

Talent 100 Seminar:
**“Breaking down the Year 12 HSC
Syllabus” Series - Economics**





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Head of Economics

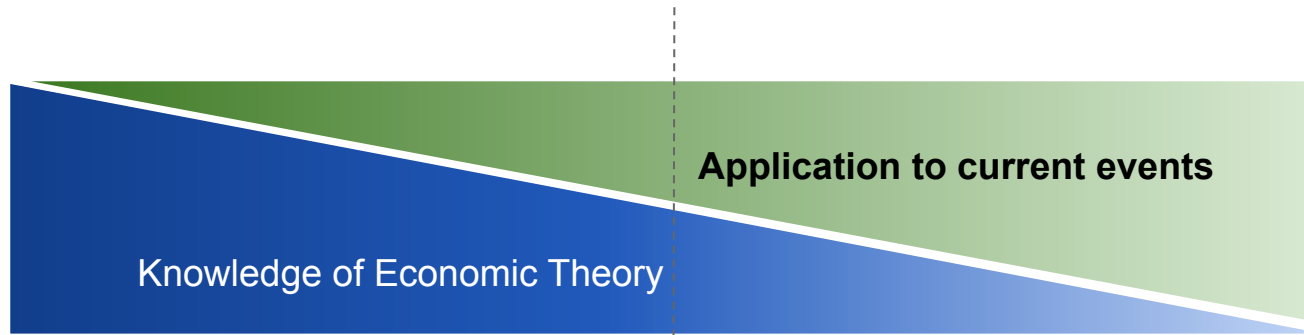
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Agenda

- What the Year 12 Economics Course is about
- How the course is examined
- General Strategy - Building a study program

What is the Year 12 Economics Course about?

Shift from Year 11 to Year 12: Micro to Macroeconomics - it all starts to make sense!



