

Make it Economics

BECAUSE ECONOMICS MATTERS.

WHY I SHOULD CHOOSE ECONOMICS

There are a number of reasons why you should study Economics. Here is what some students have to say:

Vasilis: *Economics is not all about money. It's about how we use our resources and how we make decisions. It helped me to understand real-world stuff, and to make sense of what was going on in the world.*

Tina: *I am passionate about social justice. Economics is about improving the living conditions of people. Good economic decisions can mean better food, better housing and better health care.*

FOR MORE INFORMATION GO TO:

[https://www.vcaa.vic.edu.au/
Documents/vce/economics/
EconomicsSD-2017.pdf](https://www.vcaa.vic.edu.au/Documents/vce/economics/EconomicsSD-2017.pdf)

Make it Economics

VCE ECONOMICS - ONE OF LIFE'S ESSENTIALS.

DO YOU KNOW WHY YOU WERE PAYING OVER \$4
FOR AVOCADOS AT ONE STAGE?

DO YOU KNOW WHAT IT MEANS WHEN THE EXCHANGE RATE
CHANGES, AND HOW THIS AFFECTS YOU?

WHAT ABOUT ALL THAT TALK ON THE RESERVE BANK
AND INTEREST RATES; WHAT DOES THAT MEAN FOR YOU?

STUDYING ECONOMICS WILL ENSURE YOU ARE ABLE TO
MAKE SENSE OF ALL OF THIS AND SO MUCH MORE.

WHY STUDY ECONOMICS?

In Economics, you will:

- examine the role of consumers, businesses and governments in the economy
- explore and evaluate the nature and consequences of economic trade-offs
- appreciate the reasons behind economic decisions and evaluate the outcomes of contemporary events on local, domestic and international economies
- understand how the Australian economy operates
- consider how Australia's economic relationships with other economies and global economic institutions influence living standards and long-term prosperity
- evaluate the effectiveness of government responses to economic situations
- think critically and creatively about approaches to economic problems that might arise.

WHAT IS ECONOMICS?

Economics touches on every facet of your daily life - it is all around you.

It provides you with the opportunity to better understand the workings of the world around you. It is not just for students who are looking for a career in business. In this subject, you will develop skills and knowledge which can be applied to many different careers, and throughout all stages of your life. Economics explores simple theories which will help you to understand basic ideas such as why prices change and why imported products may be cheaper than Australian made products. More complex ideas allow you to learn how the government manages the economy, with the ultimate objective of improving living standards.

UNIT 1

All countries are faced with the same basic economic problem - how do you allocate resources to meet the needs and wants of all people?

How do you decide what to produce and how much to produce? What factors determine who will benefit from what is produced? In this unit you explore your role in the economy. You consider how you interact with businesses and look at factors that influence decision-making. You look at how prices change and how resources are allocated in the basic demand and supply model. Economic theories come to life when you apply the theory to real life case studies.

UNIT 2

You examine the concept of economic growth.

How does economic growth contribute to better living standards and employment opportunities? What factors may affect future economic growth? How do government policies influence economic growth? The study of economic growth has an emphasis on environmental sustainability. You evaluate how achievement of this goal might result in degradation of the environment and the loss of key resources. You consider the trade-off that exists between economic efficiency and equity in the distribution of income. Why is the income of some people below the poverty line? How does poverty and income inequality impact on individuals?

UNITS 3 AND 4

In these units you will develop a deep understanding of the macroeconomy.

You will learn about three fundamental government goals which are important in managing the Australian economy. These are low inflation, strong and sustainable economic growth and full employment. Through an analysis and examination of the details of these goals, you will understand the importance of each in helping maintain a stable economy. The achievement of these goals can help to improve individual living standards and national welfare.

In addition, there is a particular focus on international trade. You will investigate the importance of international economic relationships and how these influence living standards in Australia. This area of study looks at international trade, exports and imports, exchange rates and foreign debt.

You look at specific government policies that are used in an effort to achieve the fundamental goals. You examine how monetary policy is operated by the Reserve Bank of Australia to help manage inflation. You also discuss how the Federal Government uses spending on training and education and infrastructure to help improve economic conditions.