus) an economic outcome is the result or outcome the analysis of an economic issue, where the consequence (past, present or future) is judged according to economic criteria
economic problem	the problem of allocating scarce resources in the context of maximising satisfaction of individuals' needs and wants; develops because resources are limited and the needs and wants of individuals are unlimited, therefore individuals, businesses and societies need to make decisions; where individuals, businesses and governments are faced with opportunity costs, so they must choose between alternatives
effective	successful in producing the intended, desired or expected result; meeting the assigned purpose
efficiency	working in a well-organised and competent way; maximum productivity with minimal expenditure of effort; acting or producing effectively with a minimum of waste, expense or unnecessary effort; in economics, maximising social benefit; when the marginal social costs of resource allocation are equal to the benefits
efficient	working in a well-organised and competent way; maximum productivity with minimal expenditure of effort; acting or producing effectively with a minimum of waste, expense or unnecessary effort
element	a component or constituent part of a complex whole; a fundamental, essential or irreducible part of a composite entity
elementary	simple or uncompounded; relating to or dealing with elements, rudiments or first principles (of a subject); of the most basic kind; straightforward and uncomplicated
erroneous	based on or containing error; mistaken; incorrect
essential	absolutely necessary; indispensable; of critical importance for achieving something
evaluate	make an appraisal by weighing up or assessing strengths, implications and limitations; make judgments about ideas, works, solutions or methods in relation to selected criteria; examine and determine the merit, value or significance of something, based on criteria
examination	a supervised test that assesses the application of a range of cognitions to one or more provided items such as questions, scenarios and/or problems; student responses are completed individually, under supervised conditions, and in a set timeframe

Term	Explanation
examine	investigate, inspect or scrutinise; inquire or search into; consider or discuss an argument or concept in a way that uncovers the assumptions and interrelationships of the issue
experiment	try out or test new ideas or methods, especially in order to discover or prove something; undertake or perform a scientific procedure to test a hypothesis, make a discovery or demonstrate a known fact
explain	make an idea or situation plain or clear by describing it in more detail or revealing relevant facts; give an account; provide additional information
explicit	clearly and distinctly expressing all that is meant; unequivocal; clearly developed or formulated; leaving nothing merely implied or suggested
explore	look into both closely and broadly; scrutinise; inquire into or discuss something in detail
express	convey, show or communicate (e.g. a thought, opinion, feeling, emotion, idea or viewpoint); in words, art, music or movement, convey or suggest a representation of; depict
extended response	an open-ended assessment technique that focuses on the interpretation, analysis, examination and/or evaluation of ideas and information in response to a particular situation or stimulus; while students may undertake some research when writing of the extended response, it is not the focus of this technique; an extended response occurs over an extended and defined period of time an open-ended task that assesses the sustained application of higher-order cognitions (such as analysis, interpretation, evaluation and justification of ideas and argument) in responding to an unfamiliar situation, task or stimulus
Extension subject	a two-unit subject (Units 3 and 4) for which a syllabus has been developed by QCAA, that is an extension of one or more General subject/s, studied concurrently with, Units 3 and 4 of that subject or after completion of, Units 3 and 4 of that subject
extensive	of great extent; wide; broad; far-reaching; comprehensive; lengthy; detailed; large in amount or scale
external assessment	summative assessment that occurs towards the end of a course of study and is common to all schools; developed and marked by the QCAA according to a commonly applied marking scheme
external examination	a supervised test, developed and marked by the QCAA, that assesses the application of a range of cognitions to multiple provided items such as questions, scenarios and/or problems; student responses are completed individually, under supervised conditions, and in a set timeframe
extrapolate	infer or estimate by extending or projecting known information; conjecture; infer from what is known; extend the application of something (e.g. a method or conclusion) to an unknown situation by assuming that existing trends will continue or similar methods will be applicable
F	

