

Economics 2025 v1.2

General senior syllabus

October 2024



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Contents

Queensland syllabuses for senior subjects	1
Course overview	2
Rationale	2
Syllabus objectives	3
Designing a course of study in Economics	4
Reporting	12
Units	14
Unit 1: Markets and models	14
Unit 2: Modified markets	19
Unit 3: International economics	23
Unit 4: Contemporary macroeconomics	26
Assessment	30
Internal assessment 1: Examination — combination response (25%)	30
Internal assessment 2: Investigation (25%)	34
Internal assessment 3: Examination — extended response (25%)	38
External assessment: Examination — combination response (25%)	42
Glossary	43
References	43
Version history	43

Queensland syllabuses for senior subjects

In Queensland, a syllabus for a senior subject is an official 'map' of a senior school subject. A syllabus's function is to support schools in delivering the Queensland Certificate of Education (QCE) system through high-quality and high-equity curriculum and assessment.

Syllabuses are based on design principles developed from independent international research about how excellence and equity are promoted in the documents teachers use to develop and enliven the curriculum.

Syllabuses for senior subjects build on student learning in the Prep to Year 10 Australian Curriculum and include General, General (Extension), Senior External Examination (SEE), Applied, Applied (Essential) and Short Course syllabuses.

More information about syllabuses for senior subjects is available at www.qcaa.qld.edu.au/senior/senior-subjects and in the 'Queensland curriculum' section of the *QCE and QCIA policy and procedures handbook*.

Teaching, learning and assessment resources will support the implementation of a syllabus for a senior subject. More information about professional resources for senior syllabuses is available on the QCAA website and via the QCAA Portal.

Course overview

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 make decisions. 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 of 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 connections 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.

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.

Syllabus objectives

The syllabus objectives outline what students have the opportunity to learn.

1. Comprehend economic concepts, principles and models.

Students demonstrate comprehension by identifying the features of an economic issue. Students apply knowledge of economic concepts, principles and models to theoretical or real-world examples. Comprehending includes describing, explaining, translating knowledge into symbolic representations, constructing diagrams, completing calculations, and using economic terminology.

2. Analyse economic issues.

Students analyse economic issues by selecting and using current, accurate and relevant data and information to interpret patterns and trends, and to explain economic relationships.

3. Evaluate economic outcomes.

Students evaluate by using their analyses and economic criteria to make decisions about economic outcomes. They synthesise economic ideas and perspectives to support their evaluations and use economic reasoning to justify their decisions.

4. Create responses that communicate economic meaning to suit the intended purpose.

Students create responses that demonstrate choices of language, sequencing and development of ideas, and visual representations to convey meaning. They apply language conventions and present their responses using the required genre for the intended purpose. They use a recognised system of referencing to demonstrate scholarship.

Designing a course of study in Economics

Syllabuses are designed for teachers to make professional decisions to tailor curriculum and assessment design and delivery to suit their school context and the goals, aspirations and abilities of their students within the parameters of Queensland's senior phase of learning.

The syllabus is used by teachers to develop curriculum for their school context. The term *course of study* describes the unique curriculum and assessment that students engage with in each school context. A course of study is the product of a series of decisions made by a school to select, organise and contextualise subject matter, integrate complementary and important learning, and create assessment tasks in accordance with syllabus specifications.

It is encouraged that, where possible, a course of study is designed such that teaching, learning and assessment activities are integrated and enlivened in an authentic setting.

Course structure

Economics is a General senior syllabus. It contains four QCAA-developed units from which schools develop their course of study.

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

Students should complete Unit 1 and Unit 2 before beginning Units 3 and 4. Units 3 and 4 are studied as a pair.

More information about the requirements for administering senior syllabuses is available in the 'Queensland curriculum' section of the [QCE and QCIA policy and procedures handbook](#).

Curriculum

Senior syllabuses set out only what is essential while being flexible so teachers can make curriculum decisions to suit their students, school context, resources and expertise.

Within the requirements set out in this syllabus and the [QCE and QCIA policy and procedures handbook](#), schools have autonomy to decide:

- how and when subject matter is delivered
- how, when and why learning experiences are developed, and the context in which learning occurs
- how opportunities are provided in the course of study for explicit and integrated teaching and learning of complementary skills.

These decisions allow teachers to develop a course of study that is rich, engaging and relevant for their students.

Assessment

Senior syllabuses set out only what is essential while being flexible so teachers can make assessment decisions to suit their students, school context, resources and expertise.

General senior syllabuses contain assessment specifications and conditions for the assessment instruments that must be implemented with Units 3 and 4. These specifications and conditions ensure comparability, equity and validity in assessment.

Within the requirements set out in this syllabus and the [QCE and QCIA policy and procedures handbook](#), schools have autonomy to decide:

- specific assessment task details
- assessment contexts to suit available resources
- how the assessment task will be integrated with teaching and learning activities
- how authentic the task will be.

In Unit 1 and Unit 2, schools:

- develop at least two but no more than four assessments
- complete at least one assessment for each unit
- ensure that each unit objective is assessed at least once.

In Units 3 and 4, schools develop three assessments using the assessment specifications and conditions provided in the syllabus.

More information about assessment in senior syllabuses is available in 'The assessment system' section of the *QCE and QCIA policy and procedures handbook*.

Subject matter

Each unit contains a unit description, unit objectives and 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 the subject. Subject matter itself is not the specification of learning experiences but provides the basis for the design of student learning experiences.

Subject matter has a direct relationship with the unit objectives and provides statements of learning that have been constructed in a similar way to objectives.

Aboriginal perspectives and Torres Strait Islander perspectives

The QCAA is committed to reconciliation. 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.

Where appropriate, Aboriginal perspectives and Torres Strait Islander perspectives have been embedded in the subject matter.

