



SACE BOARD
SOUTH AUSTRALIA

Economics

2020 Subject Outline

Stage 1

Board-accredited draft – for planning

This subject outline has been accredited. It is provided in draft, pre-edited form for planning and implementation activities.

The published version of this subject outline will be available online in Term 4, 2019.

The renewed Board-accredited Stage 1 subject outline will be taught from 2020.



Government
of South Australia

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INTRODUCTION

SUBJECT DESCRIPTION

Economics is a 10-credit subject or a 20-credit subject at Stage 1.

Economics is the study of how resources are allocated so that goods and services are produced, distributed and exchanged to satisfy the unlimited needs and wants of society.

What happens in an economy depends on the choices millions of people make every day when they interact with each other, with markets, with the government and with their natural surroundings. Each interaction affects the behaviour of others and by seeing the world through an economic lens we are provided with insight to make more informed decisions in our daily lives.

On a broader scale, Economics enables us to analyse how the entire economy works and which issues are affecting it, including unemployment of resources, inflation, economic growth and government policies. Economics helps us tackle the most important issues facing humanity today.

An economic outlook is therefore about much more than money. Our interactions, and the outcomes of our interactions, shape the society we live in. Students explore and analyse a variety of authentic economic contexts to develop, extend, and apply their skills, knowledge, understanding, and capabilities. By studying Economics, students develop an understanding of different economic systems and institutions, and learn to assess the degree to which these systems and institutions satisfy people's needs and wants.

At Stage 1, students study the four economics concepts of scarcity, choice, opportunity cost, and the cause and effect of economic decisions. They apply their learning of these concepts to authentic economic contexts to develop their understanding of the economic principles that underpin decision-making.

CAPABILITIES

The capabilities connect student learning within and across subjects in a range of contexts. They include essential knowledge and skills that enable people to act in effective and successful ways.

The SACE identifies seven capabilities. They are:

- literacy
- numeracy
- information and communication technology (ICT) capability
- critical and creative thinking
- personal and social capability
- ethical understanding
- intercultural understanding.

Literacy

In this subject students extend and apply their literacy capability by, for example:

- using communication strategies to engage in collaborative projects and tasks
- constructing reasoned arguments and evidence-based conclusions
- interpreting and analysing economic information
- becoming competent and confident authors of economic information
- using accurate and appropriate terminology to explain economic concepts
- communicating economic information using a range of formats.

Numeracy

In this subject students extend and apply their numeracy capability by, for example:

- using models to illustrate economic relationships, including the effect of changing a variable
- analysing data to explain economic activity
- displaying data in a range of graphs and tables.

Information and communication technology (ICT) capability

In this subject students extend and apply their ICT capability by, for example:

- using digital technologies to locate and access economic information
- investigating the impact of technological innovation in an economy
- using digital technologies to extract, interpret, and analyse economic information

- using digital technologies to present findings
- using digital technologies to work collaboratively.

Critical and creative thinking

In this subject students extend and apply their critical and creative thinking capability by, for example:

- applying economic concepts, principles, and skills in a variety of contexts
- applying economic thinking to consider the cause and effect of economic decisions
- analysing the intended and unintended consequences of economic decisions
- analysing how resources are allocated efficiently.

Personal and social capability

In this subject students extend and apply their personal and social capability by, for example:

- understanding that economic reasoning can offer insight into many of the issues that society must deal with
- appreciating how economics influences their daily lives
- investigating the factors influencing individual consumer's choice
- predicting how the decisions they make today can affect their future quality of life
- collaborating with others to collect and interpret data
- considering how the needs of consumers, producers, government, and society are affected by economic markets
- sharing and discussing ideas about problems, progress, and innovative solutions
- listening to and respecting the perspectives of others
- planning effectively and managing time.

Ethical understanding

In this subject students extend and apply their ethical understanding capability by, for example:

- developing an understanding that market outcomes may conflict with social and ethical outcomes
- acknowledging and referencing the ideas of others

- developing responsible attitudes towards using limited resources in a productive, ethical, and sustainable way.

