

HSC Topic Four	Economic Policies and Management	Time allocation: 10 Weeks
THIS TOPIC FOCUSES on the aims and operation of economic policies in the Australian economy and hypothetical situations. The management of an economy is of central concern, including contemporary Australian policies and alternative approaches.		
Assessments		
<u>Formal:</u>		
<ul style="list-style-type: none">• Stimulus based Task No. 4 worth 20% of the total set of assessment tasks• Trial HSC examination worth 30% of the total set of assessment tasks		
<u>Informal:</u>		
<ul style="list-style-type: none">• Exercises, Reviews, Multiple Choice questions and Short Answer questions from <i>Cambridge Economics – HSC textbook</i>		

Students learn about:	Resources	Strategies	Students learn to:
<p>ECONOMIC OBJECTIVES IN RELATION TO:</p> <ul style="list-style-type: none"> • economic growth • full employment • price stability • external stability • environment • distribution of income <p><i>Potential conflicts between objectives</i></p> <p>The main policies available for economic management</p> <p><i>Macroeconomic policies</i></p> <ul style="list-style-type: none"> • rationale for macroeconomic policies – stabilization and shifts in aggregate demand <p><i>Microeconomic policies</i></p> <ul style="list-style-type: none"> • rationale for microeconomic policies including shifts in aggregate supply, efficiency <p><i>Fiscal Policy</i></p> <ul style="list-style-type: none"> • Federal Government Budgets and budget outcomes • effects of budgetary changes on resource use, income distribution and economic activity • methods of financing deficits • use of a surplus 	<p><u>Texts:</u> <i>Cambridge Economics – HSC, Topic 4: Chapters 18–23</i></p> <p><u>Videos:</u> AV330MIC <i>Micro Economic Concepts</i></p> <p>Banks AV 340 HSI <i>4 Corners</i> program of latest budget</p> <p>AV 300 WOR <i>Work and Technology</i></p> <p><u>Websites:</u> Commonwealth Treasury www.treasury.gov.au</p> <p>ACOSS www.acoss.org.au</p> <p>RBA www.rba.gov.au</p> <p>Productivity Commission www.pc.gov.au</p>	<ul style="list-style-type: none"> • Mind mapping introduction on the government’s economic objectives. • Discussion and summary notes on each objective. • Overview discussion on brief history of economic management: different ideologies e.g. Keynes, economic rationalism. • Discussion and note taking on rationale fro microeconomic policies. • Examination and analysis of the 2004’s Budget. • Discussion of changes in fiscal stance over recent years. • Graphical analysis on interest rates and the effect of changes in interest rate changes. • Possible to arrange a visit to the Reserve Bank. • Discussion of historical aspects of a prices and incomes policy. • Group work focusing on some recent labour market policies with oral presentations. • Worksheets based on text. • Newspaper articles-analysis and summary. • Brainstorming/discussion of different policy responses and 	<p>EXAMINE ECONOMIC ISSUES</p> <ul style="list-style-type: none"> • Analyse the opportunity cost of government decisions to concentrate on solving specific economic problems or issues • Investigate structural changes in the Australian economy resulting from microeconomic reforms • Apply economic theory to explain how a government could address an economic problem or issue. <p>APPLY ECONOMIC SKILLS</p> <ul style="list-style-type: none"> • Explain how governments are restricted in the simultaneous achievement of economic objectives • Use (simple) multiplier analysis to explain how governments can solve economic problems • Analyse alternative ways to finance a budget deficit and their impact on the economy • Identify limitations on the effectiveness of economic policies • Explain the impact of key economic policies on an

<p>Monetary policy</p> <ul style="list-style-type: none"> • purpose of monetary policy • implementation of monetary policy: Reserve Bank of Australia • impact of changes in interest rates on economic activity, exchange rate <p>Structural change</p> <ul style="list-style-type: none"> • effects of microeconomic policies on individual product and factor markets and the economy • regulation and deregulation <p>Trade policy</p> <ul style="list-style-type: none"> • direct and indirect policies to promote or restrict trade • trade and industry policies in Australia <p>Prices and incomes policy</p> <ul style="list-style-type: none"> • reasons for prices and incomes policies • possible prices and incomes policies in Australia • advantages and disadvantages of centralized and decentralized policies <p>Labour market policies</p> <ul style="list-style-type: none"> • current industrial relations framework - safety net, wage cases, 	<p>National Competition Council www.ncc.gov.au</p> <p>Australian Competition & Consumer Commission www.accc.gov.au</p> <p>Australian Industrial Relations Commission www.airc.gov.au</p> <p>Dept of Employment, Workplace Relations & Small Business www.dewrsb.gov.au</p> <p>Office of the Employment Advocate www.oca.gov.au</p> <p>Articles “Mid-Year Economic and Fiscal Outlook” Statement. Visit the website www.treasury.gov.au</p>	<p>their effectiveness in dealing with the issues.</p>	<p>economy</p> <ul style="list-style-type: none"> • Propose and evaluate alternative policies to address an economic problem in hypothetical and the contemporary Australian contexts • Explain, using economic theory, the general effects of macroeconomic and microeconomic policies on an economy • Select an appropriate policy mix to address a specific economic problem.
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<p>enterprise bargaining, workplace agreements, individual contracts - role of the courts, tribunals and the employment advocate - arguments for and against the current mix of market and non-market forces used to determine the returns to labour</p> <ul style="list-style-type: none"> • work practices • dispute resolutions • education and training, employment programs <p>Limitations on policy implementation</p> <ul style="list-style-type: none"> • time lags • global influences • political constraints <p>Policy responses and their effects in dealing with the economic issues</p> <ul style="list-style-type: none"> • economic growth • unemployment • inflation • external stability • distribution of income and wealth • management of the environment 			
<p>Contexts: unemployment; external stability of an economy; sustainable management of the environment; inflation; distribution of income; economic growth and quality of life</p>			