# **ECON Level 2 Course Outline**

# Guide to aid teacher planning only - designed to be printed or viewed in A3, Landscape.

## Purpose

This example Course Outline has been produced to help teachers and schools understand how the Significant Learning from the Learning Matrix and Achievement standards can be structured within a year-long teaching and learning programme.

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| **Significant Learning** | **Learning activities and assessment opportunities** | **Duration** Total of 32 weeks |
| Understand diverse world views of decision making and economic wellbeing in Aotearoa New Zealand and the PacificExamine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environment | Introduction to EconomicsAs students will be coming into this course with varying degrees of economic knowledge it is important to begin with some basic definitions, concepts, and models including:* the economic problem including scarcity, limited means, values and perspectives, choice and opportunity cost
* interdependence and sectors of the economy including primary, secondary tertiary (sectors related to the circular will be covered later)
* resources including natural, human, and capital and sustainability of use
* productivity and ways to improve productivity including specialisation, division of labour, investment in natural, human, and capital.
 | 1 week |
| Examine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environmentDevelop an understanding of the economy in Aotearoa New Zealand and the policies that the Government uses to manage it | Supply and DemandIn any study of Economics, it is important that students have a good understanding of this fundamental economic model.Learn about the basis of the demand curve, prepare demand schedules and curves.Explain the reasons for a downward sloping demand curve.Explain, and show on a demand curve, changes in quantity demanded and demand from changes in price, income, preferences, prices of other goods, price expectations etc.Learn about the basis of the supply curve, prepare supply schedules and curves.Explain reasons for an upward sloping supply curve.Explain, and show on a supply curve, changes in quantity supplied and supply from changes in price, costs, productivity, prices of other goods, non-economic factors like climate etc.Explain market equilibrium and the concept of market forces.Explain how changes in supply and demand impact on price, quantity, and resource use.Explain how government policies impact the market including price controls, taxes, and subsidies.An opportunity for assessment could include a quick formative assessment to obtain initial feedback on student understanding of these foundational concepts and models. | 3 weeks |
| **Note** – From here the teaching order could be altered to suit the class. Whichever topic is taught after the initial supply and demand topic is likely to take slightly longer than the other topics an initial introduction to AD-AS will be required. |
| Investigate the causes of inflation and the impact of changes in inflation on various groups in societyUse economic indicators to estimate an economy’s performance, and to highlight trendsAnalyse the effects of events in New Zealand, the Pacific and the rest of the world on the economyUnderstand diverse world views of decision making and economic wellbeing in Aotearoa New Zealand and the PacificExamine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environmentDevelop an understanding of the economy in Aotearoa New Zealand and the policies that the Government uses to manage it | Inflation / Price stabilityDefine inflation by:* explaining the difference between general price rises vs a price rise in a particular market
* distinguishing between inflation, deflation, and disinflation
* the use of real and nominal indicators.

Understand how inflation is measured by:* constructing a simple weighted price index
* interpreting, analysing, and discussing the limitations of the Consumers Price Index
* exploring alternative measures of inflation such as Household living-costs price indexes, Food price index, Producer Price Index, Purchasing Power Parity.

Explore the causes of inflation by:* using the AD-AS model to examine the causes of cost-push and demand-pull inflation. At this time, you will be introducing the AD-AS model so you will need to spend additional time teaching the model.
* explaining the relationship between the money supply and the rate of inflation using the crude and sophisticated quantity theories of money
* explain the reasons for changes in inflation at different stages of the business cycle.

Explore the effects of inflation by:* explaining the impact of inflation on households, producers, and the government. Examples could include the impact on real wages and purchasing power, savers, borrowers, income distribution, governing bodies, fiscal drag, business and consumer confidence, exporters, and importers.

Explore various policy measures that could be implemented to reduce inflation or its impact by:* giving examples of policies which would modify the causes of inflation eg, fiscal, monetary, and supply-side policies
* evaluating policies which aim to modify the causes of inflation.

