



# ECONOMICS

## TEACHING & LEARNING SUPPLEMENT

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# Teaching and Learning Supplement

## **ECONOMICS (ECN315116)**

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### **ADVICE TO TEACHERS**

This document helps to describe the nature and sequence of teaching and learning necessary for students to demonstrate achievement of course outcomes.

It suggests appropriate learning activities to enable students to develop the knowledge and skills identified in the course outcome statements.

Tasks should provide a variety and the mix of tasks should reflect the fact that different types of tasks suit different knowledge and skills, and different learning styles. Tasks do not have to be lengthy to make a decision about student demonstration of achievement of an outcome.

### **COURSE SPECIFIC ADVICE**

This Economics level 3 Teaching and Learning Supplement must be read in conjunction with the Economics level 3 course document and relevant External Assessment Specifications and Examination Guidelines.

It contains advice to assist teachers delivering the course and can be modified as required. This Teaching and Learning Supplement is designed to support teachers new to or returning to teaching this course.

Economic decisions have a crucial influence on the living standards experienced by people in Tasmania, Australia as well as throughout the world. The study of economics can help individuals, groups and societies make informed choices that assist them to improve their quality of life.

As a subject, Economics is distinctive because of the range and complexity of problems and issues that it investigates and the skills and understandings that it develops. A student who successfully completes Economics 3 should have knowledge and skills enabling them to:

- understand the origins and operations of markets
- comprehend the background and implications of contemporary economic issues
- discuss appropriate policies to solve economic problems and issues
- identify fluctuations in the global and Australian economies and their likely effects on businesses and individuals
- understand reasons for changes in employment patterns
- identify, using economic thinking, appropriate strategies to protect the natural environment and to address the issue of wealth and income inequality in Australia.

The discipline of economics has a theoretical basis and economists often debate the relative merits of different theories when assessing economic issues and proposing solutions to economic problems, including economic modelling.

Discussion of economic issues dominates the media and politics. By understanding economics, students can make informed judgements about issues and policies and participate responsibly in decision-making.



## SEQUENCE OF CONTENT

	Unit Title	Indicative Times
<b>Unit 1</b>	An Introduction to Economics	40 hrs
<b>Unit 2</b>	Economic Management	60 hrs
<b>Unit 3</b>	Australia and the Global Economy	35 hrs
<b>Unit 4</b>	Investigation into a Contemporary Economic Issue	15 hrs

### Unit 1 An Introduction to Economics

This unit is essentially microeconomic in nature, focusing on aspects of the economic behaviour of consumers, business and governments. Much of this behaviour is influenced by the operation of markets.

This unit introduces learners to:

- The economic problem and the concept that that economics is the study of scarcity and when a decision is made about the use of resources at an individual, business, local, national or international level an opportunity cost is incurred.
- The price mechanism as the link between sectors of the circular flow model and this being fundamental to an understanding of how economies like Australia attempt to solve economic problems.
- Markets as an efficient way to allocate scarce resources through price signals
- Examples of market failure, i.e. the forces of demand and supply not allocating and pricing resources and final goods in a way that society would regard as efficient, equitable or sustainable.
- Government policy options that can be applied to achieve alternative outcomes.

Unit 1: Key Concepts:

- Economic problem
- economic resources (factors of production),
- relative scarcity,
- opportunity cost,
- cost-benefit model,
- production possibilities curve/frontier,
- economic system,
- planned economy, unplanned (free market) economy, regulated market (mixed) economy,
- circular flow model
- equilibrium and disequilibrium
- markets
- demand and supply
- market equilibrium
- price elasticity of demand
- market failure and its types
- Microeconomics.



### *Specific Approaches*

Establishing the relevance of economics and engaging with the big ideas of the discipline are important ways of establishing student 'buy-in' to the course.

Part of establishing commitment from learners, as well as ensuring topicality and relevance, is to ensure that classroom discussion is influenced by observations of the economic dimensions of what is going on at home, in school in the local, national and international communities and point out how economics may assist in exploring and explaining these observations.

Student understanding of the integrated nature of economics and economic thinking is an important skill and disposition to develop. Students should be encouraged to develop a 'mental map' of the ideas, institutions, variables and players in the economics 'game', both nationally and internationally, in order to achieve mastery in the study of economics.

