

# **EDUCATIONAL QUALITY AND ASSESSMENT PROGRAMME [EQAP]**



Pacific  
Community  

---

Communauté  
du Pacifique

## **SOUTH PACIFIC FORM SEVEN CERTIFICATE [SPFSC]**

### **ECONOMICS SYLLABUS**

## GENERAL INFORMATION

---

The Office of the Educational Quality and Assessment Programme (EQAP) is located at:

3 Luke Street, Nabua  
Suva  
Fiji

Tel: (679) 3315600  
Email: [eqap@spc.int](mailto:eqap@spc.int)  
Web: [www.spc.int](http://www.spc.int) / [www.eqap.org.fj](http://www.eqap.org.fj)

Any correspondence regarding this syllabus should be addressed to:

The Director EQAP  
Pacific Community (SPC)  
Private Mail Bag  
Suva  
Fiji

January 2004: 1<sup>st</sup> Edition  
January 2012: 2<sup>nd</sup> Edition  
April 2017: 3<sup>rd</sup> Edition  
February 2019: 4<sup>th</sup> Edition  
January 2020: 5<sup>th</sup> Edition

© Educational Quality and Assessment Programme, 2020  
The Pacific Community (SPC)

**All rights reserved. No part of this publication may be reproduced by any means without prior permission of the EQAP Director.**

# **SOUTH PACIFIC FORM SEVEN CERTIFICATE ECONOMICS**

---

## **Contents**

1. PREAMBLE.....	5
2. SKILLS .....	5
3. CONTENT COMPONENTS .....	6
4. UNPACKING OF LEARNING OUTCOMES .....	6
5. LEARNING OUTCOMES.....	7
Strand 1: Resource Allocation via the Market System.....	7
Sub-strand 1.1 Economic problem of scarcity and allocation .....	7
Sub-strand 1.2 Demand .....	9
Sub-strand 1.3 Supply and Market Equilibrium.....	10
Sub-strand 1.4 Roles of Firms in a market economy .....	12
Sub-strand 1.5 Market structures.....	14
Strand 2: Resource Allocation via the Public Sector.....	15
Sub-strand 2.1 Market failure and government intervention.....	15
Sub-strand 2.2 Merit and demerit goods .....	18
Strand 3: Aggregate Economic Activity and Policy.....	19
Sub-strand 3.1 Domestic and external economic activity .....	19
Sub-strand 3.2 Monetary and Fiscal policy .....	21
6.1 Assessment Weightings.....	24
6.2 External Assessment.....	25
6.3 Assessment Blueprint .....	25
6.4 Internal Assessment Tasks .....	26
6.4.1 IA Task 1 Instructions .....	27
6.4.2 IA Task 1 Scoring Rubric.....	31
6.4.3 IA Task 2 Instructions .....	33
6.4.4 IA Task 2 Scoring Rubric.....	35
7. APPENDICES.....	37
Appendix 1: IA Summary Form.....	37
Appendix 2: IA Program Proposal Template .....	38

Appendix 3: Economic Skills .....	41
Appendix 4: Advisory Section .....	44
Suggested Texts and Workbooks .....	44
Suggested Other Resources .....	44
Suggested Teaching Programme – Form 7 Economics.....	46

# ECONOMICS

## 1. PREAMBLE

The general aim of the South Pacific Form Seven Certificate Economics is to enable students to attain a level of economic literacy and understanding which would allow them to develop a continuing and critical interest in contemporary economic issues.

The objectives are to:

- understand basic economic concepts, principles and simple analytical techniques and apply them to current economic issues;
- inquire into and reason clearly and objectively about economic issues;
- interpret and present economic data and arguments in a clear, concise and coherent manner;
- develop an awareness of the interrelationships between economic, social and political events.