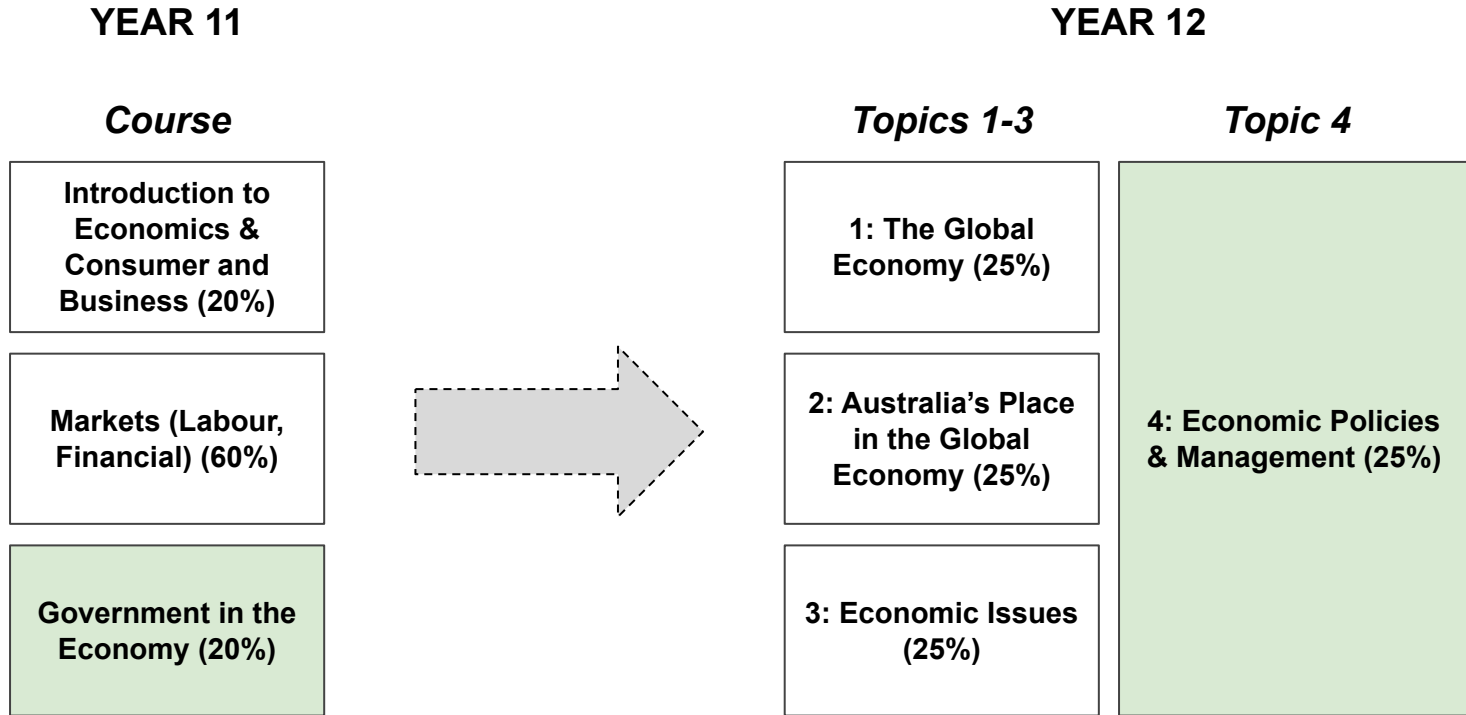
Year 11

- Do you understand the economic theories?
- Based on economic theory, how should Y (e.g. growth) change if X (e.g. interest rates) changes?

Year 12

- What theories explain what's happening in the global economy?
- Which of the factors, A, B, C are, in practice, actually causing X to change? E.g. why is 0% monetary policy failing to stimulate demand in the EU and Japan?

Topics Covered: The year ahead



Some schools may not do Topics 1-4 in order - Talent can run per school order if enough students

Topics Covered: The year ahead

Topic 1: The Global Economy

- Globalisation
- Trade flow and foreign investment
- Protectionism
- Economic Development

Topic 3: Economic Issues

- Growth, Inflation, Employment
- Income distribution
- Environmental Sustainability
- External Stability

Topic 2: Australia's Place in the Global Economy

- Trading flows
- Balance of Payments
- FX
- Free Trade Policies

Topic 4: Economic Policies and Management

- Macroeconomic Policies
- Microeconomic Policies
- Labour Market Policies

2021 HSC: Probably the most interesting year for Economics ever!

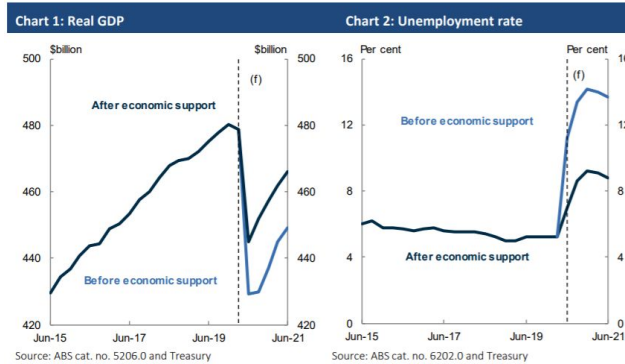
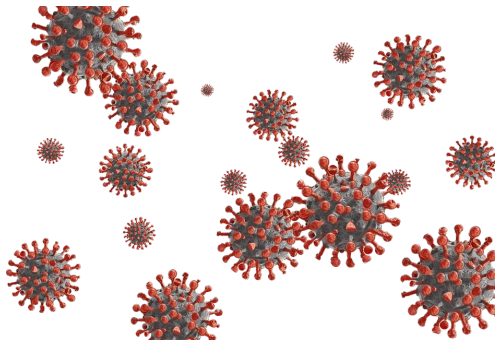
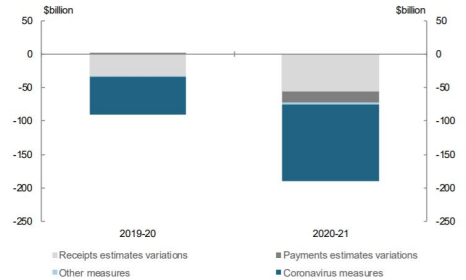


Chart 3 – Effect of measures and estimates variations on the budget position



How is Economics examined?