Explain how government policies to reduce inflation may impact on employment, trade, growth, and inequality.**Opportunity for assessment of EC2.2 – Demonstrate understanding of causes and effects of a macroeconomic issue in Aotearoa New Zealand** | 7 weeks |
| Investigate the causes of growth and the impact of changes in growth on various groups in societyInvestigate the scope, causes and impacts of inequality in Aotearoa New ZealandInvestigate the relationship between societal equity and economic resilience.Use economic indicators to estimate an economy’s performance, and to highlight trendsAnalyse the effects of events in New Zealand, the Pacific and the rest of the world on the economyUnderstand diverse world views of decision making and economic wellbeing in Aotearoa New Zealand and the PacificExamine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environmentDevelop an understanding of the economy in Aotearoa New Zealand and the policies that the Government uses to manage it | Economic growth and economic wellbeingBy the end of this study, students should be able to see that while economic growth plays a vital part in improving economic wellbeing and living standards there are other perspectives to consider when linking growth to economic wellbeing.Define and illustrate the differing measures of economic growth by:* explaining what is being measured by each (such as real income, productive capacity, human development index).

Interpret and analyse statistical data related to economic growth by:* calculating GDP, real GDP, real GDP per capita
* identifying the size and patterns of real capital information
* discussing some of the limitations of using these as measures of economic growth.

Explore the causes of economic growth including how investment (both physical and human), technology and resource expansion contribute to growth by:* using a production possibility frontier to illustrate economic growth and explaining the opportunity cost of present consumption in terms of future growth
* using the AD-AS model, circular flow, and business cycle to illustrate the causes of economic growth
* explaining the major determinants of investment and the relationship between productivity and technology
* examining the extent to which unforeseen circumstances, or shocks, influence growth
* identifying obstacles to growth in developing countries.

Explore the effects of economic growth by:* investigating the positive and negative outcomes of growth (including environmental and social impacts, sustainability, the distribution of income and regional growth)
* recognising that economic growth may have an uneven impact on the economy
* recognizing that different groups in society have different values and viewpoints that may view wellbeing as not connected to increases in national income.

Examine how government policy measures may affect growth by:* examining the extent to which policies designed to promote price stability, employment, trade, sustainable resource use and inequality influence growth
* explaining how government policies to promote growth may impact on employment, trade, inflation, and inequality.

**Opportunity for assessment of EC2.1 – Investigate viewpoints of economic wellbeing in Aotearoa New Zealand. Could also be combined with the Employment and economic wellbeing topic below for assessment against EC1.2– Investigate viewpoints of economic wellbeing in Aotearoa New Zealand** | 6 weeks |
| Investigate the causes of changes in employment and the impact of changes in employment on various groups in societyInvestigate the scope, causes and impacts of inequality in Aotearoa New ZealandInvestigate the relationship between societal equity and economic resilienceUse economic indicators to estimate an economy’s performance, and to highlight trendsAnalyse the effects of events in New Zealand, the Pacific and the rest of the world on the economyUnderstand diverse world views of decision making and economic wellbeing in Aotearoa New Zealand and the PacificExamine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environmentDevelop an understanding of the economy in Aotearoa New Zealand and the policies that the Government uses to manage it | Employment and economic well beingDefine and illustrate the various concepts of employment and unemployment by:* explaining different definitions of employment and unemployment, including underemployment
* recognising the various types of involuntary unemployment eg, structural, cyclical, and frictional
* using the production possibility frontier to demonstrate changes in employment and unemployment.

Interpret and analyse statistical data related to employment and unemployment by:* explaining the different ways in which employment and unemployment are measured
* recognising the limitations of statistical data relating to employment and unemployment
* identifying historical patterns of unemployment and understanding their significance.

Understand the influences on the supply and demand for labour, and the impact of these influences on the labour market by:* recognising the difference between real and nominal wages
* relating changes in the demand for labour to changes in productivity of labour, final or derived demand, and to technological change
* using supply and demand analysis, the labour market diagram, to explore changes in wages, employment, and unemployment
* exploring the impact of the minimum wage.