This syllabus was originally derived from the University Entrance Bursaries and Scholarship Economics syllabus, administered by the New Zealand Qualifications Authority. It was amended and updated in 2011 to take into account recent changes in skills, content, assessment approaches and relevance to various Pacific settings. It was further reviewed in 2017 to ensure that the course is fully outcomes-based and that intentions for learning and assessment tasks are consistent. The 2017 alignment also provides a solid structure or framework upon which teachers and learners can base their teaching and learning processes and strategies such that learning results of students are enhanced.

The course is designed for students who may undertake further studies in a tertiary institution; as well as improve the economic literacy of those students who will complete their formal education at the end of Form 7.

## 2. SKILLS

Students are expected to develop the following skills in the course of their studies:

- The thinking skills (of comprehension, processing and evaluation) involved in the application of principles, concepts and simple analytical techniques to current economic issues.
- The inquiry skills involved in investigating local, regional or national topics and issues and the interrelationships between economic, social and political events
- The statistical skills involved in selecting, interpreting, analysing and evaluating statistical data in a variety of forms. Candidates will also be expected to be able to choose and construct appropriate forms of statistical presentation.

The details on the development of these skills from Forms 3 -7 are set out in **Appendix 3**.

### 3. CONTENT COMPONENTS

This syllabus is divided into three Strands:

1. Resource Allocation via the Market System
2. Resource Allocation via the Public Sector
3. Aggregate Economic Activity and Policy

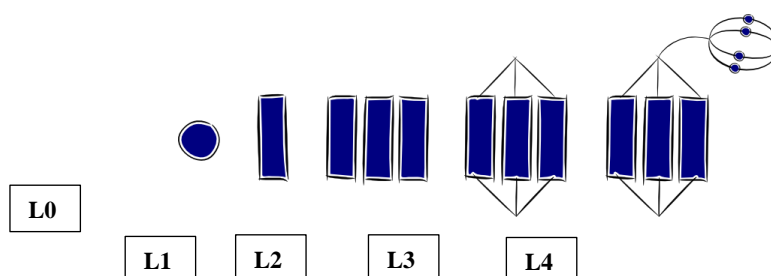
The sub-strands for each of the three strands are provided in the table below:

	Strand	Sub-strands
1	Resource Allocation via the Market System	1.1 Economic Problem of Scarcity and Allocation
		1.2 Demand
		1.3 Supply and Market Equilibrium
		1.4 Roles of a Firm in a Market Economy
		1.5 Market Structures
2	Resource Allocation via the Public Sector	2.1 Market Failure and government intervention
		2.2 Merit and Demerit goods
3	Aggregate Economic Activity and Policy	3.1 Domestic and external economic activity
		3.2 Monetary and Fiscal Policy

### 4. UNPACKING OF LEARNING OUTCOMES

In this syllabus, Learning Outcomes are stated at three levels of generality: Major Learning Outcomes (MLOs) are stated at the strand level, Key Learning Outcomes (KLOs) are stated at the sub-strand level, and Specific Learning Outcomes (SLOs) are unpacked from the Key Learning Outcomes. Each SLO is a combination of a cognitive skill and a specific content component. Each SLO is given a skill level, level 1 – 4, and this skill level results from the categorisation of the cognitive skill that is embedded in the SLO using the SOLO taxonomy<sup>1</sup>.

The SOLO taxonomy provides a simple, reliable and robust model for three levels of understanding – surface deep and conceptual (Biggs and Collis 1982).



At the **prestructural** level (L0) of understanding, the task is inappropriately attacked, and the student has missed the point or needs help to start. The next two levels, unistructural and multistructural are associated with bringing in information (surface understanding). At the **unistructural** level (L1), one