Term	Explanation
factual	relating to or based on facts; concerned with what is actually the case; actually occurring; having verified existence
fallacy	logical error or flaw in an argument, extrapolation of data findings from an analysis, or evaluation
familiar	well-acquainted; thoroughly conversant with; well-known from long or close association; often encountered or experienced; common; (of materials, texts, skills or circumstances) having been the focus of learning experiences or previously encountered in prior learning activities
feasible	capable of being achieved, accomplished or put into effect; reasonable enough to be believed or accepted; probable; likely
fluent	spoken or written with ease; able to speak or write smoothly, easily or readily; articulate; eloquent; in artistic performance, characteristic of a highly developed and excellently controlled technique; flowing; polished; flowing smoothly, easily and effortlessly
fluently	in a graceful and seemingly effortless manner; in a way that progresses smoothly and readily
formative assessment	assessment whose major purpose is to improve teaching and student achievement
fragmented	disorganised; broken down; disjointed or isolated
free rider problem	a market failure that occurs when individuals use a common resource or collective good without paying for it, as is the case when individuals and companies use public goods without either paying for their use or contributing to taxes
frequent	happening or occurring often at short intervals; constant, habitual, or regular
fundamental	forming a necessary base or core; of central importance; affecting or relating to the essential nature of something; part of a foundation or basis
G	
General subject	a subject for which a syllabus has been developed by the QCAA with the following characteristics: results from courses developed from General syllabuses contribute to the QCE; General subjects have an external assessment component; results may contribute to ATAR calculations
generate	produce; create; bring into existence
H	
hypothesise	formulate a supposition to account for known facts or observed occurrences; conjecture, theorise, speculate; especially on uncertain or tentative grounds
I	
identify	distinguish; locate, recognise and name; establish or indicate who or what someone or something is; provide an answer from a number of possibilities; recognise and state a distinguishing factor

Term	Explanation
	or feature
illogical	lacking sense or sound reasoning; contrary to or disregarding of the rules of logic; unreasonable
implement	put something into effect, e.g. a plan or proposal
implicit	implied, rather than expressly stated; not plainly expressed; capable of being inferred from something else
improbable	not probable; unlikely to be true or to happen; not easy to believe
inaccurate	not accurate
inappropriate	not suitable or proper in the circumstances
inconsistent	lacking agreement, as one thing with another, or two or more things in relation to each other; at variance; not consistent; not in keeping; not in accordance; incompatible, incongruous
independent	thinking or acting for oneself, not influenced by others
in-depth	comprehensive and with thorough coverage; extensive or profound; well-balanced or fully developed
infer	derive or conclude something from evidence and reasoning, rather than from explicit statements; listen or read beyond what has been literally expressed; imply or hint at
informed	knowledgeable; learned; having relevant knowledge; being conversant with the topic; based on an understanding of the facts of the situation (of a decision or judgment)
innovative	new and original; introducing new ideas; original and creative in thinking
insightful	showing understanding of a situation or process; understanding relationships in complex situations; informed by observation and deduction
instrument-specific marking guide	ISMG; a tool for marking that describes the characteristics evident in student responses and aligns with the identified objectives for the assessment (see 'assessment objectives')
integral	adjective necessary for the completeness of the whole; essential or fundamental; noun in mathematics, the result of integration; an expression from which a given function, equation, or system of equations is derived by differentiation
intended	designed; meant; done on purpose; intentional
interconnections	extended connections made between items; links are not necessarily linear
internal assessment	assessments that are developed by schools; summative internal assessments are endorsed by the QCAA before use in schools and results externally confirmed contribute towards a student's final result

Term	Explanation
interpret	use knowledge and understanding to recognise trends and draw conclusions from given information; make clear or explicit; elucidate or understand in a particular way; bring out the meaning of, e.g. a dramatic or musical work, by performance or execution; bring out the meaning of an artwork by artistic representation or performance; give one's own interpretation of; identify or draw meaning from, or give meaning to, information presented in various forms, such as words, symbols, pictures or graphs
intertemporal	any relationship between past, present and future events or conditions; relationships that are considered in different time lengths, e.g. short term and long term
investigation	an assessment technique that requires students to research a specific problem, question, issue, design challenge or hypothesis through the collection, analysis and synthesis of primary and/or secondary data; it uses research or investigative practices to assess a range of cognitions in a particular context; an investigation occurs over an extended and defined period of time
investigate	carry out an examination or formal inquiry in order to establish or obtain facts and reach new conclusions; search, inquire into, interpret and draw conclusions about data and information
irrelevant	not relevant; not applicable or pertinent; not connected with or relevant to something
ISMG	instrument-specific marking guide; a tool for marking that describes the characteristics evident in student responses and aligns with the identified objectives for the assessment (see 'assessment objectives')
isolated	detached, separate, or unconnected with other things; one-off; something set apart or characterised as different in some way
J	
judge	form an opinion or conclusion about; apply both procedural and deliberative operations to make a determination
justified	sound reasons or evidence are provided to support an argument, statement or conclusion
justify	give reasons or evidence to support an answer, response or conclusion; show or prove how an argument, statement or conclusion is right or reasonable
L	
learning area	a grouping of subjects, with related characteristics, within a broad field of learning, e.g. the Arts, sciences, languages
logical	rational and valid; internally consistent; reasonable; reasoning in accordance with the principles/rules of logic or formal argument; characterised by or capable of clear, sound reasoning; (of an action, decision, etc.) expected or sensible under the circumstances
logically	according to the rules of logic or formal argument; in a way that shows clear, sound reasoning; in a way that is expected or sensible

