**Sample Course Outline**

Economics

General Year 11

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# Sample course outline

# Economics – General Year 11

## Semester 1 – Unit 1 – Personal economic and financial decisions

| **Week** | **Key teaching points** |
| --- | --- |
| 1–3 | **Personal earning decisions*** definition of income
* different types of income
* definition of wealth
* difference between an asset and a liability
* difference between wealth and income
* different ways to increase wealth
* five examples of different occupations and the average annual wage/salary for each
* factors that affect wages/salaries within the same occupation
* effect of education/training on wages/salaries between different occupations
 |
| 4–8 | **Personal spending decisions** * examples of spending to satisfy needs
* examples of spending to satisfy wants
* factors affecting an individual’s spending decision
* positive relationship between income and spending
* effect of an increase in a person’s income on their spending on the following goods:
* fruit and vegetables
* petrol
* alcohol
* entertainment
* designer label clothes
* negative relationship between price and spending
* different methods for purchasing goods and services
* advantage and disadvantage of buying on credit compared to cash
* advantage and disadvantage of buying on credit compared to layby
* advantage and disadvantage of buying on layby compared to cash
* meaning of a credit contract
* important elements of a credit contract
* meaning of a purchase contract
* important elements of a purchase contract (such as a mobile phone)
 |
| 9–12 | **Personal saving decisions*** reasons why people save part of their income
* definition of durable consumer good
* definition of financial asset
* trade-offs between short term and long term financial objectives
* different types of saving
* meaning of risk in terms of a personal investment
* meaning of return in terms of a personal investment
* difference between types of return – income and capital gain
* difference between a capital gain and a capital loss
* effect of time on the rate of return
* relationship between risk and the rate of return
* a comparison of different types of personal investments in terms of risk and return
 |
|  | * different types of personal investment strategies including:
* income protection
* savings
* growth
* speculation
* application of the personal investment pyramid to show different investment strategies
* meaning of a balanced personal investment portfolio
* difference between a low risk and a high risk personal investment strategy
* concept of diversification in terms of a personal investment strategy
* advantages of a diversified personal investment portfolio
* comparison of different types of investment portfolios over time
 |
| 13–15 | **Influence of government on personal economic and financial decisions*** role of the ACCC in protecting the interests and safety of consumers
* consumer protection
* consumer rights and guarantees
* Government taxes that affect an individual’s earning and spending
* taxes on income
* taxes on consumption
* taxes on wealth
* difference between a progressive tax and a regressive tax
* current income tax scales in Australia
* effect of a progressive income tax on the distribution of income
* meaning and importance of income redistribution
* types of welfare payments and services that governments provide to redistribute income
* role of Centrelink and examples of Centrelink payments
* importance of public education, public transport and public health services to improve equity
* definition of merit good/service
* examples of merit goods and services provided by the Australian Government
* Government incentives to encourage private saving and private health insurance
* taxation concessions on private superannuation
* private health insurance rebate
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#### Semester 2 – Unit 2 – Small business economics

| **Week** | **Key teaching points** |
| --- | --- |
| 1–4 | **Small and medium businesses in the economy*** meaning and role of the business sector in the economy
* circular flow model showing households, firms, the financial market, government sector and overseas sector
* reasons why business firms exist
* aspects of a business firm
* classification of businesses by size
* small (0–19 employees)
* medium (20–199 employees)
* large (200+ employees)
* characteristics of different types of business ownership
* classification of businesses by industry sector
* classification of businesses within the services sector
* contribution to industry value added by business size
* industry value added by sector and business size
* employment by business size
* employment by sector and business size
* importance of the business sector to the economy
 |
| 5–8 | **Business operations*** important **internal decisions** facing a business firm
* business name
* nature of product/service
* types of resources to use
* supply chain
* effect of technology
* location of business
* pricing of goods/services
* costs of the business
* fixed or overhead costs
* variable costs
* marketing and advertising
* important **external decisions** facing a business firm
* types of markets – competitive or imperfect
* competition from other firms
* concept of market power
* characteristics of monopoly and oligopoly firms
* the meaning of product/service differentiation
* difference between domestic competition and foreign competition
* Government regulations such as licensing and registration
 |
| 9–12 | **The concept of competitive advantage*** meaning of competitive advantage
* difference between a cost advantage and a differentiation advantage
* reasons for a competitive advantage
* patents and trademarks
* know-how
* established customer base
* reputation
* brand recognition
* innovation
* barriers to entry
 |
|  | * indicators of competitive advantage
* number of customers
* market share
* profitability
* drivers of competitive advantage (Porter’s five forces of change)
* threat of substitutes
* buyer power
* supplier power
* threat of new entrants
* degree of rivalry
* economic strategies to achieve a competitive advantage
* cost leadership: strategies to reduce costs over time
* product differentiation: strategies to make your product different to competitors
* niche market strategies
 |
| 13–14 | **Influences on business operations*** changes in demand factors
* changes in supply factors
* Government regulation
* health and safety requirements
* registration
* taxation requirements
* competition and consumer legislation
* effect of changes in interest rates on the business
* effect of changes in Government policy (including environmental policy) on the business
* effect of changes in the exchange rate on the business
* importance of ethical business behaviour
 |
| 15 | **Factors that influence business success or failure*** understanding economic costs
* difference between accounting costs and economic costs
* difference between economic profit and accounting profit
* meaning of bankruptcy
* meaning of productivity
* strategies to reduce production costs
* strategies to increase revenue
* effect of the business cycle on the firm
* meaning of the business cycle
* effect of expansions and contractions
* impact of globalisation on the firm
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