<sup>1</sup> Structure of Observed Learning Outcomes by Biggs and Collis (1982)

aspect of the task is picked up, and student understanding is disconnected and limited. The jump to the multistructural level is quantitative. At the **multistructural** level (L2), several aspects of the task are known but their relationships to each other and the whole are missed. The progression to relational and extended abstract outcomes is qualitative. At the **relational** level (L3), the aspects are linked and integrated, and contribute to a deeper and more coherent understanding of the whole. At the **extended abstract** level (L4), the new understanding at the relational level is re-thought at another conceptual level, looked at in a new way, and used as the basis for prediction, generalisation, reflection, or creation of new understanding (adapted from Hook and Mills 2011). [[http://pamhook.com/solo-taxonomy/..](http://pamhook.com/solo-taxonomy/) ]

The progression from Level 1 to Level 4 is exemplified in the progression from *define* → *describe* → *explain* → *discuss* with each succeeding level indicating a *higher level of understanding*, as follows:

- **define** – to state a basic definition of a concept [Unistructural or L1]
- **describe** – to give the characteristics of, or give an account of, or provide annotated diagrams. [Multistructural or L2]
- **explain** – to provide a reason for a relationship – an event and its impact, a cause and an effect, as to *how* or *why* something occurs. [Relational or L3]
- **discuss** – this means *linking economics ideas* (descriptions, explanations) to make generalisations, predictions or evaluations. It may involve relating, comparing, analysing, and justifying.

## 5. LEARNING OUTCOMES

### Strand 1: Resource Allocation via the Market System

**Major learning outcome 1:** Students are able to demonstrate understanding of the key ideas about the operation of the market system, and how decisions are made and their outcomes in a modern market economy.

*The study should draw on specific examples from the Pacific region, including New Zealand, but predominantly from the student's own country, and use a range of contemporary resources.*

#### Sub-strand 1.1 Economic problem of scarcity and allocation

**Key Learning Outcome:** Students are able to demonstrate understanding of economic problems associated with scarcity and allocation, which include:

- production possibility model;
- economic scarcity, choice, opportunity cost and the underutilisation of resources with a production possibility curve; productive and allocative efficiency;
- shape of production possibility curves;
- shifts in production possibility curves;
- opportunity cost.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> economic scarcity	1	Eco1.1.1.1
2.	<b>Identify/state</b> a feature or example of economic scarcity	1	Eco1.1.1.2
3.	<b>Describe</b> a feature of economic scarcity	2	Eco1.1.2.1
4.	<b>Define</b> economic choice	1	Eco1.1.1.3
5.	<b>Identify/State</b> a feature or example of economic choice in a given context	1	Eco1.1.1.4
6.	<b>Describe</b> a feature of economic choice	2	Eco1.1.2.2
7.	<b>Define</b> opportunity cost	1	Eco1.1.1.5
8.	<b>Identify/state</b> a feature or example of opportunity cost in a given context	1	Eco1.1.1.6
9.	<b>Describe</b> a feature of opportunity cost	2	Eco1.1.2.3
10.	<b>Illustrate</b> economic scarcity, choice and opportunity cost	2	Eco1.1.2.4
11.	<b>Explain</b> the relationship between economic scarcity, choice and opportunity cost	3	Eco1.1.3.1
12.	<b>Define</b> underutilisation of resources	1	Eco1.1.1.7
13.	<b>Identify/state</b> a feature or example of underutilisation of resources in a given context	1	Eco1.1.1.8
14.	<b>Define</b> productive efficiency	1	Eco1.1.1.9
15.	<b>Identify/state</b> a feature or example of productive efficiency, in a given context	1	Eco1.1.1.10
16.	<b>Define</b> allocative efficiency	1	Eco1.1.1.11
17.	<b>Identify/state</b> a feature or example of allocative efficiency, in a given context	1	Eco1.1.1.12
18.	<b>Define</b> economic models	1	Eco1.1.1.13
19.	<b>State</b> a purpose of economics models	1	Eco1.1.1.14
20.	<b>Describe</b> the production possibilities model	2	Eco1.1.2.5
21.	<b>List</b> the assumptions of a production possibility curve	2	Eco1.1.2.6
22.	<b>Describe</b> the shape of production possibility curves	2	Eco1.1.2.7
23.	<b>Explain</b> the reason for a concave production possibility curve	3	Eco1.1.3.2
24.	<b>Explain</b> the reason for a straight line production possibility curve	3	Eco1.1.3.3
25.	<b>Discuss</b> the implications of the shape of production possibility curve on real life economic situations	4	Eco1.1.4.1
26.	<b>Describe</b> the pattern(s) in the shifts in production possibility curves	2	Eco1.1.2.8
27.	<b>Explain</b> shifts in production possibility curves in relation to effects that influence the shift	3	Eco1.1.3.4
28.	<b>Describe</b> utilisation & underutilisation of resources with the use of a production possibilities model	2	Eco1.1.2.9
29.	<b>Illustrate</b> utilisation & underutilisation of resources with the use of a production possibility curve	2	Eco1.1.2.10
30.	<b>Describe</b> the features of productive efficiency	2	Eco1.1.2.11
31.	<b>Describe</b> the features of allocative efficiency	2	Eco1.1.2.12
32.	<b>Discuss</b> the implications of the shape of production possibility curve on real life economic situations	4	Eco1.1.4.2