Intercultural understanding

In this subject students extend and apply their intercultural understanding capability by, for example:

- exploring economic issues in local, national, and global contexts to expand their knowledge of diverse individuals, groups, and societies
- respecting and engaging with different cultural views and customs, and exploring these interactions
- recognising that engaging with different perspectives enhances their own knowledge, understanding, and perspectives.

ABORIGINAL AND TORRES STRAIT ISLANDER KNOWLEDGE, CULTURES, AND PERSPECTIVES

In partnership with Aboriginal and Torres Strait Islander communities, and schools and school sectors, the SACE Board of South Australia supports the development of high-quality learning and assessment design that respects the diverse knowledge, cultures, and perspectives of Indigenous Australians.

The SACE Board encourages teachers to include Aboriginal and Torres Strait Islander knowledge and perspectives in the design, delivery, and assessment of teaching and learning programs by:

- providing opportunities in SACE subjects for students to learn about Aboriginal and Torres Strait Islander histories, cultures, and contemporary experiences
- recognising and respecting the significant contribution of Aboriginal and Torres Strait Islander peoples to Australian society
- drawing students' attention to the value of Aboriginal and Torres Strait Islander knowledge and perspectives from the past and the present
- promoting the use of culturally appropriate protocols when engaging with and learning from Aboriginal and Torres Strait Islander peoples and communities.

LEARNING SCOPE AND REQUIREMENTS

LEARNING REQUIREMENTS

The learning requirements summarise the knowledge, skills, and understanding that students are expected to develop and demonstrate through their learning in Stage 1 Economics.

In this subject, students are expected to:

1. understand economic concepts, principles, and models in a variety of contexts
2. apply economic concepts, principles, and models in known and unknown contexts
3. apply communication skills in economic contexts
4. apply economic thinking to construct arguments
5. analyse a range of economic data, models, and principles
6. analyse the intended and unintended consequences of economic decisions.

TEACHING AND LEARNING FRAMEWORK

In Stage 1 Economics, teachers design their program around scenarios and inquiry-based learning through which students learn to think like an economist.

Thinking like an economist is the core topic of Stage 1 Economics.

Teachers select scenarios to facilitate student learning through inquiry. Students are provided with opportunities to demonstrate application of their learning in known and unknown contexts.

When developing teaching programs, teachers determine the depth and breadth for each inquiry.

Core topic: Thinking like an economist

Students explore scenarios to develop economic thinking.

Students develop economic thinking when they use economic inquiry skills, knowledge, and understanding of economic concepts, principles, and models.

Students apply economic thinking to analyse and respond to economic issues.

The conceptual understanding and skills of economic thinking at Stage 1 are:

- economic concepts
- economic inquiry skills
- data analysis.

Economic concepts

Students develop an understanding of the fundamental economic problem: that human wants are unlimited but the resources available to satisfy these wants are scarce.

They explore and develop an understanding of the relationship between the economic concepts of scarcity, choice, opportunity cost, and the cause and effect of economic decisions.

Scarcity

Students develop an understanding of the limited nature of resources, and how scarcity leads to choices having to be made so that resources may be allocated efficiently.

Students develop an understanding that scarcity is a relative concept. That is, resources are only 'scarce' because humans want more than resources can provide.

Choice

Students develop an understanding that consumers, firms, and governments have to make choices. They develop an understanding of the factors that are considered when making those choices. Students analyse the intended and unintended consequences of those choices.

Opportunity cost

Students explore the concept of trade-offs, and develop an understanding that scarcity leads to choices having to be made. Opportunity cost is what is foregone when a choice is made. Opportunity cost can help consumers, producers, and governments make decisions.

Cause and effect

Students explore economic relationships and develop an understanding of the rationale for decisions, and the consequences of those decisions on individuals, firms, the economy, and society.

