

UNL81 Introduction to Economics

About the Course

The unit is a preparatory economics unit designed to help you gain the necessary knowledge to enter into a tertiary study. In this unit, you will learn why economics focuses on decisions about how production occurs, how resources are allocated and how proceeds of production are distributed. Decisions about the allocation of resources require an understanding of the interdependence of economic factors. Economic, political and social forces influence economic decision making, the quality of which is fundamental to the overall wellbeing of society. These economic decisions not only affect the wellbeing of particular nations and their people but also increasingly influence living standards regionally and globally.

This unit includes individual tutorial support with an experienced high school economics teacher. Tutorial support is via email, phone and an online classroom with discussion forums. The unit has flexible enrolment dates to meet your needs. Start your study when you want and complete the unit anytime within the 12 month enrolment window. This unit is equivalent to year 11/12 Economics. This unit requires a minimum of 220 hours or 18 weeks to complete.

Aim

The Australian economy is a contemporary market capitalist economy. In such an economy, the principal means of allocating scarce resources is the price mechanism. Students examine the factors that affect the price and quantity traded in individual markets.

Students investigate the importance of competition and analyse the degree of market power in different industries and how this affects the efficiency of resource allocation.

Students also come to appreciate that markets will not always lead to the most efficient allocation of resources. Through an examination of market failure, students are able to explain situations where the market does not operate freely and discuss the role of government in the allocation of resources.

Areas of study:

- The Market System and Resource Allocation
- Output, employment and income
- A market system
- Economic issues and the Australian Economy
- Population, Employment and Change
- Global Economic Issues
- Microeconomic Demand Management Policies
- Aggregate Supply Policies

Structure

UNL81 Introduction to Economics course consists of 2 text books. Questions and Exercises are included within each text so that the learner can work through them to develop experience in problem solving. Worked Solutions for the questions and exercises are provided at the back of each text.

Progress Tests are also provided at appropriate points in the course. Students are required to successfully complete twelve (12) of these progress tests and four (4) Activities to be eligible to sit for the final examination.

Tutorial Support is available from the UNL81 Introduction to Economics Teacher. This support, which can be accessed by the online classroom, mobile phone or email, is designed to help students clarify understanding of concepts, to provide details of solutions to exercises, and to answer other relevant queries.

Specimen Examination

The specimen exam or practice final exam is available once you have completed approximately 80% of the course. The Practice test allows students to work through similar problems under exam conditions which allow them to see if they are pacing themselves appropriately to be successful on the final exam. Most students who are successful on the practice exam find they are successful on the final exam as they are prepared for the type of questions and the exam format they will have during the final exam.

Hours of Study

In general the course should be completed in a minimum of 220 hours of study. The actual time required by an individual student to receive a successful result, however, will depend on the background, time available and needs of the learner. A majority of students take 540 hours to complete the course over the 12 months.

Assessment

The chapter questions, the end-of–chapter exercises, the progress tests, activities and the Specimen Examination are designed to help students prepare for the final examination for UNL81 Introduction to Economics, which is held in two parts which are both two hours long and must be sat on the same day. Examinations are prepared and assessed by the UNL81 Introduction to Economics Teacher and monitored by the Unilearn Examinations Committee.

To be eligible to sit for the final, closed book, examination students are required to achieve a mark of 60% or higher each on ALL progress tests and activities. The formal, supervised examination covers the content of tests 1 and 2. Candidates, who successfully complete the course, are awarded a Statement of Achievement, which lists the percentage mark gained and a grade of Pass, Credit, Distinction or High Distinction. Any

candidate who fails to obtain the minimum mark required for a Pass grade in the examination will be eligible to sit for a second examination.

Examinations are not held at set times. Rather, they are arranged through the Unilearn office after the student has successfully completed the required materials with a score of 60% or higher on each.

Grading Scheme

Students are required to complete all required materials (progress tests and lab activities) with a score of 60% or above on each in order to be eligible to sit the final exam. A student's final grade is an accumulation of all required content and will be weighted as follows:

Progress Tests - 25%

Activities – 25%

Final Exam - 50%

The final grading scale is as follows:

Pass (P) - 50-64%

Credit (C) - 65-74%

Distinction (D) - 75-84%

High Distinction (HD) - 85% and above

Content

Economics Down Under – 8th edition – Jacaranda Book 1 & 2

Book 1

Unit 1

Areas of study:

- A market system
- Economic issues and the Australian Economy

Assessment:

There are two outcomes in this unit:

- Outcome 1 - Students should be able to explain how markets work and how economic decisions are made in the Australian economy, and able to apply economic decision-making to solve economic problems.
- Outcome 2 - Students should be able to analyse contemporary Australian economic issues using the tools and methods of economic and describe the changing nature of economic issues in Australia.
- Economic choices and consequences