Term	Explanation
M	
make decisions	select from available options; weigh up positives and negatives of each option and consider all the alternatives to arrive at a position
manipulate	adapt or change to suit one's purpose
market failure	occurs when the market fails to allocate resources efficiently, or fails to provide the quantity and combination of goods and services mostly wanted by society; an underallocation or overallocation of resources
mental procedures	a domain of knowledge in Marzano's taxonomy, and acted upon by the cognitive, metacognitive and self-systems; sometimes referred to as 'procedural knowledge' there are three distinct phases to the acquisition of mental procedures — the cognitive stage, the associative stage, and the autonomous stage; the two categories of mental procedures are skills (single rules, algorithms and tactics) and processes (macroprocedures)
methodical	performed, disposed or acting in a systematic way; orderly; characterised by method or order; performed or carried out systematically
minimal	least possible; small, the least amount; negligible
model	in economics, a set of assumptions that supports a logical abstract template to assist in understanding and analysing economic events and issues; is based on variables from which inferences can be made about economic behaviour and performance
modify	change the form or qualities of; make partial or minor changes to something
multifaceted	having many different aspects, elements or features; possessing more than one side or perspective
multimodal	uses a combination of at least two modes (e.g. spoken, written), delivered at the same time, to communicate ideas and information to a live or virtual audience, for a particular purpose; the selected modes are integrated so that each mode contributes significantly to the response
N	
narrow	limited in range or scope; lacking breadth of view; limited in amount; barely sufficient or adequate; restricted
nuanced	showing a subtle difference or distinction in expression, meaning, response, etc.; finely differentiated; characterised by subtle shades of meaning or expression; a subtle distinction, variation or quality; sensibility to, awareness of, or ability to express delicate shadings, as of meaning, feeling, or value
O	
objectives	see 'syllabus objectives', 'unit objectives', 'assessment objectives'
obvious	clearly perceptible or evident; easily seen, recognised or understood

Term	Explanation
opportunity cost	what is given up or sacrificed when a decision is made; the next best alternative that was traded off; includes benefits which are forgone e.g. satisfaction, so it is not a monetary or accounting cost
optimal	best, most favourable, under a particular set of circumstances
organise	arrange, order; form as or into a whole consisting of interdependent or coordinated parts, especially for harmonious or united action
organised	systematically ordered and arranged; having a formal organisational structure to arrange, coordinate and carry out activities
outstanding	exceptionally good; clearly noticeable; prominent; conspicuous; striking
P	
paradox of thrift	economic concept that if everyone tries to save an increasingly larger portion of his or her income, they would become poorer instead of richer; relevant to Keynesian economics, in which increased savings represent a diminishing circular flow of income
partial	not total or general; existing only in part; attempted, but incomplete
particular	distinguished or different from others or from the ordinary; noteworthy
percentage point	the numerical difference between two percentages; used to show the change in an indicator that is expressed as a percentage; one percentage point is equal to 100 basis points
perceptive	having or showing insight and the ability to perceive or understand; discerning (see also 'discriminating')
performance	an assessment technique that requires students to demonstrate a range of cognitive, technical, creative and/or expressive skills and to apply theoretical and conceptual understandings, through the psychomotor domain; it involves student application of identified skills when responding to a task that involves solving a problem, providing a solution or conveying meaning or intent; a performance is developed over an extended and defined period of time
perspectives	viewpoints, opinions or beliefs about the presented situation; in economics, points of view or particular attitudes towards, e.g. how resources are owned and production is distributed, command or free market, big or small government, import businesses versus export businesses
persuasive	capable of changing someone's ideas, opinions or beliefs; appearing worthy of approval or acceptance; (of an argument or statement) communicating reasonably or credibly (see also 'convincing')
perusal time	time allocated in an assessment to reading items and tasks and associated assessment materials; no writing is allowed; students may not make notes and may not commence responding to the assessment in the response space/book
point method	a measure of price elasticity, that is, the responsiveness of demand to a change in price of the good (and/or formula), by