Economic inquiry skills

Students use an inquiring, critical, and thoughtful approach to their study of economics. They investigate scenarios and economic problems through:

- identifying specific economic objectives and asking relevant questions
- applying economic concepts, including scarcity, choice, opportunity cost, and cause and effect of economic decisions in a variety of economic contexts
- applying principles, models, and terminology appropriately in a variety of economic contexts
- analysing the rationale for economic decisions and their intended and unintended consequences
- constructing reasoned arguments.

Data analysis

Students develop an understanding of a range of qualitative and quantitative economic data. They collect and analyse data in order to explain economic activity.

Students use appropriate graphs, diagrams, and tables to display results that support their arguments.

Economics scenarios

In Stage 1 Economics, students learn through inquiry. Teachers facilitate student learning through problem-based scenarios.

Teachers select scenarios for inquiry — based on the interests and needs of their student cohort — that integrate economic concepts and skills from ‘Thinking like an economist’ in authentic ways. When developing teaching programs, teachers determine the depth and breadth for each scenario.

Teachers ensure that economic concepts and skills are integrated, as appropriate, over the range of scenarios studied. Individual scenarios may focus on selected concepts and skills, and students may explore further economic concepts as appropriate.

Students undertaking a 10-credit subject will complete one or more scenarios.

Students undertaking a 20-credit subject will complete two or more scenarios.

The following contexts may form the basis for teachers to present scenarios for inquiry:

- markets in action
- economic decision making

- government involvement in the economy
- trade in the global economy
- elective scenario.

Markets in action

Markets in action provides an introduction to the nature of markets, and how market forces interact to allocate scarce resources.

The interaction of buyers and sellers in free markets enables goods, services, and resources to be allocated prices. Relative prices, and changes in prices, reflect the forces of demand and supply and help solve the economic problem. Resources move towards where they are in shortest supply, relative to demand, and away from where they are least demanded.

In developing an understanding of this mechanism, students investigate the interaction of consumer behaviour, demand, seller behaviour, and supply. They use the demand–supply models to determine price and to explain price changes and the effect of price changes on quantity traded.

Students use the demand–supply model to understand the determination of equilibrium market price, examine the factors that affect demand and supply, investigate why price changes, analyse the effect of price changes on quantity traded; and investigate and recognise market failure.

Economic decision-making

In understanding strategic decision making within the context of a market, students delve into the decision-making environment through the analysis of the extent and characteristics of different market structures which affect choice behaviour amongst actors in the market.

Students explore the basis of categorisation of these behaviours as they deepen their understanding of the role of actors in the market. Students develop an understanding of outcomes in the market which occur as a result of the motivations, opportunities and decision-making abilities of consumers and firms within the market. The framework of these structural variables are explored through the following:

- Perfect Completion
- Monopolistic Competition
- Oligopoly
- Monopoly.

Students explore production choices using the production possibility frontier model to illustrate the concepts of opportunity cost, trade-offs and the effects on economic growth.

Students investigate factors that influence economic capacity including technology and changes in the supply of the factors of production and analyse their impact.

Students develop an understanding and ability to make decisions using cost-benefit analysis (CBA) as a technique in decision-making utilised by economists.

Students understand and explore the ideas of private costs and benefits, external costs and benefits and social costs and benefits and how these are used by economists to guide decision making.

Government involvement in the economy

Students develop an understanding of situations where a government takes action in an economy to modify market outcomes. They consider the following government interventions:

- allocation of resources to the production of goods and services that are undersupplied by the market
- redistribution of income in order to address inequality
- regulation of situations where the market solution may be inconsistent with society's values, or may incur costs for those not involved in making the economic decision
- stabilisation of the economy (e.g. taking measures to achieve stated objectives such as full employment, price stability, and/or economic growth).

Students refer the circular-flow model to explore the effects of government intervention in the economy.

Trade in a global economy

Students develop an understanding of arguments for and against the free trade of goods and services between nations. They explore the concept of specialisation and interdependence.