## Sub-strand 1.2 Demand

**Key Learning Outcome:** Students are able to demonstrate understanding of demand and factors that affect demand. These include:

- individual demand curve and marginal utility;
- market demand curve and individual demand curves;
- movements along a demand curve and shifts of the demand curve itself;
- price elasticity (negative sign not necessary) and cross-elasticity of demand;
- differing elasticities for various goods;
- income elasticity.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> the concept of marginal utility	1	Eco1.2.1.1
2.	<b>State</b> the law of demand	1	Eco1.2.1.2
3.	<b>Identify/state</b> a feature or example of marginal utility within a given situation	1	Eco1.2.1.3
4.	<b>Identify/state</b> a feature or example of law of demand within a given situation	1	Eco1.2.1.4
5.	<b>Derive</b> the individual demand curve using the concept of marginal utility	2	Eco1.2.2.1
6.	<b>Construct</b> the market demand curve by summing individual demand curves	3	Eco1.2.3.1
7.	<b>Explain</b> the reason for a movement along the demand curve	3	Eco1.2.3.2
8.	<b>List</b> the reasons for shifts of the demand curve	2	Eco1.2.2.2
9.	<b>Explain</b> the reasons for shift of the demand curve	3	Eco1.2.3.3
10.	<b>Distinguish</b> between movements along a demand curve and shifts of the entire demand curve	3	Eco1.2.3.4
11.	<b>Define</b> price elasticity of demand	1	Eco1.2.1.5
12.	<b>Calculate</b> price elasticity of demand	2	Eco1.2.2.3
13.	<b>Relate</b> price elasticity of demand to taxation	3	Eco1.2.3.5
14.	<b>Relate</b> price elasticity of demand to total expenditure	3	Eco1.2.3.6
15.	<b>Identify/state</b> a feature or example of price elasticity of demand within a given situation	1	Eco1.2.1.6
16.	<b>Define</b> cross-elasticity of demand	1	Eco1.2.1.7
17.	<b>Calculate</b> cross-elasticity of demand	2	Eco1.2.2.4
18.	<b>Identify/State</b> a feature or example of cross-elasticity of demand within a given situation	1	Eco1.2.1.8
19.	<b>List</b> the factors that affect differing elasticities for various goods	2	Eco1.2.2.5
20.	<b>Explain</b> how each factor influences differing elasticities for various goods	3	Eco1.2.3.7
21.	<b>Define</b> income elasticity of demand	1	Eco1.2.1.9
22.	<b>Identify/State</b> a feature or example of income elasticity of demand within a given situation	1	Eco1.2.1.10
23.	<b>Calculate</b> income elasticity of demand	2	Eco1.2.2.6
24.	<b>Identify/State</b> a feature or example of luxury, normal or inferior goods within a given situation	1	Eco1.2.1.11
25.	<b>Describe</b> goods as either luxury, necessity, normal or inferior using income elasticity of demand	2	Eco1.2.2.7
26.	<b>Explain</b> how a good becomes luxury, normal or inferior	3	Eco1.2.3.8
27.	<b>Explain</b> how the concept of elasticity is significant for firms in their pricing decisions	3	Eco1.2.3.9
28.	<b>Calculate</b> total expenditure within a given situation	2	Eco1.2.2.8