PERFORMANCE BAND DESCRIPTIONS FOR ECONOMICS

The typical performance in this band:

Band 6

- integrates economic terms, concepts, relationships and theory in a variety of economic contexts
- displays superior analysis of the role of economic participants and markets in a variety of economic contexts
- uses extensive economic vocabulary and illustrative examples in exposition of problems and policies in a variety of contexts
- demonstrates critical judgment and sound reasoning to select, organise, synthesise and evaluate relevant information from a variety of sources
- presents excellent explanation and evaluation of the impact of government economic policies in contemporary and hypothetical economic contexts
- presents comprehensive application of appropriate mathematical concepts in a variety of economic contexts
- produces comprehensive economic arguments to evaluate the consequences of economic problems and issues on economic participants

Integrates theory with real world practice - all changed in a post COVID economy.

Exam Structures: Trials and HSC Exams

Section I (20 marks)

Section II (40 marks)
4 x 10 marks

Section III (20 Marks)

Section IV (20 Marks)

Syllabus Sub-topic e.g Inflation, income distribution

20 Multiple Choice Questions: Blend of Topics 1-4 questions	1-2 marks	1-2 marks	1-2 marks	1-2 marks	Stimulus Based Essay Question (35 min - 2 options)	Essay Question (35 min - 2 options)
	2-4 mark short answers	2-4 mark short answers	2-4 mark short answers	2-4 mark short answers		
	4-6 mark longer responses	4-6 mark longer responses	4-6 mark longer responses	4-6 mark longer responses		

At least 65% of marks require essay or long form writing skills!!

2019 HSC Exam - Section I MCQ

Section I

20 marks

Attempt Questions 1–20

Allow about 35 minutes for this section

Use the multiple-choice answer sheet for Questions 1–20.

- 1 Which of the following is a feature of globalisation?
- A. International division of labour
 - B. Higher levels of trade protection
 - C. Greater inefficiencies in global markets
 - D. Decreased levels of economic integration

35 min for 20 questions

Will cover all 4 topics. Question types will be very consistent over past HSC and Trial papers.

PRACTICE PRACTICE PRACTICE.

2019 HSC Exam - Section II longer responses

Question 21 (continued)

- (c) Explain the effects of a depreciating Australian dollar on accounts within the Balance of Payments.

5

200 - 250 word long answer response

Marked on ability to frame a sustained and logical response which demonstrates clear understanding of theory.

Use of graphs is encouraged.

Question 23 (continued)

- (d) Explain how market-based policies can be used to preserve the natural environment.

4

- (c) Assess the effectiveness of ONE strategy used to promote economic development in a country other than Australia.

4

4-6 mark questions are “mini-essays”

Any assessment of effectiveness **MUST** include statistics to support theory.

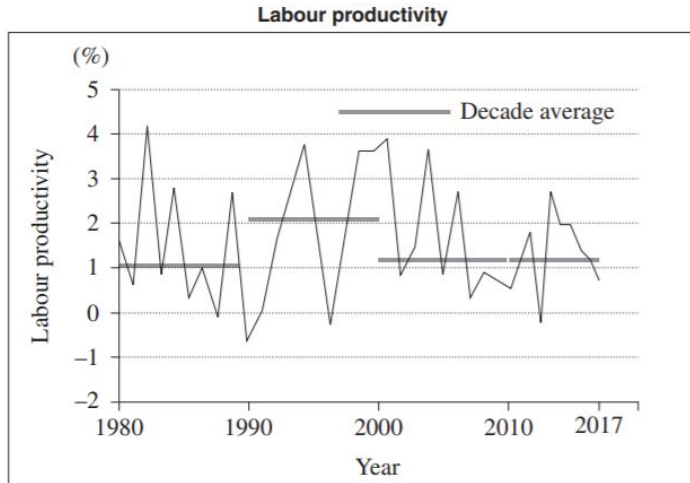
Selected country

2019 HSC Exam - Section III stimulus questions

Question 26 (20 marks)

Discuss the effects of microeconomic policies on employment and inflation in the Australian economy. In your response, refer to the economic information provided.