Chapter 1

Introduction: Australia, a market economic system

- 1.1 What is Economics about?
- 1.2 People's unlimited needs and wants
- 1.3 The limited supply of resources available for use in production
- 1.4 The problem of relative scarcity
- 1.5 Choice and the concept of opportunity cost
- 1.6 Four possible types of economic system
- 1.7 Distinctive features of Australia's economic system
- 1.8 The nature and role of markets in Australia

- 1.9 Looking at markets using demand–supply diagrams
- 1.10 Background for case studies of markets
- 1.11 Correcting market failure through government intervention in Australia’s market economy
- 1.12 Other influences on Australia’s allocation of resources

Assessment piece - Book 1 Progress test 1

Chapter 2

Economic growth and sustainable development

- 2.1 The meaning of living standards, economic growth and sustainable development
- 2.2 The measurement of economic growth
- 2.3 The business cycle and recent trends in Australia’s economic growth
- 2.4 Factors affecting Australia’s rate of economic growth
- 2.5 The costs and benefits of Australia’s economic growth
- 2.6 Decision making by households, businesses and governments influence Australia’s rate of economic growth and the environment

Assessment piece - Book 1 Progress test 5

Chapter 3

Australia’s inflation as a contemporary economic issue

- 3.1 Definition of inflation
- 3.2 Measurement of inflation
- 3.3 Inflation trends in Australia and overseas
- 3.4 Causes or factors affecting Australia’s inflation rate
- 3.5 The impacts or effects of inflation
- 3.6 Australian Government policies to help maintain low inflation

Assessment piece - Book 1 Progress test 3

Chapter 4

The creation and distribution of income and wealth in Australia as a contemporary economic issue

- 4.1 Income and wealth
- 4.2 Measurement of the distribution of income and wealth
- 4.3 Trends in Australia’s distribution of income and wealth
- 4.4 Factors affecting Australia’s distribution of income and wealth
- 4.5 Effects of inequality in the distribution of income and wealth
- 4.6 Government policies for promoting an equitable distribution of income and wealth

Assessment piece - Book 1 Progress test 4

Unit 2

The focus of this unit is the study of Australia’s external relationships and economic issues of importance in the global economy in the twenty-first century.

Areas of study:

- Population, Employment and Change
- Global Economic Issues

Assessment:

- Outcome 1 - Students should be able to describe the factors that influence Australia’s population and labour markets, and analyse how changes in these areas may impact upon living standards.
- Outcome 2 - Students should be able to describe the nature of two contemporary global economic issues, explain how each issue is affected by the actions of economic decision- makers, and evaluate the impact of the issue on living standards.

Economic change: issues and challenges

Chapter 5

Population, employment and change

- 5.1 Factors affecting Australia’s population size, composition and distribution
- 5.2 Social and economic effects of demographic change on the Australian economy

- 5.3 The nature of employment and unemployment, paid and unpaid work
- 5.4 Measurement of Australia's labour market conditions
- 5.5 Recent trends in Australia's labour market
- 5.6 Factors causing trends in Australia's employment and unemployment
- 5.7 Effects of employment and unemployment levels
- 5.8 The impact of government policies on employment and unemployment

Assessment piece - Book 1 Progress test 5

Chapter 6

Australia's international economic relationships as a global economic issue

- 6.1 Issues involving international trade and other types of transactions between countries
- 6.2 Measuring Australia's international trade and capital flows using the balance of payments account
- 6.3 Recent trends in Australia's current account deficit and their causes
- 6.4 Trends in the 'composition' and 'direction' of Australia's trade
- 6.5 Trends in Australia's international capital flows and their causes
- 6.6 Australia's exchange rate
- 6.7 Australia's foreign debt
- 6.8 Government policies affecting international trade — a choice between free trade and protection
- 6.9 Overview of the economic relationship between the Australian economy and China

Assessment piece - Book 1 Progress test 6

Chapter 7

Economic globalisation

- 7.1 Definition and history of economic globalisation
- 7.2 Reasons for economic globalisation
- 7.3 The effects of globalisation for Australia's economy
- 7.4 The effects of globalisation on low-income economies
- 7.5 The effects of globalisation on China's economy
- 7.6 International reactions to globalisation

Not Tested – This is an optional topic

Chapter 8

Development economics

- 8.1 Defining economic development and the role of development economics
- 8.2 Measurement of and trends in economic development
- 8.3 Causes of poverty in low-income countries
- 8.4 Strategies to promote economic growth and development
- 8.5 The role of government and private foreign aid to promote economic development
- 8.6 Current issues facing a developing nation in Asia — Vietnam, a case study

Not Tested – This is an optional topic

Book 2

UNIT 3 Economic Activities

The Australian economy is a contemporary market capitalist economy. In such an economy, the principal means of allocating scarce resources is the price mechanism. Students examine the factors that affect the price and quantity traded in individual markets.