## Sub-strand 1.3 Supply and Market Equilibrium

**Key learning Outcome:** Students are able to demonstrate an understanding of the concept of Supply and Market Equilibrium such as:

- accounting costs and economic (opportunity) costs;
- law of diminishing returns;
- short-run average, marginal and total cost concepts;
- fixed and variable costs concepts
- supply curve and the marginal cost curve for a perfectly competitive firm;
- market supply curves and supply curves of individual firms;
- shifts in supply curve;
- elasticity of supply;
- sales tax and a subsidy on a commodity with a relatively inelastic demand or a relatively elastic demand;
- market forces and market equilibrium;
- consumer surplus and producer surplus;
- allocative efficiency (deadweight loss);
- the concept of real wages, the effects of price level changes and controls in the labour market.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> accounting costs	1	Eco1.3.1.1
2.	<b>Define</b> economic costs	1	Eco1.3.1.2
3.	<b>Distinguish</b> between accounting costs and economic costs	3	Eco1.3.3.1
4.	<b>Identify/state</b> a feature or example of accounting costs within a given situation	1	Eco1.3.1.3
5.	<b>Identify/state</b> a feature or example of economic costs within a given situation	1	Eco1.3.1.4
6.	<b>Define</b> consumer surplus	1	Eco1.3.1.5
7.	<b>Define</b> producer surplus	1	Eco1.3.1.6
8.	<b>Identify/state</b> a feature or example of consumer surplus within a given situation	1	Eco1.3.1.7
9.	<b>Identify/state</b> a feature or example of producer surplus within a given situation	1	Eco1.3.1.8
10.	<b>Identify</b> the gains to buyers (consumers' surplus) from reaching market equilibrium	1	Eco1.3.1.9
11.	<b>Describe</b> the gains to buyers (consumers' surplus) from reaching market equilibrium	2	Eco1.3.2.1
12.	<b>Illustrate</b> the gains to buyers (consumers' surplus) from reaching equilibrium	3	Eco1.3.3.2
13.	<b>Identify</b> the gains to sellers (producers' surplus) from reaching market equilibrium	1	Eco1.3.1.10
14.	<b>Describe</b> the gains to sellers (producers' surplus) from reaching market equilibrium	2	Eco1.3.2.2
15.	<b>Illustrate</b> the gains to sellers (producers' surplus) from reaching equilibrium	3	Eco1.3.3.3
16.	<b>Discuss</b> the gains from trade to buyers (consumers' surplus) and sellers (producers' surplus) from reaching equilibrium, using examples	4	Eco1.3.4.1