Complementary skills

Opportunities for the development of complementary skills have been embedded throughout subject matter. These skills, which overlap and interact with syllabus subject matter, are derived from current education, industry and community expectations and encompass the knowledge, skills, capabilities, behaviours and dispositions that will help students live and work successfully in the 21st century.

These complementary skills are:

- literacy — the knowledge, skills, behaviours and dispositions about language and texts essential for understanding and conveying English language 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 skills include critical thinking, creative thinking, communication, collaboration and teamwork, personal and social skills, and digital literacy. The explanations of associated skills are available at www.qcaa.qld.edu.au/senior/senior-subjects/general-subjects/21st-century-skills.

It is expected that aspects of literacy, numeracy and 21st century skills will be developed by engaging in the learning outlined in this syllabus. Teachers may choose to create additional explicit and intentional opportunities for the development of these skills as they design the course of study.

Additional subject-specific information

Additional subject-specific information has been included to support and inform the development of a course of study.

Economics

Economic problems and issues result from the allocation of scarce resources that enable individuals and society to maximise their satisfaction of needs and wants. This is because resources are limited, whereas the needs and wants of individuals are unlimited. Therefore, economic agents (individuals, businesses and governments) need to make decisions.

Economics involves opportunity costs and trade-offs may or may not be measured in monetary values. An opportunity cost is that which is given up or sacrificed when a decision is made — the next best alternative that was traded off. It includes the benefits and costs that were forgone, including satisfaction and enjoyment of the specific alternative. Economics, then, is the study of more than money and monetary values, although financial literacy is an important component of economic literacy and the discipline of Economics (McCowage & Dwyer 2022).

The subject applies a micro and macro lens across the five main sectors of the economy: households, businesses, government, financial and international. It differs from studies of business as it considers the competitive advantage of countries and regions, rather than focusing on the competitive advantage that a particular business may strive to achieve.

Use of data in Economics

Statistics are a critical component of Economics as the analysis of data and information is necessary for analytical inferences and deductions, findings and decisions. Data is needed to identify and understand the scale or scope of an economic issue, who or what is most significantly impacted, and to support decisions about economic outcomes.

The main statistical operations are to calculate a proportion to show the size of an effect, to calculate an average from a range of data, and to identify the range in a data series. The formula for change ($\frac{Y_2 - Y_1}{Y_1} \times 100 = X\%$) is expressed as a percentage and is used to identify the extent of movement of key data over time.

Once an average, range or change is identified, the results are interpreted to show the use of the statistical data. That is, meaning is drawn and connected to the economic issue being analysed or the economic outcome being evaluated.

Percentage points identify the numerical difference between two percentages; it is a more meaningful measure than percentage change when the subject is two percentages. For example, if interest rates moved from 1% to 2% over a period of time, it is more meaningful to describe the movement as a 1 percentage point increase than as a 100% increase.

Basis points are used to measure and discuss a difference in percentages and are useful when comparing small percentages such as monthly movements in the cash rate. These movements are typically less than one percentage point. A basis point is 1/100th of a percentage point. For example, if the Reserve Bank of Australia lifts the cash rate by 25 basis points, it would move from 2.5% to 2.75%.

Choice and documentation of sources

In Economics, reliable data and information is used when analysing and evaluating, indicating that information and digital literacy is an important component of the course and an important 21st century skill. *Reliable* data and information is that which is the most current, accurate and relevant. *Current* refers to the most recent data available regarding an issue, an event or indicator. Some data may be updated monthly, or may be gathered and published intermittently over years. *Accurate* refers to going to the most authoritative source, e.g. data on economic growth may be obtained from a government website; however, the primary source with the most current data is the Australian Bureau of Statistics. *Relevant* data and information means that which is appropriate and connected to the economic issue being explored.

Selecting sources for data and information involves a choice of both a range (quantity) of sources and a variety that are distinct in author/corporate author, character or information. Data chosen may be primary data, i.e. 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 of Australia). Secondary data not generated or directly created by the author of the source is also appropriate for selection. For example, from government and institutional websites, reports published by authoritative experts and institutions, and recognised media and expert commentary that are credible, able to be verified by established economic theory or data and information and free of bias. Such sources will ensure the integrity and value of the resulting analysis and evaluation are not affected.

For the purpose of scholarship, all data and information used must be documented, i.e. organised and recorded as citations and a reference list attached by student to their responses. The list must be an alphabetical list of all references cited in the text. Bibliographic details include author (or corporate author), date of publication, name/title, publication address (if printed), or website publication address and date of retrieval. It should adhere to a recognised system of referencing as nominated by the school.

Economic analysis

As a social science, Economics involves the study of data and information that are observed, collected and measured to determine analytical findings involving an economic problem or issue.

Economic analysis is of:

- patterns and trends, where a trend is the general direction, momentum or observable pattern of behaviour of a variable in a time series
- economic relationships, which are cause and/or effect correlations or causal connections between two or more variables. The relationship may be direct, indirect, positive or inverse.

Economic analysis focuses on the most significant or important points for the purpose of the context. The use of assumptions (implied or inferred) to frame an approach or investigation is often required, as not all necessary data and information may be known or available. Economic analysis may also note where key information — based on established economic relationships and theory — is missing from a dataset. This is important as missing data may be a notable caveat or limitation to an economic analysis or evaluation activity.

More complex analysis is multifaceted with interconnections, complications and limitations that are not as obvious or straightforward as initially observed.

Economic evaluation

The economic criteria chosen for decision-making depends upon the purpose of the evaluation. Examples of economic criteria may include the benefits and costs to economic objectives such as sustainable economic growth, employment, inflation, external stability, productivity, economic efficiency, and equity considerations such as the distribution of income, wealth, and time (short and long term).

Economic ideas are used to support the decisions made; these are economic concepts or principles that are supported by economic theory, economic reasoning and/or empirical evidence. In this context, economic concepts and principles may be used interchangeably as they are economic ideas and statements based on economic theory or schools of thought. Economic ideas are incorporated into the decision-making process, so should not be simply the application of theory to the economic issue or the economic outcome.