Term	Explanation
	calculation using the actual points of demand both before and after the change in price
planning time	time allocated in an assessment to planning how to respond to items and tasks and associated assessment materials; students may make notes but may not commence responding to the assessment in the response space/book; notes made during planning are not collected, nor are they graded or used as evidence of achievement
polished	flawless or excellent; performed with skilful ease
precise	definite or exact; definitely or strictly stated, defined or fixed; characterised by definite or exact expression or execution
precision	accuracy; exactness; exact observance of forms in conduct or actions
predict	give an expected result of an upcoming action or event; suggest what may happen based on available information
present	put forward (e.g. a point of view, idea, argument, suggestion) for consideration or action
primary	(of sources) information and/or data created directly by an author, group or organisation (e.g. the Australian Bureau of Statistics), and/or from a direct authority (e.g. comments by the Governor of the Reserve Bank), or generated directly by a student (e.g. from a student-designed survey)
principles	fundamental or primary doctrines or tenets; accepted or professed rules of action or conduct
product	an assessment technique that focuses on the output or result of a process requiring the application of a range of cognitive, physical, technical, creative and/or expressive skills, and theoretical and conceptual understandings; a product is developed over an extended and defined period of time
proficient	well advanced or expert in any art, science or subject; competent, skilled or adept in doing or using something
project	an assessment technique that focuses on a problem-solving process requiring the application of a range of cognitive, technical and creative skills and theoretical understandings; the response is a coherent work that documents the iterative process undertaken to develop a solution and includes written paragraphs and annotations, diagrams, sketches, drawings, photographs, video, spoken presentations, physical prototypes and/or models; a project is developed over an extended and defined period of time
propose	put forward (e.g. a point of view, idea, argument, suggestion) for consideration or action
prove	use a sequence of steps to obtain the required result in a formal way
psychomotor procedures	a domain of knowledge in Marzano's taxonomy, and acted upon by the cognitive, metacognitive and self-systems; these are physical procedures used to negotiate daily life and to engage in complex physical activities; the two categories of psychomotor procedures are skills (foundational procedures and simple combination procedures) and processes (complex combination procedures)

Term	Explanation
purposeful	having an intended or desired result; having a useful purpose; determined; resolute; full of meaning; significant; intentional
Q	
QCE	Queensland Certificate of Education
R	
range	(of sources) quantity of sources that may not be distinct in character, quality, information or corporate author
realise	create or make (e.g. a musical, artistic or dramatic work); actualise; make real or concrete; give reality or substance to
reasonable	endowed with reason; having sound judgment; fair and sensible; based on good sense; average; appropriate, moderate
reasoned	logical and sound; based on logic or good sense; logically thought out and presented with justification; guided by reason; well-grounded; considered
recall	remember; present remembered ideas, facts or experiences; bring something back into thought, attention or into one's mind
recognise	identify or recall particular features of information from knowledge; identify that an item, characteristic or quality exists; perceive as existing or true; be aware of or acknowledge
reference list	alphabetical list of all references cited in the text; bibliographic details include author, date of publication, name/title, publication address (if printed) or website publication address and date of retrieval; the reference list will adhere to a recognised system of reference, as nominated by the school
refined	developed or improved so as to be precise, exact or subtle
reflect on	think about deeply and carefully
rehearsed	practised; previously experienced; practised extensively
related	associated with or linked to
relationships	correlations or causal connections between two or more variables; may be direct, indirect, or inverse
relevance	being related to the matter at hand
relevant	bearing upon or connected with the matter in hand; to the purpose; applicable and pertinent; having a direct bearing on
reliable	(of sources) trustworthy and credible
repetitive	containing or characterised by repetition, especially when unnecessary or tiresome
report	a spoken or written account that describes in detail an event, situation or occurrence, usually as the result of observation, investigation or inquiry; in this subject is typically a formal type of communication with a particular format, including a cover page, headings and subheadings
reporting	providing information that succinctly describes student performance at different junctures throughout a course of study