Learners appreciate the complexity of the discipline when they understand the range of 'players' including consumers, producers, workers, governments, other economies, trade unions, large and small corporations and the government, and that all players in the game seek to maximise sound outcomes, which influence behaviour. For example:

- producers wish to maximise profits and reduce costs,
- workers wish to maximise income and improve working conditions,
- consumers want to purchase quality goods and services at the lowest price
- the Federal government seeks to maximise economic growth while managing inflation, spending and international trade.

Learners explore the linkages in an economy in order to establish an understanding of how these linkages take effect internationally, nationally and in their own lives.

It is important that students are introduced to the principle of cost-benefit analysis at an early stage. Whilst the teaching of the cost-benefit model is not required, students need to understand that economists use this principle to explain how an idealised individual would choose between competing alternatives. It is a fundamental tool used by economists to assist in making decisions. Only in this way will our choices minimise the opportunity costs. It has implications for all units within the course.

The principle can be used to assist individuals, firms and societies to decide whether to take action, if and only if the extra benefits from taking the action are at least as great as the extra costs. The costs may be money costs but are often opportunity costs.

### ***Examples of learning activities***

Learners:

construct a mind map (include annotations, illustrations diagrams etc, ) which shows your understanding of how markets operate to allocate scarce resources.(your mind map should include concepts including demand, supply, price, demand curve, supply curve, equilibrium price,



consumer sovereignty, factors affecting supply, factors affecting demand, market, price of substitutes, price of complementary goods and elasticity of demand).

undertake a jigsaw group work task in order to learn about sources of market failure, public goods, externalities and asymmetric information.

explain the meaning of the following statement to someone who has no knowledge of economics:

“The Australian economy is an example of a modified market economy.”

analyse media sources such as newspaper articles, internet reports, TV and youtube which illustrate the key knowledge and skills in Unit 1.

produce a multimedia presentation with annotations of the sources to show how the source material enhances learner economic literacy and illustrates how the Australian economy or Australian markets work.

use the circular flow model to explain how the Australian economy works.

invite a guest speaker who is expert in a market field, e.g. bank manager, real estate agent or economist to speak to the class about the role of a market you are interested in.

as a class group, and using the cost-benefit principle, evaluate an issue such as increasing Asian investment in the Tasmanian economy or the importance of the tourism market to future prosperity of Tasmanians.

as a class, apply the cost-benefit principle to the utilisation of nuclear medicine and the resultant need to build a nuclear waste facility in Australia.

research examples of local market failure and write a 600-800 word essay on the role of government in dealing with these examples.

use economic terms and ideas, write a report in response to this question:

You are the consumer of the services offered by your school; if you were asked to assess whether the school was meeting your needs and wants as a consumer how would you judge its performance?

prepare a report for the Environment Minister on the relationship between market failure and climate change. Outline a range of policy actions, from an economic perspective, you would recommend for implementation.



undertake a class discussion on the topic 'Income inequalities are due entirely due to differences in ownership of factors of production'

as a class, divide into small groups, with each group allocated one of the forms of market structure (perfect competition, monopolistic competition, oligopoly or monopoly). Each group is to research and prepare a multimedia report on their form of market structure, using the following to scaffold their planning:

- explain the meaning of their form of market structure, commenting on the degree of competition in the market and the impact this may have on price setting, economic efficiency and living standards
- provide examples of this form of market structure in action.

## **Unit 2** Economic Management

Unit 2 is macroeconomic in nature, focusing on key economic goals and macroeconomic management policies to achieve them.

This unit introduces learners to:

- the concept of macroeconomic activity and macroeconomic equilibrium.
- the idea that whilst economies typically follow a long-term trend of economic growth and rising living standards, they are subject to cyclical fluctuations in the level of economic activity (the business cycle) which are associated with particular economic issues.
- the important role of government (through its spending and taxing powers and microeconomic reforms) and the Reserve Bank of Australia (through its impact on interest rates) to affect the allocation of resources and to manage the fluctuations in the level of economic activity to meet society's economic objectives.
- Australia's current economic performance and over the past 5 years.