Perspectives are viewpoints, opinions or beliefs about a particular situation or economic event. Examples are different points of view about how resources are owned or production is distributed, command or free market approaches, big or small government interventions, import businesses or export businesses, rural or urban experiences, and high income or low income households.

When evaluating, reasoning that is critical has economic logic without contradictions and is more objective when factual evidence is provided as support. Critical reasoning removes elements of bias by thoughtfully discussing opposing viewpoints or situations. Personal opinions or those from unqualified or biased experts detract from an economic evaluation.

Research report

A research report in Economics is a document produced for a professional audience. It has a title page, table of contents and list of figures, a body of the report that includes headings and subheadings chosen to communicate the focus of each section concisely and clearly to the reader, and a reference list. Within sections of the report, paragraphs use words to signpost the main points. Introductions outline the purpose and introduce what the report investigates and how. The conclusion is a summary of the major analytical findings and decision of the report, without being a restatement.

As the research report is limited by the word length, there is no need for chapters, section numbering, an abstract, an executive summary or an appendix. These report devices are relevant to more expansive organisation or government reports that are longer and may not have a word length condition.

A key element of a research report in Economics is the use of labelled visual representations, e.g. graphs, diagrams, flow charts and other representations of an economic situation, or illustrations of economic relationships. These communicate visual meaning which is then interpreted in the surrounding text of a response. These visual representations are numbered and have captions to clearly provide a connection for the reader between the words and the representation.

Analytical essay

An essay is a continuous form of writing, where words signpost the reader to the development of the central idea across the response without headings interrupting the coherency of the response. Diagrams and models, as representations, can be used to support the communication of a key point and if included, must be explained within the response. They must be labelled and include a title.

In economics, analytical essays break down or deconstruct an issue into components or parts to draw meaning from these components, and to make decisions that are linked to the analytical findings. They are distinct from descriptive essays that do not include an analysis or evaluation.

There is not a single approach or structure of an analytical essay; the components are discussed, explained, and/or compared in paragraphs demonstrating a balance of ideas (rather than one viewpoint). For example, evaluation may occur either in one specific part of the essay or be developed from the analytical findings throughout the essay.

In this course, the analytical essay does not need to have a thesis statement, as students respond to stimulus material that is provided for analysis and the evaluation of that analysis. The introduction and conclusion are similar to those in a report and there is greater use of signposting language between paragraphs within the essay. The use of third person is typical to add professionalism and objectivity to the essay and assist students in avoiding personal opinions that are not supported by economic concepts, principles or models, or by data or information from reliable sources.

Economic inquiry cycle

In Economics, an economic inquiry cycle is used to facilitate inquiry-based learning. The elements in this process mirror the nature and order of the syllabus objectives. These elements can be used sequentially, and the iterative nature of this cycle means students can revisit these elements, revise the order in which these elements are engaged with and apply these elements in a non-linear fashion.

The key elements in an economic inquiry cycle are shown below.

Stage	Description	Purpose
Forming	Establish the task and its components by: <ul style="list-style-type: none">• developing the methodology, e.g. where to search (specific websites; which search engine and/or database)• deciding the search engine and/or data base filters, and inquiry questions.	<ul style="list-style-type: none">• Forming the task results in informed inquiry questions being devised to guide the location of sources, data and information.
Selecting	<ul style="list-style-type: none">• Find the data and information required, by locating sources and then choosing data and information.• Select reliable data and information, by choosing the most accurate, current and relevant.	<ul style="list-style-type: none">• Selecting aims to differentiate fact from opinion and to choose the most reliable source.• This process is iterative and may require the inquiry questions to be re-formed.

Stage	Description	Purpose
Analysing	<ul style="list-style-type: none"> • Break down (dissect) data and information into component parts (elements) to compare and classify different elements to <ul style="list-style-type: none"> – draw meaning from (interpret) patterns and trends – explain cause-effect relationships. • Revise the analysis and the findings to identify any <ul style="list-style-type: none"> – errors of economic logic or fact, including those that may result from fallacies or extrapolation of data past what could logically be expected – omissions, i.e. missing data or information. 	<ul style="list-style-type: none"> • Analysing develops and draws analytical findings that are used by decision-makers. • This process is iterative as it may uncover deficiencies in the selection of data or information, or identify that additional data and information is required. In these cases, new data and information may need to be selected and the inquiry questions could be re-interrogated.
Evaluating	<ul style="list-style-type: none"> • Make a decision that responds to the purpose of the task by <ul style="list-style-type: none"> – synthesising economic ideas that lead from the analytical findings – using economic criteria to make a judgment of worth, value or significance – justifying the decision using strengths, limitations and implications. • Revise the evaluation and decision to check the validity of the economic reasoning and any <ul style="list-style-type: none"> – errors of economic logic or fact – omissions, i.e. missing data or information. 	<ul style="list-style-type: none"> • Evaluating uses the analytical findings to make decisions that bring benefits to the Australian economy and to Australians' economic prosperity. • This process is iterative as it may uncover errors of economic logic or omissions in the analysis. There may be a need to select new data or re-form the inquiry questions.

Subject matter in Economics

In Economics, subject matter consists of the knowledge, understanding and skills described in the unit objectives. This subject matter is organised into topics.

For example and including

Where *for example* appears in the subject matter, it is used to provide ideas about aspects, elements or contexts that could be covered when teaching topics in the units; teachers may choose to use other examples to substitute for the examples stated.

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.

Reporting

General information about determining and reporting results for senior syllabuses is provided in the 'Determining and reporting results' section of the [QCE and QCIA policy and procedures handbook](#).

Reporting standards

Reporting standards are summary statements that describe typical performance at each of the five levels (A–E).