Explore further causes of un/employment by:* integrating the AD-AS, circular flow, and business cycle models into explanations of changes in unemployment/employment
* identifying the institutional and social constraints which affect the flexibility of the labour market eg, regulations, unions, mobility of labour, family/whanau, discrimination
* debating the varying perspectives that different groups bring to wage negotiations.

Examine the social and economic effects of unemployment on economic wellbeing by explaining the relationship between unemployment and* self-employment
* social welfare spending
* inequality
* migration
* social stress.

Understand how government policy measures can alleviate the causes of unemployment by:* explaining the effect on employment of government expenditure, taxation policies, and trade restrictions
* exploring the potential of institutional changes (such as a flexible working week, retirement age, or hours of work) for influencing unemployment
* recognising that some changes that occur are outside the government’s control eg, economic shocks.

Explain how government policies to promote employment may impact on trade, growth, inflation, and inequality.**Opportunity for assessment using this topic to assess EC2.1 Investigate viewpoints of economic wellbeing in Aotearoa New Zealand, or a combination of the growth and employment topics with an economic wellbeing focus.** | 6 weeks |
| Investigate the causes of trade and tauhokohokoInvestigate the impact of changes in trade and tauhokohoko on various groups in society Use economic indicators to estimate an economy’s performance, and to highlight trendsAnalyse the effects of events in New Zealand, the Pacific and the rest of the world on the economyUnderstand diverse world views of decision making and economic wellbeing in Aotearoa New Zealand and the PacificExamine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environmentDevelop an understanding of the economy in Aotearoa New Zealand and the policies that the Government uses to manage it | International TradeDistinguish between trade in goods and trade in services by:* identifying examples of both regional and international trade in goods
* distinguishing between onshore services (such as tourism in Aotearoa New Zealand) and offshore services (such as banking)
* distinguishing between free trade and protectionism.

Interpret and analyse statistical data related to trade by:* identifying our major exports and imports of goods and services, and the countries we trade with
* identifying the magnitudes and patterns of trade using economic indicators eg, Balance of Payments, Overseas merchandise trade, Terms of trade
* recognising the limitations of these statistics
* measuring the importance of trade to the Aotearoa New Zealand economy.

Demonstrate (using supply and demand analysis) the basis of trade for tradeable goods by:* explaining comparative advantage by looking into how factor endowments and technology affect the cost of production in Aotearoa New Zealand relative to other nations
* using the two country and price taker models to determine levels of production, consumption, and trade
* explaining how changes in world prices and exchange rates can cause changes in exports and imports.

Describe the impact of changing trade patterns on the domestic economy by:* recognising the uneven impact of trade on different groups in society eg, consumers, domestic producers, households working in these industries
* analysing the links between fluctuations in trade and resource use
* exploring the flow-on effects of the growth and contraction of industries in the domestic economy
* exploring future opportunities and risks associated with Aotearoa New Zealand’s interdependence with the global economy.

Understand how government policy measures can be designed to influence trade by:* explaining how government policies may be designed to promote or restrict trade (including protectionist policy and free trade agreements)
* recognising that changes may occur that are outside the government’s control eg, shocks.

Explain how government policies to promote trade can impact on employment, growth, inflation, and inequality.**Opportunity for assessment of EC 2.3 - Demonstrate understanding of the relationship between the economy of Aotearoa New Zealand and the global economy** | 6 weeks |
| Develop an understanding of the economy in Aotearoa New Zealand and the policies that the Government uses to manage itExamine the interdependence of different sectors of the economy, and how events impacting on one sector flow through to other sectors within the economy, and society and the environment | A chance to bring together government policies that have been taught in other topics before assessing AS 2.4.**Opportunity for assessment of EC 2.4 - Demonstrate understanding of a public sector governance policy response to a macroeconomic issue** | 3 weeks |