The economic reforms undertaken in Australia have opened markets to increased competition and have transformed a relatively closed and regulated economy into one that is more efficient, flexible and open. This has reduced the size and number of industries supported by large ongoing subsidies and high tariffs, notably in manufacturing.



Stimulus is provided to lead you to the answer.

Marked on how you have answered the question:

- Application of theoretical concepts and sophisticated economic arguments
- Using the stimulus material to support your argument

Analysing data and applying economic skills is a critical component of this section.

2019 HSC Exam - Section IV essay questions

Section IV

20 marks

Attempt either Question 27 or Question 28

Allow about 35 minutes for this section

Answer the question in the Sections III and IV Writing Booklet. Extra writing booklets are available.

Your answer will be assessed on how well you:

- demonstrate knowledge and understanding relevant to the question
- apply relevant economic information, terms, concepts, relationships and theory
- present a sustained, logical and cohesive response

Suggested 1000 - 1200 word requirement.

Marked on how you have answered the question:

- a) Demonstrated understanding of theoretical concepts and sophisticated economic arguments
- b) Supported and integrated theory with actual statistics

Causality and effectiveness - needs to be supported by real world results!

Question 27 (20 marks)

Explain the causes and effects of unequal distribution of income and wealth in Australia.

OR

Question 28 (20 marks)

Explain the effects of protectionist policies on both the Australian and the global economy.

Essay – What makes a 20/20?

Criteria	Marks
<ul style="list-style-type: none">• Synthesises own knowledge and understanding, with the information provided, to develop a sustained, logical and cohesive response• Integrates relevant economic terms, concepts, relationships and theory• Clearly and comprehensively demonstrates how movements in the Australian dollar can affect the performance of the Australian economy	17–20
<ul style="list-style-type: none">• Synthesises own knowledge and understanding, with the information provided, to develop a logical and cohesive response• Applies relevant economic terms, concepts, relationships and theory• Demonstrates sound knowledge and understanding of how movements in the Australian dollar can affect the performance of the Australian economy	13–16
<ul style="list-style-type: none">• Uses own knowledge and understanding with the information provided to develop a coherent response• Uses relevant economic terms and concepts and shows some relationships• Sketches in general terms how movements in the Australian dollar can affect the performance of the Australian economy	9–12
<ul style="list-style-type: none">• Develops a generalised response• Uses some economic terms and concepts• States some aspects of how movements in the Australian dollar can affect the performance of the Australian economy	5–8
<ul style="list-style-type: none">• Presents a limited response• Uses some economic terms or concepts• Lists any effects of movements in the Australian dollar on the performance of the Australian economy	1–4

The ‘Juicy’ Essay

- Extensive theory + stats

Min mark: 18

The ‘Skeleton’ Essay

- Extensive theory
- Limited trends/stats

Min mark: 13

Max mark: 16

The ‘Report’ Essay

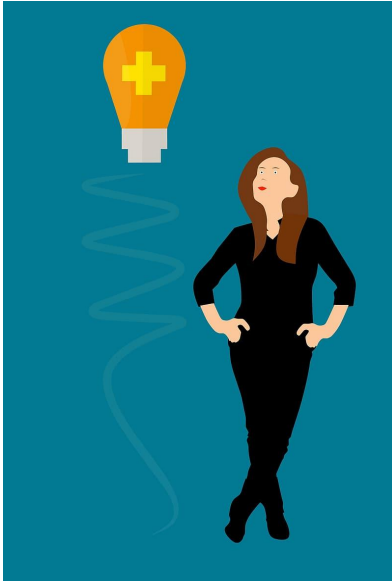
- Trends/stats only
- No theory

Max mark: 12

What is the best preparation for HSC Economics?