A
<p>The student demonstrates accurate and detailed comprehension of economic features and applies a significant range of economic concepts, principles and models with precise economic terminology.</p> <p>The student comprehensively analyses economic issues with considerable complexity. They discerningly use a wide variety of current, accurate and relevant data and information to support the analysis.</p> <p>The student evaluates economic outcomes demonstrating perceptive decision-making using discerning synthesis and critical economic reasoning. They create responses that communicate economic meaning through sophisticated expression of ideas, sophisticated control of language features and genre, and accurate acknowledgment of sources</p>
B
<p>The student demonstrates considerable comprehension of an economic problem and applies a wide range of economic concepts, principles and models with effective economic terminology.</p> <p>The student effectively analyses economic issues with some complexity. They effectively use a variety of current, accurate and relevant data and information to support the analysis.</p> <p>The student evaluates economic outcomes demonstrating effective decision-making using effective synthesis and purposeful economic reasoning. They create responses that communicate economic meaning through purposeful expression of ideas and visual representations, effective control of language features and genre, and detailed acknowledgment of sources.</p>
C
<p>The student demonstrates sufficient comprehension of an economic problem and applies a range of relevant economic concepts, principles and models with adequate economic terminology.</p> <p>The student adequately analyses economic issues and uses relevant data and information to support the analysis.</p> <p>The student evaluates economic outcomes demonstrating reasonable decision-making using adequate synthesising and feasible economic reasoning. They create responses that communicate economic meaning through an adequate expression of ideas and visual representations, use of language features and genre, and acknowledgment of sources.</p>

D

The student demonstrates a partial comprehension of an economic problem and applies economic concepts, principles and models, with few uses of economic terminology.

The student describes economic issues using a narrow range of data or information.

The student evaluates economic outcomes using superficial decisions using descriptions of ideas and some reasons. They create responses that superficially communicate economic meaning through the expression of ideas, partial use of language features and genre, and identification of limited sources.

E

The student identifies aspects of an economic problem and statements about economic concepts, principles and/or models.

The student makes statements about economic issues, using limited data or information.

The student shows aspects of evaluation in opinions or statements about economic outcomes. They create responses that impede the communication of economic meaning through an inconsistent expression and use of language features.

Determining and reporting results

Unit 1 and Unit 2

Schools make judgments on individual assessment instruments using a method determined by the school. They may use the reporting standards or develop an instrument-specific marking guide (ISMG). Marks are not required for determining a unit result for reporting to the QCAA.

The unit assessment program comprises the assessment instrument/s designed by the school to allow the students to demonstrate the unit objectives. The unit judgment of A–E is made using reporting standards.

Schools report student results for Unit 1 and Unit 2 to the QCAA as satisfactory (S) or unsatisfactory (U). Where appropriate, schools may also report a not rated (NR).

Units 3 and 4

Schools mark each of the three internal assessment instruments implemented in Units 3 and 4 using ISMGs.

Schools report a provisional mark by criterion to the QCAA for each internal assessment.

Once confirmed by the QCAA, these results will be combined with the result of the external assessment developed and marked by the QCAA.

The QCAA uses these results to determine each student's subject result as a mark out of 100 and as an A–E.

Units

Unit 1: Markets and models

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 objectives

1. Comprehend economic concepts, principles and models of the economic problem, economic flows and market forces.
2. Analyse economic issues that involve economic problems, economic flows and/or market forces.
3. Evaluate economic outcomes relevant to economic problems, economic flows and/or market forces.
4. Create responses that communicate economic meaning to suit the intended purpose.

Subject matter

Topic 1: The basic economic problem

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.

- 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 information to 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 in paragraphs and extended responses to suit the intended purpose.

Topic 2: Economic flows

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.

- 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, in both words and 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 information to 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 to make a decision about the past, present or future.
- Create responses that communicate economic meaning using data, information, graphs and diagrams in paragraphs and extended responses to suit the intended purpose.

Topic 3: Market forces

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.

- 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.
- Explain and apply the theory of demand and supply to determine market equilibrium and express in diagrammatic forms.
- Explain 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 information to 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 in paragraphs and extended responses to suit the intended.

Unit 2: Modified markets

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 objectives

1. Comprehend economic concepts, principles and models of markets and efficiency, and market measures and strategies.
2. Analyse economic issues that involve markets and efficiency, and market measures and strategies.
3. Evaluate economic outcomes relevant to markets and efficiency, and market measures and strategies.
4. Create responses that communicate economic meaning to suit the intended purpose.

Subject matter

Topic 1: Markets and efficiency

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.

- 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 market signals.
- Describe the
 - meaning of allocative, productive and dynamic efficiency as these relate to the optimal operation of markets
 - economic forces that limit perfect competition and foster an oligopoly market structure in many Australian industries.
- Compare optimal versus socially desirable outcomes.
- Analyse the differences between complete market failure (missing markets) and partial market failure.
- Explain 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
 - 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
 - ways in which the immobility of factors of production might lead to the misallocation of resources.
- Explain the causes and effects of market failure in at least one of the following situations
 - how market power may create a loss of market efficiencies
 - 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
 - asymmetric (imperfect) information that could lead to a misallocation of resources, e.g. adverse selection such as in the market for used cars (lemons), and moral hazard
 - 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.

- Explain different methods of market modification required to correct market failure, including direct and indirect taxation (e.g. Pigouvian taxes), subsidies, price floors/ceilings. Examples of different methods are suasion, tradable permits or direct state provision and regulation.
- Select data and information to analyse and evaluate
 - strategies to mitigate market failure, to improve equity or efficiency within the economy, including the creation of opportunities for innovation
 - the tension between costs to individuals and society of market failure
 - intended and unintended consequences of possible mitigation methods.
- Create responses that communicate economic meaning using data, information, graphs and diagrams in paragraphs and extended responses to suit the intended purpose.

Topic 2: Case options of market measures and strategies

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

- 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 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 market concentration issues, e.g.
 - 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 in paragraphs and extended responses to suit the intended purpose.