Students investigate the importance of competition and analyse the degree of market power in different industries and how this affects the efficiency of resource allocation.

Students also come to appreciate that markets will not always lead to the most efficient allocation of resources. Through an examination of market failure, students are able to explain situations where the market does not operate freely and discuss the role of government in the allocation of resources.

Areas of study:

- The Market System and Resource Allocation
- Output, employment and income

Assessment:

- Outcome 1 - Students should be able to explain how markets operate to allocate scarce resources, and discuss the extent to which markets operate freely in Australia.
- Outcome 2 - Students should be able to explain the nature and importance of key economic goals in Australia, describe the factors that may have influenced the achievement of these goals over the past four years, and analyse the impact each of these goals may have on living standards.

Economic activity and the Australian economy

Chapter 1

Microeconomics: living standards, the market system and resource allocation in Australia

- 1.1 Understanding the concept of living standards
- 1.2 What is economics?
- 1.3 Relative scarcity
- 1.4 Choice, resource allocation and opportunity cost
- 1.5 Australia's economic system 1
- 1.6 Some microeconomics — how Australia's market or price system makes important decisions
- 1.7 More microeconomics — using demand–supply diagrams to show the operation of the price system
- 1.8 Market failure and the need for government intervention to improve the allocation of Australia's resources
- 1.9 Other influences on Australia's resource allocation
- 1.10 Revisiting living standards

Assessment piece - Book 2 Progress test 1

Assessment piece - Activity 1 – Short answer assignment covering chapter 1

Chapter 2

Macroeconomics: output, employment and income in the Australian economy

- 2.1 The nature and purpose of macroeconomic activity
- 2.2 The business cycle and the level of economic activity
- 2.3 Indicators of the level of economic activity
- 2.4 Using the circular flow model to look at the influences on economic activity
- 2.5 Aggregate demand as an influence on Australia's cyclical level of economic activity
- 2.6 Aggregate supply as an influence on Australia's economic activity
- 2.7 Factors affecting recent trends in Australia's level of economic activity to 2010–11
- 2.8 Using the aggregate demand–supply diagram to show changes in economic activity

Assessment piece - Book 2 Progress test 2

Chapter 3

Macroeconomic activity and the Australian government's economic goals

- 3.1 Introduction
- 3.2 The goal of low inflation (stability of the Australian currency)
- 3.3 The goal of strong and sustainable economic growth
- 3.4 The goal of full employment
- 3.5 The goal of external stability
- 3.6 The goal of equity in income distribution

Assessment piece - Book 2 Progress test 3

Assessment piece - Activity 2 – Essay assignment covering chapter 2 and 3

UNIT 4

The focus of this unit is the study of the management of the Australian economy. This concentrates on budgetary, monetary and microeconomic reform policy used by the Australian Government.

Areas of study:

- Microeconomic Demand Management Policies
- Aggregate Supply Policies

Assessment:

- Outcome 1 - Students should be able to explain the nature and operation of government macroeconomic demand management policies, explain the relationship between budgetary and monetary policy, and analyse how the policies may be used to achieve key economic goals and improve living standards in Australia.
- Outcome 2 - Students should be able to explain the nature and operation of government aggregate supply policies, analyse how they may be used to achieve key economic goals and improve living standards in Australia, and analyse the current government policy mix.

Economic management of the Australian economy

Chapter 4

Managing aggregate demand using budgetary policy

4.1 Definition of budgetary policy

4.2 The aims of budgetary policy

4.3 The nature of specific budgetary policies

4.4 Using budgetary policy to pursue low inflation, strong economic growth, full employment and better living standards, 2006–11

4.5 Using budgetary policy to pursue external stability and improved living standards, 2006–11

4.6 Using budgetary policy to help promote equity in income distribution and better living standards, 2006–11

Assessment piece - Book 2 Progress test 4

Chapter 5

Managing aggregate demand using monetary policy

5.1 Definition of monetary policy and the financial system

5.2 The aims of monetary policy

5.4 Using monetary policy to pursue low inflation, strong economic growth, full employment and better living standards, 2006–11

5.5 The relationships between monetary and budgetary policies in managing aggregate demand

5.3 The nature of specific monetary policies

Assessment piece - Book 2 Progress test 5

Activity 3 – Essay assignment covering chapter 4 and 5

Chapter 6

Policies for managing aggregate supply

6.1 Definition and aims of aggregate supply policies

6.2 The nature and operation of microeconomic reform policies to 2011

6.3 The nature and operation of supply-side budgetary policies to 2011

6.4 The nature and operation of immigration policy as a supply-side measure to 2011

6.5 The nature and operation of environmental policy as an influence on aggregate supply to 2011

6.6 Relationships between aggregate supply and aggregate demand policies in the government's current policy mix to 2011

Assessment piece - Book 2 Progress test 6

Activity 4 – Short answer assignment covering chapter 6