Economics - Talent's Course Approach

1) Theory



2) Data toolkit: Post COVID Stats Sheet

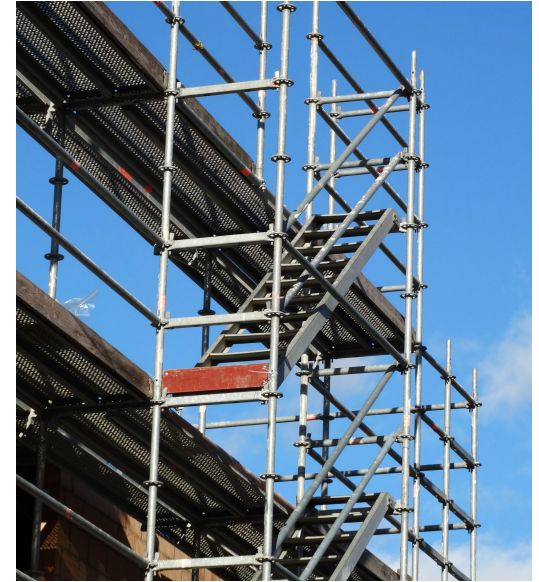
Week 6 - COVID Update (@ Jun 20 for Mar qtr)

- Australia 'in recession' - Mar qtr down -0.3%, June will be neg BUT generally better than originally anticipated!
- Unemployment down to 6.2% (from 5.2%) but helped by lower participation rates
 - Soft wage growth and wage freezes ↓ pressure on inflation
- CAS (Mar) - 4th consecutive - improving trade balance and income balance
- 2021 Budget Forecasts deferred to 23rd July
- \$130b Jobkeeper now to cost \$70b
 - To be reviewed post June
- Announcement of JobMaker program
 - Shift from macro to sector specific help e.g. [\\$25k Homebuilder grant](#)
- [QE and negative interest rates](#) on table
- [BBA warning](#) - needs fiscal stimulus to be longer and larger

3) How to Write - "Economics Speak"



4) Scaffold essay responses Data and graph toolkits



Theory: Course Approach

NAME: _____



HSC Economics Australia's Place in the Global Economy © TALENT 100

HSC Economics.

ECONOMICS SUCCESS.
SIMPLIFIED.

Term 1

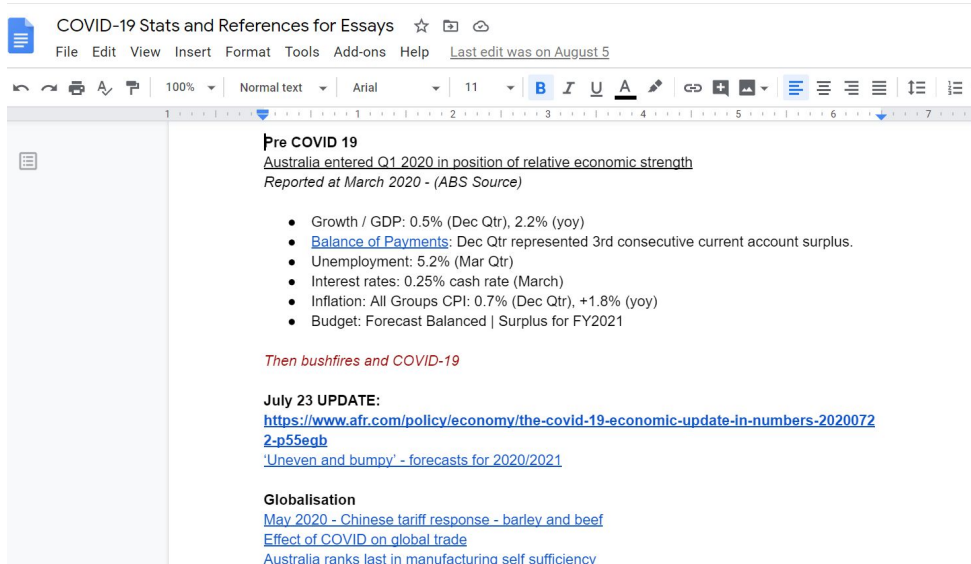
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Talent textbooks summarise key theory and break each lesson down into syllabus dot points