Case option B: Environmental economics

- Describe and explain the meaning of ecologically sustainable development relating to allocative, productive and dynamic efficiency.
- Explain the
 - environmental impacts of economic activities
 - trade-off between economic growth and ecologically sustainable development, e.g. the environmental performance index; the environmental Kuznets curve (the optimism bias of 'grow now and clean later')
 - challenge of valuing externalities and ensuring these are reflected in market prices.
- Select data and 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 environmental economic issues, e.g.
 - 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 in paragraphs and extended responses to suit the intended purpose.

Case option C: Inequality

- 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 information from sources that offer evidence of the consequences of inequality in Australia and examine these sources to appreciate their underlying assumptions and perspectives.
- Analyse and evaluate inequality issues, e.g.
 - 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 in paragraphs and extended responses to suit the intended purpose.

Unit 3: International economics

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. They examine the balance of payments in depth, considering elements of the current and capital accounts. In Global economic issues, students explain the factors that contribute to and have an impact on globalisation. Trade barriers and trade agreements 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. Longer term international trends may be considered in an analysis to see structural changes over time. However, the emphasis must be on a current situation and not on an event in the economic history of Australia. Students will understand measurements of economic data and how to calculate changes in percentages.

Unit objectives

1. Comprehend economic concepts, principles and models of international trade and global economic issues.
2. Analyse economic issues that involve international trade and global economic issues.
3. Evaluate economic outcomes relevant to international trade and global economic issues.
4. Create responses that communicate economic meaning to suit the intended purpose.

Subject matter

Topic 1: International trade

In Topic 1, students understand the dynamic nature and extent of Australia's international trade 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 Australia's economic growth. Economic models are used to analyse movements in exchange rates over time and evaluate the consequent impacts on the domestic economy. Trends in the balance of payments are analysed to evaluate the implications for the Australian economy.

- Comprehend and 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, sustainable economic growth, trade liberalisation, balance of payments, balance of trade, capital and financial account, current account deficit, current account, foreign investment, foreign debt, and terms of trade.
- Comprehend the concept of an open economy to explain how it operates in terms of the circular flow of income model.
- Comprehend and explain the advantages and disadvantages of international trade, and how trade can impact economic policy, including 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.
- Comprehend and 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 these theories using relevant diagrams and models.
- Comprehend, explain and construct diagrams applying demand and supply factors in a floating exchange rate system.
- Comprehend and explain the factors underlying the demand and supply of the Australian currency and how a floating exchange rates insulates the Australian economy from external shocks.
- Select data and information to 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
 - 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.
- Comprehend, explain and classify a country's international transactions into current and capital account statements.
- Comprehend and explain the significance of foreign investment to Australian economic development, e.g. to finance mining booms.

- Select data and information to analyse and evaluate
 - 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
 - cyclical and structural causes and effects of Australian current and capital account trends
 - 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
 - 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.

Topic 2: Global economic issues

In Topic 2, students study three major factors affecting Australia's trade relationships with the rest of the world. Firstly, the factors that have contributed to globalisation are explored from Australia's viewpoint. Secondly, economic ideas and models are used to examine the impacts of different barriers to trade, and the economic tensions they create. Finally, the impacts of international trading agreements are considered.

- Describe key concepts using economic terminology, including methods of trade protection, economic integration, economic union, globalisation and trade liberalisation.
- Explain, analyse and evaluate the
 - 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
- 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).
- Analyse and 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 make a decision about the past, present or future regarding the relative merits of trade policy alternatives.
- Explain
 - bilateral, regional and multilateral trade agreements that involve Australia
 - the contemporary role of 'free trade' agreements and their impact on Australia's international trade, including trade creation and trade diversion.
- Analyse and 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.
- Create responses that communicate economic meaning using data, information, graphs and diagrams in paragraphs and extended responses to suit the intended purpose.

Unit 4: Contemporary macroeconomics

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 economic cycle and analysing a variety of economic indicators to evaluate economic performance and budget stances. 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 to 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 objectives

1. Comprehend economic concepts, principles and models of macroeconomic objectives and economic management.
2. Analyse economic issues that involve macroeconomic objectives and economic management.
3. Evaluate economic outcomes relevant to macroeconomic objectives and economic management.
4. Create responses that communicate economic meaning to suit the intended purpose.

Subject matter

Topic 1: Macroeconomic objectives and theory

In Topic 1, students study the primary macroeconomic objectives of the Australian Government and economic theory. They connect this knowledge to a variety of economic concepts, principles and models.

- Comprehend and describe key concepts using economic terminology, including basis point and percentage point changes; consumer price index; deflation; labour force underutilisation; average propensities to consume and save; non-accelerating inflation rate of unemployment; participation rate; percentage change; stagflation; structural deficit.
- Distinguish nominal and real gross domestic product, wages and interest rates, and use calculations to identify change and scale.
- Comprehend and explain
 - cyclical and structural factors affecting movements and shifts of short- and long-run aggregate demand and supply
 - the factors affecting the production possibility curve
 - the concept of the multiplier effect and calculate the value of the simple Keynesian multiplier, in terms of the marginal propensity to consume and save
 - the four phases of the economic cycle, in the context of macroeconomic objectives
 - the macroeconomic objectives of sustainable economic growth: full employment; price stability; external stability; sustainable development; and improved living standards
 - how interest rates and federal budget decisions are policy tools that influence economic growth.
- Comprehend the circular flow of income model and the components of aggregate demand, focusing on economic policy decisions.
- Comprehend, explain and apply the aggregate demand/aggregate supply model to determine the overall price level and equilibrium level of real output in an economy.
- Comprehend and explain causes, effects, benefits and costs of the following to different groups and economic agents
 - sustainable economic growth
 - unemployment, including cyclical, structural, frictional, seasonal, natural, hidden, long-term and underemployment
 - inflation, including headline, underlying, demand-pull, cost-push, imported and inflation expectations.
- Comprehend and explain the role in fiscal policy of automatic stabilisers and the role of discretionary spending in influencing aggregate demand and stabilising the economic cycle, and apply using diagrams.