Term	Explanation
resolve	in the Arts, consolidate and communicate intent through a synthesis of ideas and application of media to express meaning
routine	often encountered, previously experienced; commonplace; customary and regular; well-practised; performed as part of a regular procedure, rather than for a special reason
rudimentary	relating to rudiments or first principles; elementary; undeveloped; involving or limited to basic principles; relating to an immature, undeveloped or basic form
S	
safe	secure; not risky
secondary	(of sources) information and/or data not generated or directly created by the author of the source, such as government websites, media and expert commentary
secure	sure; certain; able to be counted on; self-confident; poised; dependable; confident; assured; not liable to fail
select	choose in preference to another or others; pick out
sensitive	capable of perceiving with a sense or senses; aware of the attitudes, feelings or circumstances of others; having acute mental or emotional sensibility; relating to or connected with the senses or sensation
sequence	place in a continuous or connected series; arrange in a particular order
sequencing	deliberate organisation of key ideas
show	provide the relevant reasoning to support a response
significant	important; of consequence; expressing a meaning; indicative; includes all that is important; sufficiently great or important to be worthy of attention; noteworthy; having a particular meaning; indicative of something
simple	easy to understand, deal with and use; not complex or complicated; plain; not elaborate or artificial; may concern a single or basic aspect; involving few elements, components or steps
simplistic	characterised by extreme simplification, especially if misleading; oversimplified
sketch	execute a drawing or painting in simple form, giving essential features but not necessarily with detail or accuracy; in mathematics, represent by means of a diagram or graph; the sketch should give a general idea of the required shape or relationship and should include features
skilful	having technical facility or practical ability; possessing, showing, involving or requiring skill; expert, dexterous; demonstrating the knowledge, ability or training to perform a certain activity or task well; trained, practised or experienced
skilled	having or showing the knowledge, ability or training to perform a certain activity or task well; having skill; trained or experienced;

Term	Explanation
	showing, involving or requiring skill
solve	find an answer to, explanation for, or means of dealing with (e.g. a problem); work out the answer or solution to (e.g. a mathematical problem); obtain the answer/s using algebraic, numerical and/or graphical methods
some	a number of, but not all or most
sophisticated	of intellectual complexity; reflecting a high degree of skill, intelligence, etc.; employing advanced or refined methods or concepts; highly developed or complicated
specific	clearly defined or identified; precise and clear in making statements or issuing instructions; having a special application or reference; explicit, or definite; peculiar or proper to something, as qualities, characteristics, effects, etc.
sporadic	happening now and again or at intervals; irregular or occasional; appearing in scattered or isolated instances
straightforward	without difficulty; uncomplicated; direct; easy to do or understand
structure	verb give a pattern, organisation or arrangement to; construct or arrange according to a plan; noun in languages, arrangement of words into larger units, e.g. phrases, clauses, sentences, paragraphs and whole texts, in line with cultural, intercultural and textual conventions
structured	organised or arranged so as to produce a desired result
suasion	the act of advising, urging, attempting to persuade
subject	a branch or area of knowledge or learning defined by a syllabus; school subjects are usually based in a discipline or field of study (see also 'course')
subject matter	the subject-specific body of information, mental procedures and psychomotor procedures that are necessary for students' learning and engagement within that subject
substantial	of ample or considerable amount, quantity, size, etc.; of real worth or value; firmly or solidly established; of real significance; reliable; important, worthwhile
substantiated	established by proof or competent evidence
subtle	fine or delicate in meaning or intent; making use of indirect methods; not straightforward or obvious
successful	achieving or having achieved success; accomplishing a desired aim or result
succinct	expressed in few words; concise; terse; characterised by conciseness or brevity; brief and clear
sufficient	enough or adequate for the purpose
suitable	appropriate; fitting; conforming or agreeing in nature, condition, or action