Students use the model of comparative advantage to explore the costs and benefits involved when individuals and nations specialise. They analyse trade protection strategies used to achieve economic outcomes.

Elective scenario

Teachers can choose to develop a scenario in which students have the opportunity to apply economic concepts and skills.

ASSESSMENT SCOPE AND REQUIREMENTS

Assessment at Stage 1 is school based.

EVIDENCE OF LEARNING

The following assessment types enable students to demonstrate their learning in Stage 1 Economics

- Assessment Type 1: Folio
- Assessment Type 2: Economic Project.

For a 10-credit subject, students should provide evidence of their learning through three assessments:

- two folio tasks
- one economic project.

Each assessment type should have a weighting of at least 20%.

For a 20-credit subject, students should provide evidence of their learning through six assessments:

- four folio tasks
- two economic projects.

Each assessment type should have a weighting of at least 20%.

ASSESSMENT DESIGN CRITERIA

The assessment design criteria are based on the learning requirements and are used by teachers to:

- clarify for the student what they need to learn
- design opportunities for students to provide evidence of their learning at the highest possible level of achievement.

The assessment design criteria consist of specific features that:

- students should demonstrate in their learning
- teachers look for as evidence that students have met the learning requirements.

For this subject the assessment design criteria are:

- understanding
- application
- analysis.

The specific features of these criteria are described below.

The set of assessments, as a whole, must give students opportunities to demonstrate each of the specific features by the completion of study of the subject.

Understanding

U1 Understanding of economic concepts, principles, and models in a variety of contexts.

Application

A1 Application of economic concepts, principles, and models in known and unknown contexts.

A2 Application of communication skills in an economic context.

A3 Application of economic thinking to construct arguments.

Analysis

A1 Analysis of a range of economic data, models, and principles.

A2 Analysis of the intended and unintended consequences of economic decisions.

SCHOOL ASSESSMENT

Assessment Type 1: Folio

The folio should consist of a balanced program of tasks that assess the skills, knowledge, and understanding of Stage 1 Economics.

For a 10-credit subject, students undertake two folio tasks.

For a 20-credit subject, students undertake four folio tasks.

Students demonstrate application of their understanding of economic concepts, principles, and models in a variety of known and unknown contexts. They apply their inquiry skills and analyse qualitative and quantitative data to present economic arguments.

At least one folio task could be a collaborative task.

The folio tasks should enable students to demonstrate their learning across each of the economic scenarios undertaken.

Evidence may be presented as, but is not limited to:

- an essay, blog, or analytical report
- a multimodal presentation
- an interview or viva
- short and/or extended responses
- annotated graphs or diagrams.

For a 10-credit subject, the two tasks together should comprise a maximum of 1800 words if written, or the equivalent in oral or multimodal form, where 6 minutes is equivalent to 1000 words.

For a 20-credit subject, the four tasks together should comprise a maximum of 3600 words if written, or the equivalent in oral or multimodal form, where 6 minutes is equivalent to 1000 words.

For this assessment type, students provide evidence of their learning in relation to the following assessment design criteria:

- understanding
- application
- analysis.

Assessment Type 2: Economic Project

For a 10-credit subject, students undertake one individual economic project.

For a 20-credit subject, students undertake two individual economic projects.

Students conduct an analysis of an economic question or issue. They apply their economic thinking to analyse economic information and construct reasoned arguments.

Students collect and analyse quantitative and qualitative data of an economic question or issue. They collect and analyse economic information such as statistics, graphs, journals, newspapers, official reports, case studies, film, cartoons, and articles.

Student evidence may be presented in written, oral, or multimodal form. In whichever form, the economic project should enable students to:

- analyse a range of economic data, models, and principles
- apply economic concepts including scarcity, choice, opportunity cost, and the cause and effect of economic decisions
- apply principles, models, and terminology appropriately
- construct reasoned arguments.

Each economic project should be a maximum of 1000 words if written, or the equivalent in oral or multimodal form, where 6 minutes is equivalent to 1000 words.

