

UNIT 1 & 2 ECONOMICS

UNIT 1

In this unit students explore their role in the economy, how they interact with businesses, and the role of the government in the economy. Students are introduced to and explore fundamental economic concepts. They examine basic economic models where consumers and businesses engage in mutually beneficial transactions, and investigate the motivations behind both consumer and business behaviour.

They examine how individuals might respond to incentives.

Students use demand and supply models to explain changes in prices and quantities traded. Through close examination of one or more markets, they gain insight into the factors that may affect the way resources are allocated in an economy and how market power can affect efficiency and living standards. Students consider the insights of behavioural economics and how those insights contrast with the traditional model of consumer behaviour.

AREA OF STUDY

- Thinking like an economist
- Decision-making in markets
- Behavioural economics

OUTCOMES

Outcome 1: Describe the basic economic problem, discuss the role of consumers, businesses and the government in the economy, and analyse the factors that affect economic decision-making.

Outcome 2: Explain the role of relative prices and other non-price factors in the allocation of resources in a market-based economy and analyse the extent of competition in markets.

Outcome 3: Explain how behavioural economics complements traditional understandings of decision-making and analyse the effects of behavioural economics insights on consumers and other economic agents.

UNIT 2

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.

Economics provides useful tools for investigating contemporary issues that inspire debate and wide differences in opinion. Students undertake an applied economic analysis of two contemporary economics issues from a local, national and international perspective. They use the tools of data collection, analysis, synthesis and evaluation to examine the issue through an economics lens. They do this through investigation of the economic factors influencing the issue and via examination of its economic importance at a local, national and international level. Students consider the perspectives of relevant economic agents and evaluate the validity and effectiveness of individual and collective responses to the issue.

AREA OF STUDY

- Economic activity
- Applied economic analysis of local, national and international economic issues

OUTCOMES

Outcome 1: Explain the purpose of economic activity, the distinction between material and non-material living standards and the factors that may affect levels of economic activity and growth, discuss the costs and benefits of economic growth and examine the impact of economic activity on living standards using alternative measures.

Outcome 2: Explain the factors that affect two economic issues at a local, national and international level and evaluate actions to address the issues.