Unit 2 Key Concepts:

- Macroeconomic activity
- macroeconomics
- total spending or aggregate demand
- aggregate supply
- business cycle and its phases
- economic objectives
- living standards
- macroeconomic policies
- monetary policy
- fiscal policy
- microeconomic policy
- economic growth
- GDP, inflation
- Unemployment

### ***Examples of learning activities***

Learners:



investigate the inflation rates of various countries, calculate the rates of return on investment and savings required by citizens of those countries in order to retain their net wealth and standard of living.

prepare a report that outlines ways we measure standards of living and the way we measure economic growth, comparing the similarities and differences between the two.

conduct an investigation and write a report into just who is more likely to be unemployed in Australia, ask Centrelink to provide a speaker to your class to provide information and data to assist your investigation.

research and write a report on the role and importance of immigration to the Australian economy over the last 50 years.

analyze certain scenarios and explain what macroeconomic and/or microeconomic policy actions might be required to achieve the desired outcomes.

play the roles of members of the Reserve Bank Board of Australia as they meet to decide whether they would recommend an expansionary policy (lowering interest rates) or a contractionary policy (raising interest rates) or a neutral stance (interest rates on hold) using the following information:

- data showing that world economic growth has seriously declined while aggregate demand in Australia remains at robust levels
- data that shows a that annual inflation rates are above 5 percent and the Australian economy is facing capacity constraints and skill shortages
- data shows that aggregate demand and economic growth in Australia has slowed to low levels and that unemployment is rising.

compare the advantages and disadvantages of different forms of economic decision making used in different countries or economic systems at different times, using as criteria broad goals such as freedom, efficiency, fairness and growth

undertake an investigation of the Commonwealth Budget in this current year:

Imagine you are working as an economist for one of Australia's largest banks. Prepare a report for bank clients which outlines the key features of this budget. Assess the budget's impact on consumer confidence, business confidence, interest rates, the value of the Australian dollar, the size of the Current Account Deficit, national savings, economic growth, the unemployment rate, the inflation rate, aggregate demand and supply, equity in the distribution of income and wealth and the efficient allocation of resources.



investigate various economic decision makers in the Australian economy such as consumers, workers, savers, investors, employers, unions banks and governments and report on the nature, role, values goals and strategies used by these economic decision makers.

use software to create a photo story that uses images to illustrate examples of economic activity.

as a class discuss the meaning of concept of the 'economics of happiness':

- How is it linked to the rate of economic growth and the standard of living?
- What criteria would you use to assess the level of economic happiness?

in small groups, create a survey to measure economic happiness in family and friends; analyze the results and give an oral report on the outcomes and whether their measure may provide a more effective measure of wellbeing than traditional GDP measures and inform policy decisions by government.

in small groups, undertake an investigation into how Australia's economy might achieve strong and sustainable economic growth and produce an economic plan to achieve it.

write a 600-800 word essay to assess whether the theory of the business cycle can be applied to explain trends in the performance of the Australian economy over the last five years.

in small groups, research the current Commonwealth budget and commentary about it. Design a checklist of key economic outcomes that a budget should address. Rate how well the budget achieves these outcomes. (The following are common criteria for judging economic outcomes: economic growth, economic stability, efficiency, social justice and equity.)

write a letter to the editor of the local newspaper explaining how changes in interest rates have both benefits and costs to the local economy. Learners will need to research if any particular requirements apply to letters to the editors.

calculate an economic indicator from data relating to the performance of a hypothetical economy over the past five (5) years; analyze this data in terms of trends and the likely policy stances over this time. What might the analysis suggest about future directions for economic policy?

**Unit 3**  
Australia and  
the Global  
Economy

This unit focuses on Australia's international economic relations and economic globalisation.

This unit introduces learners to:

- the linkages between economies





- reasons for, costs and benefits of international trade
- the concepts of globalisation, trade liberalisation and protection in relation to the Australian economy
- Australia's trade, especially with Asia, and its measurement
- the impact of a CAD, a change in the exchange rate and a change in foreign investment has on the Australian economy
- Australia's current economic performance and over the past 5 years.

**Key Concepts:**

- trade
- specialisation
- comparative advantage
- balance of payments
- exchange rates
- foreign debt
- foreign investment
- trade liberalisation
- protectionism
- trading agreements
- globalisation
- multinational business
- Current account
- International competitiveness

***Examples of learning activities***

**Learners:**

conduct a forum or conference where economic globalisation is evaluated in terms of its perceived costs and benefits; learners represent the views of a range of economic players with views on globalisation, including (but not limited to) TNC's / National Governments, employees, the World Trade Organisation, workers in developing countries, OXFAM and the World Business Council for Sustainable development and Community Aid Abroad. Debate the economic advantages and disadvantages associated with globalisation.

evaluate issues using cost-benefit analysis such as: What is the opportunity cost for Australia in raising tariffs?

investigate and report on the role of Australian foreign aid in the promotion of economic development in the Asian region.

prepare a news article or report for a radio or TV show that discusses the factors shaping the speed and extent of globalisation in the twenty-first century.