17.	<b>Explain how</b> allocative efficiency is achieved at equilibrium where the sum of consumers' and producers' surplus is maximised	3	Eco1.3.3.4
18.	<b>Show</b> how shifts in demand and supply affect equilibrium	3	Eco1.3.3.5
19.	<b>Show</b> how shifts in demand and supply affect equilibrium and hence the sum of producers' and consumers' surplus	3	Eco1.3.3.6
20.	<b>Identify</b> incidence of sales tax on consumers/producers	1	Eco1.3.1.11
21.	<b>Explain</b> the incidence of a sales tax on a commodity with a relatively elastic and/or inelastic demand	3	Eco1.3.3.7
22.	<b>Identify</b> incidence of subsidy on consumers/producers	1	Eco1.3.1.12
23.	<b>Compare</b> the incidence of a sales tax on a commodity with a relatively inelastic demand with a commodity having a relatively elastic demand	3	Eco1.3.3.8
24.	<b>Define</b> marginal cost	1	Eco1.3.1.13
25.	<b>Calculate</b> marginal cost	2	Eco1.3.2.3
26.	<b>Calculate</b> average costs	2	Eco1.3.2.4
27.	<b>Calculate</b> total costs	2	Eco1.3.2.5
28.	<b>Explain</b> the relationships between short-run average, marginal and total cost concepts	3	Eco1.3.3.9
29.	<b>Discuss</b> the application of the relationship between short-run average, marginal and total cost concepts in an everyday situation giving examples	4	Eco1.3.4.2
30.	<b>Explain</b> the link between a supply curve and the marginal cost curve for a perfectly competitive firm	3	Eco1.3.3.10
31.	<b>Construct</b> market supply curves from the supply curves of individual firms	3	Eco1.3.3.11
32.	<b>State</b> the law of supply	1	Eco1.3.1.14
33.	<b>State</b> the law of diminishing returns	1	Eco1.3.1.15
34.	<b>List</b> the factors that contribute to movements along the supply curve	2	Eco1.3.2.6
35.	<b>Explain</b> how these factors cause movement along the supply curve	3	Eco1.3.3.12
36.	<b>List</b> the factors that contribute to shifts in the supply curve	2	Eco1.3.2.7
37.	<b>Explain</b> how these factors cause the shift in the supply curve	3	Eco1.3.3.13
38.	<b>Discuss</b> the impact of elasticity of supply by examining why supply is more responsive in the long term than in the short term giving examples	4	Eco1.3.4.3
39.	<b>Describe</b> the market forces that will lead to market equilibrium	2	Eco1.3.2.8
40.	<b>Create</b> a supply curve from cost information	3	Eco1.3.3.14
41.	<b>Identify</b> the shutdown point, price and output in a given situation	1	Eco1.3.1.16
42.	<b>Describe</b> the shutdown point, price and output in a given situation	2	Eco1.3.2.9
43.	<b>Identify</b> the break-even point, price and output in a given situation	1	Eco1.3.1.17
44.	<b>Describe</b> the break-even point, price and output in a given situation	2	Eco1.3.2.10
45.	<b>Describe</b> an application of shutdown point and break-even price in a given situation	2	Eco1.3.2.11
46.	<b>Explain</b> using the concept of real wages, the effect of price changes and controls in the labour market	3	Eco1.3.3.15
47.	<b>describe</b> the incidence of subsidy on consumers/producers	2	Eco1.3.2.12
48.	<b>calculate</b> the subsidy per unit	2	Eco1.3.2.13
49.	<b>explain</b> the benefits of a subsidy for consumers/producers	3	Eco1.3.3.16
50.	<b>compare</b> the incidence of a sales tax on a commodity with a relatively inelastic demand with a commodity having a relatively elastic demand	3	Eco1.3.3.17
51.	<b>define</b> voluntary and involuntary unemployment	1	Eco1.3.1.18
52.	<b>calculate</b> voluntary and involuntary unemployment in a given context	2	Eco1.3.2.14

## Sub-strand 1.4 Roles of Firms in a market economy

**Key Learning Outcome:** Students are able to demonstrate understanding of the role of firms in a market economy, which include:

- average, marginal and total revenue and their relationships;
- marginal cost and marginal revenue as the basis of profit maximisation;
- shut-down point and the break-even point;
- monopoly and perfect competition;
- short-run and long-run equilibrium positions for a monopolist and a perfectly competitive firm;
- marginal analysis to determine the output and pricing decisions of a monopolist and a competitive firm;
- monopolistic equilibrium and allocative efficiency.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> total revenue	1	Eco1.4.1.1
2.	<b>Calculate</b> total revenue	2	Eco1.4.2.1
3.	<b>Define</b> average revenue	1	Eco1.4.1.2
4.	<b>Calculate</b> average revenue	2	Eco1.4.2.2
5.	<b>Define</b> marginal revenue	1	Eco1.4.1.3
6.	<b>Calculate</b> marginal revenue	2	Eco1.4.2.3
7.	<b>Identify/state</b> a feature or example of average revenue in a given context	1	Eco1.4.1.4
8.	<b>Identify/state</b> a feature or example of marginal revenue in a given context	1	Eco1.4.1.5
9.	<b>Identify/state</b> a feature or example of total revenue in a given context	1	Eco1.4.1.6
10.	<b>Define</b> perfect competition	1	Eco1.4.1.7
11.	<b>Identify</b> a case of perfect competition within a given situation	1	Eco1.4.1.8
12.	<b>Describe</b> the features of competition	2	Eco1.4.2.4
13.	<b>Explain</b> how competition advantages consumers	3	Eco1.4.3.1
14.	<b>Explain</b> the effects of competition on producers	3	Eco1.4.3.2
15.	<b>Illustrate</b> the effects of competition on consumers	3	Eco1.4.3.3
16.	<b>Define</b> monopolistic competition	1	Eco1.4.1.9
17.	<b>Identify/state</b> a feature or example of monopolistic competition in a given context	1	Eco1.4.1.10
18.	<b>Define</b> oligopoly	1	Eco1.4.1.11
19.	<b>Identify/state</b> a feature or example of an oligopoly in a given context	1	Eco1.4.1.12
20.	<b>Define</b> monopoly	1	Eco1.4.1.13
21.	<b>Identify/state</b> a feature or example of a monopoly in a given context	1	Eco1.4.1.14
22.	<b>Describe</b> the features of monopoly	2	Eco1.4.2.5
23.	<b>Compare</b> the monopolist decisions on output with that of a perfectly competitive firm	3	Eco1.4.3.4
24.	<b>Compare</b> the pricing decisions of a monopolist with that of a perfectly competitive firm	3	Eco1.4.3.5
25.	<b>Discuss</b> the impacts of decisions on output and pricing of a monopolist and that of a perfectly competitive firm giving recommendations on benefits and disadvantages	4	Eco1.4.4.1
26.	<b>Explain</b> the relationship between monopolistic equilibrium and allocative efficiency	3	Eco1.4.3.6
27.	<b>Explain</b> the relationship between average, marginal and total revenue under perfect competition	3	Eco1.4.3.7

28.	<b>Discuss</b> the relationship between average, marginal and total revenue under perfect competition using examples and recommendations	4	Eco1.4.4.2
29.	<b>Explain</b> how the use of marginal cost and marginal revenue contributes to profit maximisation	3	Eco1.4.3.8
30.	<b>Define</b> normal profit	1	Eco1.4.1.16
31.	<b>Calculate</b> normal profit	2	Eco1.4.2.6
32.	<b>Explain</b> how normal profit is achieved in the long run	3	Eco1.4.3.9
33.	<b>Define</b> super normal profit	1	Eco1.4.1.17
34.	<b>Describe</b> the features of super-normal profit	2	Eco1.4.2.7
35.	<b>Explain</b> how a firm makes super-normal profit	3	Eco1.4.3.10
36.	<b>Illustrate</b> how a firm makes super-normal profit	2	Eco1.4.2.8
37.	<b>Define</b> sub-normal profit	1	Eco1.4.1.18
38.	<b>Describe</b> the features of sub-normal profit	2	Eco1.4.2.9
39.	<b>Explain</b> how a firm makes sub-normal profit	3	Eco1.4.3.11
40.	<b>Identify</b> the shut-down point	1	Eco1.4.1.19
41.	<b>Identify</b> the break-even point	1	Eco1.4.1.20
42.	<b>Explain</b> the relationship between average and marginal revenue under monopoly	3	Eco1.4.3.12
43.	<b>Compare</b> the average and marginal revenue of a monopoly with that of a firm under perfect competition	3	Eco1.4.3.13
44.	<b>Describe</b> the features of short run and long run positions under a monopoly and a perfect competition	2	Eco1.4.2.10
45.	<b>Compare</b> the effects of short-run and long-run equilibrium positions for a monopolist and a perfectly competitive firm	3	Eco1.4.3.14
46.	<b>Discuss</b> the application of short-run and long-run equilibrium positions for a monopolist and a perfectly competitive firm in a real life situation using examples	4	Eco1.4.4.3
47.	<b>Explain</b> marginal analysis in determining the output and price of a monopolist	3	Eco1.4.3.15