Topic 2: Economic indicators and past budget stances

In Topic 2, students apply their knowledge of economic indicators and theory to analyse and evaluate past economic events and decisions made in the annual federal budget of the government of the day.

- Explain and categorise economic indicators of past economic performance, including leading, lagging, and coincident indicators, using current data from objective sources, e.g. the Australian Bureau of Statistics and the Reserve Bank of Australia.
- Calculate the rate and changes of economic data, including real economic growth, inflation, the rate of unemployment, and the participation rate.
- Select data and information to analyse and evaluate
 - past economic indicators, to assess the position of the Australian economy on the economic cycle at previous points in time
 - the relationship between the economic cycle and economic objectives using past economic indicators and trade-offs, including conflicting objectives, intertemporal relationships, and the short- and long-run Phillips curve.
- Select data and information to analyse and evaluate
 - the accuracy, reliability and efficacy of common indicators used to measure economic objectives in a past scenario
 - recent Australian federal budget outcomes including cyclical and structural causes and effects of expansionary and contractionary fiscal policy stances within the last 3–10 years
 - the Australian Government's economic management and achievement of its macroeconomic objectives for a period within the last 3–10 years.
- Create responses that communicate economic meaning using data, information and diagrams to suit the intended purpose in paragraphs and extended responses that form an analytical essay format.

Topic 3: Economic management

In Topic 3, students examine policy choices made in Australia about 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.

- Comprehend and explain a rationale for the government to
 - develop and implement economic policies that consider efficiency, equity and trade-offs
 - stabilise the economic cycle and attain a range of economic objectives including sustainable economic growth; economic prosperity and wellbeing; internal stability; external stability.
- Comprehend and explain demand management and supply side policies and their limitations including structural deficits, time lags, global influences and political constraints.

Sub-topic A: Demand management policies — fiscal policy

- Comprehend and explain the sources of government revenue (direct and indirect taxation; progressive, proportional, and regressive taxation) and the components of government expenditure (current, capital and transfer payments; public utilities and merit goods) in the federal budget.
- Analyse and evaluate the impact and/or effectiveness of fiscal policy responses to achieve Australia's economic objectives in the future.

Sub-topic B: Demand management policies — monetary policy

- Comprehend and explain the role of the Reserve Bank of Australia (RBA) and the objectives of monetary policy as outlined in its charter.
- Comprehend, explain, analyse and evaluate the
 - concept of inflation targeting and the significance of monetary policy on the level of economic activity, and include a discussion of percentage change and basis point change
 - transmission mechanism and channels of monetary policy, and their influence on the level of aggregate demand
 - impact on and/or effectiveness of monetary policy responses to achieve Australia's economic objectives.

Sub-topic C: Supply side and microeconomic policies

- Comprehend and describe the nature and aims of aggregate supply policies (including microeconomic reforms) and explain their relationship to domestic macroeconomic objectives.
- Comprehend and explain how a government policy focused on a supply side improvement can impact Australia's economic growth through productivity, efficiency or competitiveness, using infrastructure; education and training; research and development; innovation, and deregulation.
- Analyse and evaluate the impact of and/or effectiveness of policy responses to achieve Australia's economic objectives.

Assessment

Internal assessment 1: Examination — combination response (25%)

Assessment objectives

1. Comprehend features and economic concepts, principles and models of exchange rates, international trade patterns and theories, and the balance of payments.
2. Analyse an economic issue that involves exchange rates, trade patterns and theories, and/or balance of payments.
3. Evaluate an economic outcome relevant to exchange rates, trade patterns and theories, and/or balance of payments.

Specifications

The teacher provides an examination that:

- relates to Unit 3 Topic 1
- is a combination of multiple choice, short response and extended response questions.

Question specifications

The examination must be aligned to the specifications provided in the table below.

Focus of question	Mark allocation	Objective	In these questions, students:
Multiple choice (5 questions)	10	1	• select an option
Short response (5–7 questions)		1	• respond using annotations, sentences, paragraphs, calculations and diagrams
Extended response (1 question)	15	2, 3	• respond to unseen stimulus.

Stimulus specifications

The teacher provides stimulus that:

- consists of data and information from a variety of sources, e.g. government and other institutional websites, published reports, media articles and expert commentaries
- is a minimum of six data and information sources, e.g. graphs, infographics, images, statistics and texts (up to 100 words in each source)
- has not been copied from information or texts that students have directly used in class
- is succinct enough for students to engage with during planning time
- facilitates both the analysis and evaluation components of the task
- allows for unique responses
- fits on one side of an A3 page or equivalent.

Conditions

- This is an individual supervised task.
- Time allowed
 - Planning time: 15 minutes
 - Working time: 120 minutes
- The teacher must not allow students to practise or rehearse questions in class.
- Students
 - may use a QCAA-approved non-programmable calculator
 - must not bring notes or other resources into the examination.
- The examination is to be completed in one sitting.