demonstrate and analyze certain scenarios related to changes in the exchange rate and explain the consequences (benefits and costs) to Australian consumers and businesses.



acquire the latest economic information about Australia's current external trade and relationships, trade agreements and alliances with countries in Asia. Prepare a one-page fact sheet summarizing this information that could be published on a website such as the Austrade site.

create a glossary of appropriate economic terms.

prepare a consequence chart. A consequence chart is used to record what students believe to be the likely consequences of a decision or action. Charts can take different forms and enable students to explore cause and effect relationships, alternative consequences or the likely consequences of alternative actions or decisions, for example, the consequences of Australia a free trade agreement with an Asian trading partner or of stopping live animal exports to an Asian trading partner.

in small groups study a significant multinational company to investigate. Complete a PNQ (Positives Negatives Questions) chart for their business; display charts in the classroom with each group explaining what they found to the other groups. The companies could include such businesses as Coke, Nike, BP, BHP, Rio Tinto, NAB, McDonalds.

use production scenarios between countries to complete practical exercises that show the gains to be made from trade through specialisation and trade where each country has a comparative advantage in a particular good e.g. greater quantity of goods and services and mutually beneficial prices. An explanation of partial specialisation is not required.

**Unit 4**  
Investigation  
into a  
Contemporary  
Economic  
Issue

This unit focuses on learners undertaking an independent investigation into one of the two economic issues listed in the course document. They apply the inquiry approach to learning as outlined in the course document to their analysis of a real-world situation.

**Key Concepts:**

- spaceship earth
- renewable and non-renewable resources
- economic growth
- negative externalities
- price mechanism and market failure
- trade-offs
- intergenerational equity
- government intervention and policy (regulation, quotas, taxes, emissions trading).
- poverty - absolute and relative
- poverty - causes
- poverty - incidence
- taxation
- fiscal policies, intergenerational policies, microeconomic policies, regulations



- equity and social justice
- government and non-government welfare institutions and agencies
- welfare policy (social services, health care and education)

### **Examples of learning activities**

As this unit has a strong research component, it is important that learners develop their capacity to undertake an independent investigation. Learners need to demonstrate economic inquiry skills including planning and organising, defining and questioning, researching analysing and evaluating, reflecting and communicating. The links between these elements need to be made explicit by teachers in their guidance of learners.

This unit requires learners to demonstrate their level of engagement with Criterion 6, *undertake research about economic issues* and Criterion 7. *Apply inquiry skills to the completion of an economic investigation*. Accordingly learning activities must be designed to allow students to demonstrate their achievement against these two criteria.

Learning activities must allow learners to demonstrate their knowledge and skill by reference to:

#### Criterion 6

- Location and utilisation of primary and secondary sources
- Learner methodology in collection and organisation of information
- Learner assessment of reliability, contestability and validity of collected information

#### Criterion 7

- Learner competence in development of research methodology, including framing inquiry questions
- Learner established timelines and goals and negotiation of these with teacher
- Identification of required resources required by learner for the completion of the inquiry
- Learner /teacher dialogue on progress in meeting goals and timelines of inquiry, including evaluation of future actions.

Learners may require specific and scaffolded support from teachers in order to engage with this inquiry task. The steps involved in the inquiry could include the following:

generate a 'need to know' with learners about the two possible inquiries by discussing the topics for investigation, negotiating the topic and generating focus questions and topical issues relating to the topic linked to current media coverage of the topic.

explore, orally and/or in writing, learner perception through questioning to:  
establish prior knowledge



discuss personal/group values, attitudes and perceptions related to the topic  
examine views in the traditional and social media.

describe the reasons why their topic is important to the Australian economy. Have learners identify the main players and arguments relating to the topic. Discuss the motives, values, and the relative power base of the individuals or groups involved in the topic. Learners should discuss how players seek to exert influence on the topic.

prepare a research plan by framing questions for investigation. This might involve writing the topic as a hypothesis (statement, question, if-then proposition). Student research plans should include reference to how they will gather and evaluate data relevant to the topic/hypothesis. This could include primary sources (statistics, surveys) and/or research of secondary sources (texts, newspaper articles, academic journals, websites). Learners should establish and gather appropriate evidence and sources, to test the validity of the hypothesis and apply them to the topic. Research plans must clearly establish timelines and document goals of the inquiry task. Teachers should discuss and model the preparation of learners research plan as this is a key element and output of this unit

## **SUPPORTING STUDENT RESPONSES AND ELABORATIONS**

The inquiry model is a circular and dynamic interrelationship between planning, teaching and learning, and assessment. It is important that during the investigation learners should be able to demonstrate a degree of independence in the inquiry process.