Data Toolkit: Course Approach



COVID-19 Stats and References for Essays ☆ 📁 🌐

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Pre COVID 19
[Australia entered Q1 2020 in position of relative economic strength](#)
Reported at March 2020 - (ABS Source)

- Growth / GDP: 0.5% (Dec Qtr), 2.2% (yoy)
- [Balance of Payments](#): Dec Qtr represented 3rd consecutive current account surplus.
- Unemployment: 5.2% (Mar Qtr)
- Interest rates: 0.25% cash rate (March)
- Inflation: All Groups CPI: 0.7% (Dec Qtr), +1.8% (yoy)
- Budget: Forecast Balanced | Surplus for FY2021

Then bushfires and COVID-19

July 23 UPDATE:
<https://www.afr.com/policy/economy/the-covid-19-economic-update-in-numbers-2020072-2-p55egb>
['Uneven and bumpy' - forecasts for 2020/2021](#)

Globalisation
[May 2020 - Chinese tariff response - barley and beef](#)
[Effect of COVID on global trade](#)
[Australia ranks last in manufacturing self sufficiency](#)

The Australian Economy and Financial Markets

Chart Pack | August 2020



2020 TOPIC PAPERS

NO.	TITLE	PAGE
1	Inflation	3
2	External Stability	5
3	Unemployment	7
4	Labour Markets	9
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FINANCIAL REVIEW

Build data toolkits throughout the year to support your understanding of the theory - real world application

Focus on Writing Essays: Course Approach

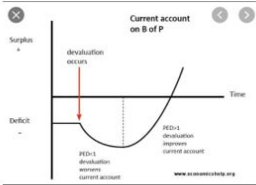
Graph Toolkit

Currency | External Stability

Balance of Payments Links (Table)

<p>The current account is calculated as:</p> <p>net goods + net services (the balance on goods and services)</p> <p>+ net primary income + net secondary income</p>
<p>The capital and financial account is calculated as:</p> <p>capital account + direct investment + portfolio investment</p> <p>+ other investment + reserve assets + financial derivatives</p>
<p>The balance of payments is calculated as:</p> <p>current account + capital and financial account</p> <p>= net errors and omissions = 0</p>

Relationship 1	BoP = 0 under floating XR
Relationship 2	XR affects BoGS
Relationship 3	XR affects KAFA



FX Graphs (appreciation | depreciation)

- Components of Balance of payments are
 - Current account
 - Net BoGS, NPY, NSY
 - Capital and Financial Account (KAFA)
- Explain 3 key linkages

- The J-Curve reflects the effect of currency movements on the Current Account of BoP.
- In short run, devaluation will mean foreign debt (held in foreign currency) and debt servicing (also in foreign XR) is higher, resulting in worsening of CA
- Over long run, devaluation results in improved international competitiveness (exports are relatively cheaper) resulting in improvement in CA

How to write Effectiveness of Fiscal Policy Essays

Define the Policy and use the key terminologies

Explain the objectives

How does it work theoretically - use diagrams

How have we actually gone - use data across phases (stimulus or your own knowledge (trends+))

Why this outcome - drivers (cyclical and structural)

Constraints, limitations

Conclusion - present "balanced" view

"As an instrument for stabilising fluctuations in economic activity, fiscal policy can reflect discretionary actions by government or the influence of the 'automatic stabilisers'.

An example of a discretionary action would be a cash payment or tax rebate provided by a fiscal stimulus. This action influences economic activity by altering aggregate demand using government spending and taxation. It achieves this either directly (through government spending on infrastructure and public projects) or indirectly, by reducing tax burdens and providing cash boosts, freeing up funds for firms and individuals to consume and invest. It is most effective as an expansionary policy to stimulate growth.