Mark allocation

Criterion	Assessment objectives	Marks
Comprehending	1	10
Analysing	2	8
Evaluating	3	7
Total marks:		25

Instrument-specific marking guide (IA1)

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

Analysing	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • discerning meaning drawn from patterns or trends relevant to the economic issue identified • discerning explanation of relevant economic relationships • perceptive use of a wide variety of relevant data and information to support the analysis 	7–8
<ul style="list-style-type: none"> • effective meaning drawn from patterns or trends relevant to the economic issue identified • effective explanation of relevant economic relationships • effective use of a variety of relevant data and information to support the analysis 	5–6
<ul style="list-style-type: none"> • adequate meaning drawn from patterns or trends about the economic issue identified • adequate explanation of relevant economic relationships • use of relevant data and information to support the analysis 	3–4
<ul style="list-style-type: none"> • identification of pattern/s or trend/s about an economic issue • identification of a cause or effect relationship • limited use of data or information. 	1–2
The student response does not match any of the descriptors above.	0

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • perceptive use of a relevant economic criterion to make a decision about an economic outcome • discerning synthesis of economic ideas and perspectives derived from the analysis to support the decision • critical economic reasoning using reliable evidence from unseen sources to justify the decision 	6–7
<ul style="list-style-type: none"> • effective use of a relevant economic criterion to make a decision about an economic outcome • effective synthesis of economic ideas or perspectives derived from the analysis to support the decision • feasible economic reasoning using evidence from unseen sources to justify the decision 	4–5
<ul style="list-style-type: none"> • superficial decision made about an economic outcome • description of economic ideas or perspectives that link to the decision • economic reason/s that explain the decision 	2–3
<ul style="list-style-type: none"> • opinions or statements about economic ideas or unclear decision. 	1
The student response does not match any of the descriptors above.	0

Internal assessment 2: Investigation (25%)

Students research a current economic issue to analyse the economic issue and evaluate an economic outcome for an identified purpose.

Assessment objectives

1. Comprehend features and economic concepts, principles and models of globalisation, barriers to trade, and/or trade agreements.
2. Analyse an economic issue that involves globalisation, barriers to trade, and/or trade agreements.
3. Evaluate an economic outcome relevant to globalisation, barriers to trade, and/or trade agreements.
4. Create a response that communicates economic meaning to suit the intended purpose in a research report.

Specifications

This task:

- relates to Unit 3 Topic 2
- is focused on a contemporary international economic issue of national, state and/or regional significance to Australia.

This task requires students to:

- locate, select and use reliable data and information from current, accurate and relevant primary and/or secondary sources
- analyse the economic issue involved
- choose their own economic criteria (not more than three)
- evaluate an economic outcome relevant to the provided purpose of the task and the analytical findings
- create a research report.

It is recommended that this task is designed so that students can develop a response in approximately 15 hours of class time.

Conditions

- Students can develop their responses in class time and their own time.
- This is an individual task.

Response requirements

Written: up to 2000 words

Mark allocation

Criterion	Assessment objectives	Marks
Comprehending	1	6
Analysing	2	8
Evaluating	3	7
Creating a response	4	4
Total marks:		25

Instrument-specific marking guide (IA2)

Comprehending	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> comprehensive identification of the essential features of globalisation, barriers to trade, and/or trade agreements perceptive application of a significant range of economic concepts, principles and models precise use of economic terminology 	5–6
<ul style="list-style-type: none"> adequate identification of features of globalisation, barriers to trade, and/or trade agreements adequate application of a range of economic concepts, principles and/or models adequate use of economic terminology 	3–4
<ul style="list-style-type: none"> partial identification of features of globalisation, barriers to trade, and/or trade agreements partial application of economic concepts, principles and/or models limited use of economic terminology. 	1–2
The student response does not match any of the descriptors above.	0

Analysing	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> discerning meaning drawn from patterns or trends relevant to the economic issue identified discerning explanation of relevant economic relationships that includes complexity perceptive selection and use of a wide variety of current, accurate and relevant data and information to support the analysis 	7–8
<ul style="list-style-type: none"> effective meaning drawn from patterns or trends relevant to the economic issue identified effective explanation of relevant economic relationships with some complexity effective selection and use of a variety of current, accurate and relevant data and information to support the analysis 	5–6
<ul style="list-style-type: none"> adequate meaning drawn from patterns or trends relevant to the economic issue identified adequate explanation of relevant economic relationships use of relevant data and information to support the analysis 	3–4
<ul style="list-style-type: none"> identification of pattern/s or trend/s about an economic issue identification of a cause or effect relationship limited use of data or information. 	1–2
The student response does not match any of the descriptors above.	0

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • perceptive use of relevant economic criteria to make a decision about an economic outcome • discerning synthesis of economic ideas and perspectives derived from the analysis to support the decision • critical economic reasoning using reliable evidence to justify the decision 	6–7
<ul style="list-style-type: none"> • effective use of relevant economic criteria to make a decision about an economic outcome • effective synthesis of economic ideas or perspectives derived from the analysis to support the decision • feasible economic reasoning using evidence to justify the decision 	4–5
<ul style="list-style-type: none"> • reasonable decision made about an economic outcome • synthesis of economic ideas or perspectives that link to the decision • economic reasons that explain the decision 	2–3
<ul style="list-style-type: none"> • statement/s about an economic outcome • description/s of an economic idea or perspective • reason/s based on opinion. 	1
The student response does not match any of the descriptors above.	0

Creating a response	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • discerning and concise expression, sequencing and development of ideas, including visual representations, to enhance economic meaning • a formatted report used, with perceptive choices of vocabulary and minimal errors in grammar, punctuation and spelling • consistent and accurate documentation of sources in a reference list and citations 	3–4
<ul style="list-style-type: none"> • sequencing and development of ideas to convey economic meaning • a basic formatted report used and some errors in grammar, punctuation and spelling • identification of some bibliographic information. 	1–2
The student response does not match any of the descriptors above.	0

Internal assessment 3: Examination — extended response (25%)

Assessment objectives

1. Comprehend features and economic concepts, principles and models of macroeconomic objectives, theories, economic indicators and budget stances.
2. Analyse an economic issue that involves economic indicators and budget stances.
3. Evaluate an economic outcome relevant to economic indicators and budget stances.
4. Create a response that communicates economic meaning to suit the intended purpose in an analytical essay.

Specifications

The teacher provides an examination that:

- relates to Unit 4 Topic 1 and Unit 4 Topic 2
- is focused on a contemporary economic issue that is of national, state and/or regional significance to Australia
- requires an analytical essay in response to an unseen question with seen and unseen stimulus
- allows students to choose two economic criteria for their evaluation
- must elicit a variety of possible responses.