For this assessment type, students provide evidence of their learning in relation to the following assessment design criteria:

- understanding
- application
- analysis.

PERFORMANCE STANDARDS

The performance standards describe five levels of achievement, A to E.

Each level of achievement describes the knowledge, skills, and understanding that teachers refer to in deciding how well students have demonstrated their learning on the basis of the evidence provided.

During the teaching and learning program the teacher gives students feedback on their learning, with reference to the performance standards.

At the student's completion of study of a subject, the teacher makes a decision about the quality of the student's learning by:

- referring to the performance standards
- taking into account the weighting of each assessment type
- assigning a subject grade between A and E.

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Performance Standards for Stage 1 Economics

	Understanding	Application	Analysis
A	Perceptive understanding of economic concepts, principles, and models in a variety of contexts.	<p>Highly effective application of economic concepts, principles, and models in known and unknown contexts.</p> <p>Highly effective application of communication skills in an economic context.</p> <p>Highly effective application of economic thinking to construct reasoned arguments.</p>	<p>Critical analysis of a range of economic data, models, and principles.</p> <p>Critical analysis of the intended and unintended consequences of economic decisions.</p>
B	Well-informed understanding of economic concepts, principles, and models in a variety of contexts.	<p>Mostly effective application of economic concepts, principles, and models in known and unknown contexts.</p> <p>Mostly effective application of communication skills in an economic context.</p> <p>Mostly effective application of economic thinking to construct arguments with some reasoning.</p>	<p>Mostly critical analysis of a range of economic data, models, and principles.</p> <p>Well-considered analysis of the intended and unintended consequences of economic decisions.</p>
C	Competent understanding of economic concepts, principles, and models in a variety of contexts.	<p>Competent application of economic concepts, principles, and models in known and unknown contexts.</p> <p>Competent application of communication skills in an economic context.</p> <p>Competent application of economic thinking to construct arguments.</p>	<p>Considered analysis of a range of economic data, models, and principles.</p> <p>Considered analysis of the intended and unintended consequences of economic decisions.</p>
D	Basic understanding of economic concepts, principles, and models in a context.	<p>Basic application of economic concepts, principles, and models in a context.</p> <p>Basic application of communication skills in an economic context.</p> <p>Basic application of economic thinking to construct one or more arguments.</p>	<p>Description with basic analysis of economic data, models, and principles.</p> <p>Description of one or more intended or unintended consequences of an economic decision.</p>
E	Awareness of some economic concepts, principles or models.	<p>Attempted application of economic concepts, principles, and models in a context.</p> <p>Attempted application of communication skills in an economic context.</p> <p>Attempted application of economic thinking to construct an argument.</p>	<p>Attempted description of some economic data, models, or principles.</p> <p>Attempted description of one intended or unintended consequence of an economic decision.</p>

ASSESSMENT INTEGRITY

The SACE Assuring Assessment Integrity Policy outlines the principles and processes that teachers and assessors follow to assure the integrity of student assessments. This policy is available on the SACE website (www.sace.sa.edu.au) as part of the SACE Policy Framework.

The SACE Board uses a range of quality assurance processes so that the grades awarded for student achievement in the school assessment are applied consistently and fairly against the performance standards for a subject, and are comparable across all schools.

Information and guidelines on quality assurance in assessment at Stage 1 are available on the SACE website (www.sace.sa.edu.au).

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SUPPORT MATERIALS

SUBJECT-SPECIFIC ADVICE

Online support materials are provided for each subject and updated regularly on the SACE website (www.sace.sa.edu.au). Examples of support materials are sample learning and assessment plans, annotated assessment tasks, annotated student responses, and recommended resource materials.

ADVICE ON ETHICAL STUDY AND RESEARCH

Advice for students and teachers on ethical study and research practices is available in the guidelines on the ethical conduct of research in the SACE on the SACE website (www.sace.sa.edu.au).