The Keynesian theory of the simple multiplier effect suggests that when firms and individuals have additional funds, they can choose to either save (a leakage) or consume (an injection) those funds. Funds which are consumed create income (and jobs) for other participants, which are then also consumed (or saved). This creates a multiplier effect on aggregate demand (draw and explain...).

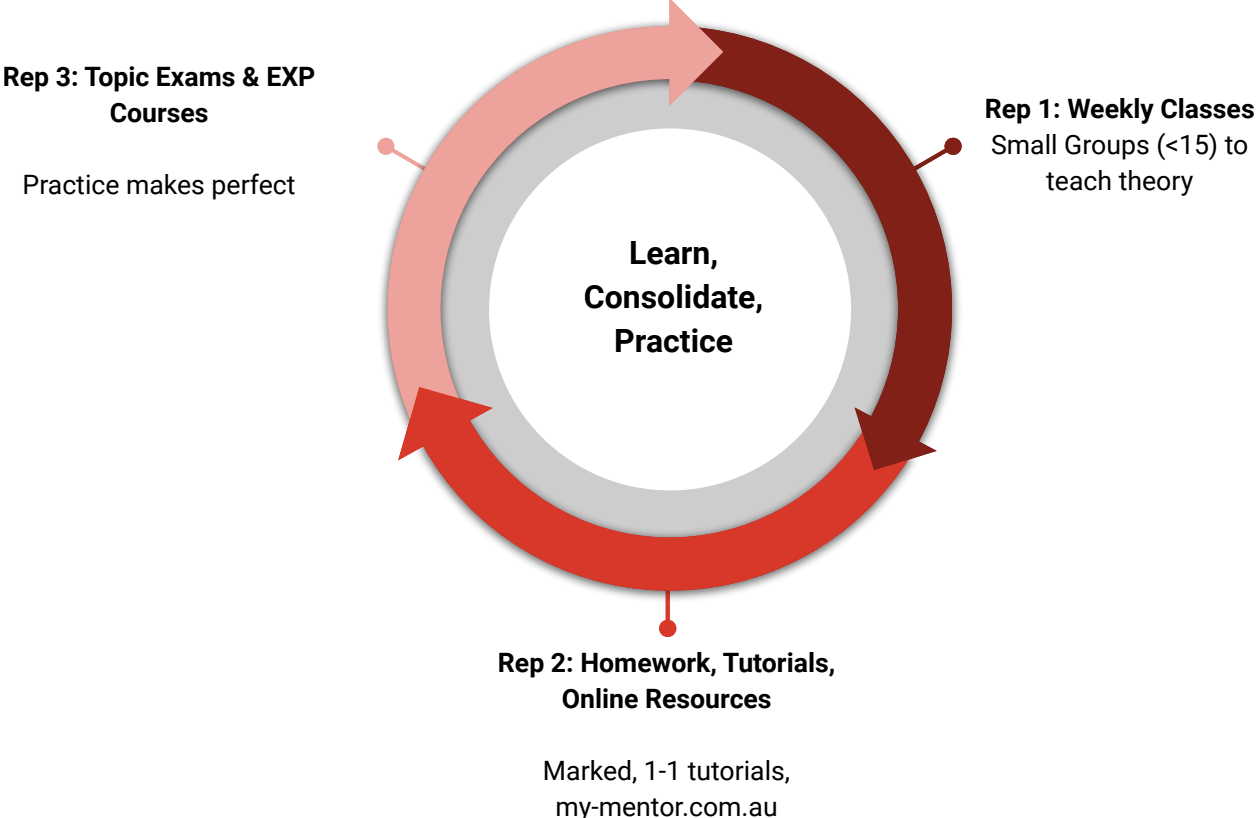
Other:

Explain C, I and S - injections and leakages -circular flow of income (diagram)



Build writing toolkits and scaffolds so you are prepared to write a 20/20 essay for the key topics

Economics - Talent's Course Approach



Any questions?