

Economics

Units 1-2

Economics is the study of how resources are allocated to meet the needs and wants of society. It attempts to explain how and why people behave the way they do and the consequences of their decision-making. By unpacking the economic considerations around how to best meet the needs and wants of citizens, the study of Economics provides students with valuable insight into issues that may affect them both individually and as members of society. Economics assists us in making more informed and responsible decisions and in making a contribution to public debate as active citizens.

UNIT 1 - Economic decision making

Economics has an effect on everyone, irrespective of background. In this area of study students begin to appreciate the contributions of economics as a discipline, investigate some of the factors that motivate people to act in the way they do and consider the consequences of their actions. Every country is faced with the same basic economic problem: how are resources to be allocated to best meet the needs and wants of its people?

UNIT 2 - Economic issues and living standards

A core principle of economics is maximising the living standards of society. This is done through economic decisions that optimise the use of resources to produce goods and services that satisfy human needs and wants. Economic activity is therefore a key consideration for economics. Students consider the link between economic activity and economic growth and investigate the importance of economic growth in raising living standards. They evaluate the benefits and costs of continued economic growth and consider the extent to which our current measurements of living standards are adequate.

KEY SKILLS REQUIRED

Gather, synthesise and use economic data and identify trends and patterns in the data, construct and interpret economic models, predict market outcomes

ASSESSED TASKS

Topic tests, economic exercises, reports, investigations and end of semester written examination.

Units 3-4

UNIT 3 - Australia's Living Standards

In continuing with VCE Economics students investigate the role of the market in allocating resources and examine the factors that affect the price and quantity traded for a range of goods and services. Students develop an understanding of the key measures of efficiency and how market systems might result in efficient outcomes.

UNIT 4 - Managing the Economy

The ability of the Australian economy to achieve its domestic macroeconomic goals has a significant effect on living standards in Australia. Policymakers, including the Australian Government and the Reserve Bank of Australia (RBA), can utilise a wide range of policy instruments to affect these goals and to affect living standards. This unit focuses on the role of aggregate demand policies in stabilising the business cycle to achieve the domestic macroeconomic goals. Students develop an understanding of how the Australian Government can alter the composition of budgetary outlays and receipts to directly and indirectly affect the level of aggregate demand, the achievement of domestic macroeconomic goals and living standards.

KEY SKILLS REQUIRED

Use economic data and identify and explain trends and patterns in the data and make predictions, discuss and analyse the impact of policies, evaluate the role of markets in allocation of resources

ASSESSED TASKS

Topic tests of short answer questions, economic exercises, interpreting graphs and an end-of-year written examination. School Assessed Coursework Unit 3 (25%); School Assessed Coursework Unit 4 (25%); 2 hour written examination in November (50%)