It is important that learners receive an introduction to an issue, topic or concept to strengthen their background knowledge and understanding which will be further developed through the intensive exploration of the issue. Learners need to be able to demonstrate capacity for economic interpretation, analysis, evaluation and synthesis.

Practice should be given in Units 1 – 3 for learners to undertake research tasks. In Unit 1 teachers should model the process, skills and outcomes required. As learners move through Units 2 and 3 greater independence is expected in arriving at a solution.

There should be a strong emphasis on assessment for learning where both the teacher and learner use understandings about progress to inform the development of the inquiry. This takes place in an on-going, continuous and cumulative manner during learning, not simply at the end.

Assessment as learning, where the inquiry itself contributes to growth in learner understanding, through reflecting upon and monitoring their own progress, allows them to inform their future learning goals and to gain an awareness of their individual learning styles.

Specific strategies that teachers can use to elicit student responses while checking for understanding include:

### **Feedback**

Pivotal to formative assessment is the feedback loop which helps learners to improve and develop and teachers should plan effectively to support this. It comprises three concepts:



- Feed up – where is the learner going?
- Feed back – how is the learner going?
- Feed forward – where to next and what must the learner do to get there?

### **Mind-mapping**

A mind map is a diagram used to visually organize information. A mind map is often created around a single concept, drawn as an image in the centre of a blank landscape page, to which associated representations of ideas such as images, words and parts of words are added. Major ideas are connected directly to the central concept, and other ideas branch out from those. A mind map is an ideal tool to use in the questioning phase of the inquiry process.

### **Brainstorming**

Brainstorming is sometimes called applied imagination and combines a relaxed, informal approach to problem solving with lateral thinking. It encourages people to come up with thoughts and ideas that can, at first, seem a bit crazy. Some of these ideas can be crafted into original, creative solutions to a problem, while others can spark even more ideas. This helps to get people unstuck by "jolting" them out of their normal ways of thinking. Brainstorming can be particularly useful in skill steps 4 and 5 of the inquiry model.

### **Verification folio**

In assisting with the requirements for academic integrity both teachers and learners should undertake a collaborative process to achieve this goal. Teachers should allow class time in which learners undertake components of the work requirement and also to provide for verification. Processes may include:

#### **Written feedback, including:**

- Investigation checklists
- Using teacher observation sheets for drafts and referencing
- Making annotated notes in responses to issues emerging during research and drafting.
- Learners are expected to complete evidence, in hard or digital copy, that the work they have completed is their own. This could comprise:
  - Copies of emails
  - The keeping of a journal.
  - Working notes and jottings
  - Copies of research papers and drafts
  - Evidence of research, including collection and sorting of data.



## RESOURCES

There are a number of non-technical and highly accessible resources which introduce the principles of economics in ways that relate to everyday life. Students beginning economics should be encouraged to read this material. Examples of this sort of material includes:

Frank, Robert H. 2008, *The Economic Naturalist*. Virgin Books. Randon House, London

Hamilton, Clive and Denniss, Richard, 2005, *Affluenza*, Allen & unwin, Sydney

Harford, Tim. 2006, *The Undercover Economist*. Oxford University Press. Oxford

Levitt, Steven & Dubner, Stephen. 2006, *Freakonomics*. Penguin, London.

Levitt, Steven & Dubner, Stephen. 2009, *SuperFreakonomics*. Penguin, London.

Online support materials are provided for each subject and updated regularly on the XXXXX website ([www.tas.gov.au](http://www.tas.gov.au)).

Examples of support materials are sample scope and sequence documents, annotated assessment samples, annotated student responses, annotations of prescribed texts and recommended resource materials.

## COURSE APPENDICES

The course document provides two (2) Appendices which are integral to the course. They are:

- Glossary
- Formulae Sheet

### Glossary

This is a list of terms used in the standards and throughout the course document and their meanings. Teachers should refer to these when interpreting the expectations of student performance against the standards for each criterion. It provides particular explanations of key terms such as social justice and diversity.

### Formulae Sheet

This is the formulae required for this course. Students will not be provided with a copy in the examination. Teachers should provide a copy for use by students throughout the year for classwork but not with internal assessments.

### Calculators

For information regarding the use of a calculator when studying this course, refer to the current TASC Calculator Policy. This policy is available at