Stimulus specifications

The teacher provides seen and unseen stimulus that:

- enables a selection of current, accurate and relevant data and information from a variety of sources, e.g. government and other institutional websites, published reports, media articles and expert commentaries
- is a minimum of nine sources that include data and information in visual and written forms that fit on both sides of four A4-size pages or equivalent
- facilitates both the analysis and evaluation components of the task
- allows for unique responses.

The teacher provides unseen stimulus that:

- fits on both sides of one A4 page or equivalent
- is succinct enough for students to engage with during planning time
- includes information that is critical to the item, so that students cannot write pre-prepared responses or predict the focus of the unseen question.

Conditions

- This is an individual supervised task.
- Time allowed
 - Planning time: 15 minutes
 - Working time: 120 minutes
- The examination is to be completed in one sitting.
- The teacher
 - provides seen stimulus to students up to 7 calendar days before the examination
 - provides seen and unseen stimulus at the start of the examination in an unannotated form
 - does not discuss seen stimulus with students, either individually or as a class
 - must not allow students to practise or rehearse questions in class.
- Students
 - may use a QCAA-approved non-programmable calculator
 - must not bring notes or other resources into the examination.

Mark allocation

Criterion	Assessment objectives	Marks
Comprehending	1	6
Analysing	2	8
Evaluating	3	7
Creating a response	4	4
Total marks:		25

Instrument-specific marking guide (IA3)

Comprehending	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> comprehensive identification of the essential features of relevant macroeconomic objectives, theories, economic indicators and budget stances perceptive application of a significant range of economic concepts, principles and models precise use of economic terminology 	5–6
<ul style="list-style-type: none"> adequate identification of features of relevant macroeconomic objectives, theories, economic indicators and budget stances adequate application of a range of economic concepts, principles and/or models adequate use of economic terminology 	3–4
<ul style="list-style-type: none"> partial identification of features of relevant macroeconomic objectives, theories, economic indicators and budget stances partial application of economic concepts, principles and/or models narrow use of economic terminology. 	1–2
The student response does not match any of the descriptors above.	0

Analysing	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> discerning meaning drawn from patterns or trends relevant to the economic issue identified discerning explanation of relevant economic relationships that includes complexity perceptive selection and use of relevant seen and unseen data and information to support the analysis 	7–8
<ul style="list-style-type: none"> effective meaning drawn from patterns or trends relevant to the economic issue identified effective explanation of relevant economic relationships with some complexity effective selection and use of relevant seen and unseen data and information to support the analysis 	5–6
<ul style="list-style-type: none"> adequate meaning drawn from patterns or trends relevant to the economic issue identified adequate explanation of relevant economic relationships use of relevant seen and unseen data and information to support the analysis 	3–4
<ul style="list-style-type: none"> identification of pattern/s or trend/s about an economic issue identification of a cause or effect relationship limited use of data or information. 	1–2
The student response does not match any of the descriptors above.	0

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • perceptive use of relevant economic criteria to make a decision about an economic outcome • discerning synthesis of economic ideas and perspectives derived from the analysis to support the decision • critical economic reasoning derived using reliable evidence from seen and unseen sources to justify the decision 	6–7
<ul style="list-style-type: none"> • effective use of relevant economic criteria to make a decision about an economic outcome • effective synthesis of economic ideas or perspectives derived from the analysis to support the decision • feasible economic reasoning derived using evidence from seen and unseen sources to justify the decision 	4–5
<ul style="list-style-type: none"> • reasonable decision made about an economic outcome • synthesis of economic ideas or perspectives that link to the decision • economic reasons that explain the decision 	2–3
<ul style="list-style-type: none"> • statement/s about an economic outcome • description/s of economic idea or perspective • reason/s based on opinion. 	1
The student response does not match any of the descriptors above.	0

Creating a response	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> • discerning and concise expression, sequencing and development of ideas, including an economic model/s, to enhance economic meaning • an analytical essay format used, with perceptive choices of vocabulary and minimal errors in grammar, punctuation and spelling • consistent and accurate identification of sources used 	3–4
<ul style="list-style-type: none"> • sequencing and development of ideas to convey economic meaning • a basic analytical essay used and some errors in grammar, punctuation and spelling • identification of some sources used. 	1–2
The student response does not match any of the descriptors above.	0

External assessment: Examination — combination response (25%)

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

Assessment objectives

1. Comprehend economic concepts, principles and models of macroeconomic objectives, theory and economic management.
2. Analyse an economic issue that involves macroeconomic objectives and economic management.
3. Evaluate an economic outcome relevant to macroeconomic objectives and economic management.

Specifications

This examination:

- consists of a number of different questions relating to Unit 4 Topic 1 and Unit 4 Topic 3
- may ask students to
 - respond using multiple choice, sentences or paragraphs and an extended response
 - annotate, calculate or draw diagrams
 - use unseen stimulus materials.

Conditions

- Mode: written
- Time allowed
 - Planning time: 15 minutes
 - Working time: 120 minutes
- Students may use a QCAA-approved non-programmable calculator.

Glossary

The syllabus glossary is available at www.qcaa.qld.edu.au/downloads/senior-qce/common/snr_glossary_cognitive_verbs.pdf.

References

Marzano, RJ & Kendall, JS 2007, *The New Taxonomy of Educational Objectives*, 2nd edition, Corwin Press, USA.

Marzano, RJ & Kendall, JS 2008, *Designing and Assessing Educational Objectives: Applying the new taxonomy*, Corwin Press, USA.

McCowage, M & Dwyer, J 2022, 'Economic literacy: What is it and why is it important?', in Reserve Bank of Australia Bulletin, *December 2022: Australian Economy*, 8 December.

Version history

Version	Date of change	Information
1.0	January 2024	Released for familiarisation and planning (with implementation starting in 2025)
1.1	July 2024	Released for implementation with minor updates
1.2	October 2024	ISBN removed and minor updates