Term	Explanation
summarise	give a brief statement of a general theme or major point/s; present ideas and information in fewer words and in sequence
summative assessment	assessment whose major purpose is to indicate student achievement; summative assessments contribute towards a student's subject result
superficial	concerned with or comprehending only what is on the surface or obvious; shallow; not profound, thorough, deep or complete; existing or occurring at or on the surface; cursory; lacking depth of character or understanding; apparent and sometimes trivial
supported	corroborated; given greater credibility by providing evidence
sustained	carried on continuously, without interruption, or without any diminishing of intensity or extent
syllabus	a document that prescribes the curriculum for a course of study
syllabus objectives	outline what the school is required to teach and what students have the opportunity to learn; described in terms of actions that operate on the subject matter; the overarching objectives for a course of study (see also 'unit objectives', 'assessment objectives')
symbolise	represent or identify by a symbol or symbols
synthesise	combine different parts or elements (e.g. information, ideas, components) into a whole, in order to create new understanding
systematic	done or acting according to a fixed plan or system; methodical; organised and logical; having, showing, or involving a system, method, or plan; characterised by system or method; methodical; arranged in, or comprising an ordered system
T	
test	take measures to check the quality, performance or reliability of something
thorough	carried out through, or applied to the whole of something; carried out completely and carefully; including all that is required; complete with attention to every detail; not superficial or partial; performed or written with care and completeness; taking pains to do something carefully and completely
thoughtful	occupied with, or given to thought; contemplative; meditative; reflective; characterised by or manifesting thought
topic	a division of, or sub-section within a unit; all topics/sub-topics within a unit are interrelated
total revenue method	a measure of price elasticity; the responsiveness of demand to a change in price of the good (and/or formula), by calculating the change to total revenue, before and after the change in price
tragedy of the commons	an economic problem in which every individual tries to reap the greatest benefit from a given resource; as the demand for the resource overwhelms the supply, every individual who consumes an additional unit directly harms others who can no longer enjoy the benefits

Term	Explanation
transmission mechanism	process by which changes to the cash rate are transmitted to interest rates, real output and aggregate demand within an economy
trends	the general direction, momentum or observable pattern of behaviour of a variable in a time series
U	
unclear	not clear or distinct; not easy to understand; obscure
understand	perceive what is meant by something; grasp; be familiar with (e.g. an idea); construct meaning from messages, including oral, written and graphic communication
uneven	unequal; not properly corresponding or agreeing; irregular; varying; not uniform; not equally balanced
unfamiliar	not previously encountered; situations or materials that have not been the focus of prior learning experiences or activities
unintended consequences	consequences of an action, choice or policy decision that were not foreseen or expected
unit	a defined amount of subject matter delivered in a specific context or with a particular focus; it includes unit objectives particular to the unit, subject matter and assessment direction
unit objectives	drawn from the syllabus objectives and contextualised for the subject matter and requirements of a particular unit; they are assessed at least once in the unit (see also 'syllabus objectives', 'assessment objectives')
unrelated	having no relationship; unconnected
use	operate or put into effect; apply knowledge or rules to put theory into practice
V	
vague	not definite in statement or meaning; not explicit or precise; not definitely fixed, determined or known; of uncertain, indefinite or unclear character or meaning; not clear in thought or understanding; couched in general or indefinite terms; not definitely or precisely expressed; deficient in details or particulars; thinking or communicating in an unfocused or imprecise way
valid	sound, just or well-founded; authoritative; having a sound basis in logic or fact (of an argument or point); reasonable or cogent; able to be supported; legitimate and defensible; applicable
variable	adjective apt or liable to vary or change; changeable; inconsistent; (readily) susceptible or capable of variation; fluctuating, uncertain; noun in mathematics, a symbol, or the quantity it signifies, that may represent any one of a given set of number and other objects
variety	a number or range of things of different kinds, or the same general class, that are distinct in character or quality; (of sources) a number of different modes or references that have

Term	Explanation
	different authors/corporate authors
W	
wide	of great range or scope; embracing a great number or variety of subjects, cases, etc.; of full extent
with expression	in words, art, music or movement, conveying or indicating feeling, spirit, character, etc.; a way of expressing or representing something; vivid, effective or persuasive communication

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8 Version history

Version	Date of change	Update
1.1	July 2018	Editorial edits and minor formatting corrections
		Amendments to syllabus objectives which has been carried through to unit objectives and assessment objectives
		Amendment to reporting standards
		Unit 1 and Unit 2 assessment guidance updated
		Subject matter amendments across Units 1-4
		IA1: Examination — combination response <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions • Amendment to ISMG
		IA2: Investigation — research report <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions • Amendment to ISMG
		IA3: Examination — extended response to stimulus <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions • Amendment to ISMG
		EA: Examination — combination response <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions
		Glossary updated

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