## Sub-strand 1.5 Market structures

**Key Learning outcome:** Students are able to demonstrate an understanding of market structures through an investigation of the same as applied to local case studies. These include:

- monopoly, perfect competition, duopoly, oligopoly, monopolistic competition and monopsony;
- domestic examples of firms in these market structures;
- non-price marketing strategies that these firms use;
- product differentiation using domestic examples to explain the importance of this to firms in different market structures.

*(Teachers may prefer to carry out this assessment after Sub-strand 1.3)*

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>State</b> the purpose/hypotheses for the investigation	1	Eco1.5.1.1
2.	<b>State the</b> objectives for the investigation	1	Eco1.5.1.2
3.	<b>Outline</b> the background information on the research topic	2	Eco1.5.2.1
4.	<b>Summarise</b> procedures using a research schedule (consider alternative procedures)	2	Eco1.5.2.2
5.	<b>Plan</b> an appropriate list of activities and procedures to carry out the investigation	2	Eco1.5.2.3
6.	<b>Collect</b> relevant information and data from a wide range of sources	2	Eco1.5.2.4
7.	<b>Acknowledge</b> the sources of information	2	Eco1.5.2.5
8.	<b>Process</b> all data collected by using relevant tools and models (tables and graphs)	3	Eco1.5.3.1
9.	<b>Interpret and analyse</b> fully/accurately all the information and data showing trends	3	Eco1.5.3.2
10.	<b>Discuss</b> findings using a wide variety of economic tools and models related to the objectives of the investigation	4	Eco1.5.4.1
11.	<b>Analyse</b> economic tools and models related to the objectives of the investigation	3	Eco1.5.3.3
12.	<b>Draw</b> conclusions, clearly related to the objectives and make recommendations for future research	4	Eco1.5.4.2
13.	<b>Discuss</b> the limitations of the research and recommend alternatives for future research	4	Eco1.5.4.3

## Strand 2: Resource Allocation via the Public Sector

**Major Learning Outcome:** Students are able to demonstrate understanding of resource allocation via the public sector.

**Notes:**

*A study of this section of the syllabus will enable students to understand the part governments play in allocating resources, particularly where the market does not result in efficient or equitable **outcomes**. It needs to be stressed that in Strand 1, the study of the market assumes that goods are private goods, i.e. they have no externalities. There is allocative efficiency at the private market equilibrium; any interference by government therefore, is considered undesirable – resulting in a dead weight loss. Strand 2 challenges the assumption that all goods are private goods by recognising that externalities and other market failures may exist; many goods are consequently mixed goods, and this is the basis for government intervention in order to achieve social allocative efficiency. The study should draw on specific examples from the Pacific region, including New Zealand, but predominantly from the student's own country, and use a range of contemporary resources.*

### Sub-strand 2.1 Market failure and government intervention

**Key Learning Outcome:** Students are able to demonstrate understanding of legal frameworks that exist which enables the state to intervene in the market through different policy measures, should market failure be identified. These include:

- conditions of the free market and market failure;
- government interventions during market failure;
- positive and negative externalities of production;
- property rights;
- social marginal cost and benefit curves;
- the social equilibrium (social preference) with the private market equilibrium (private preference);
- subsidies, taxes, regulations and public provision;
- natural monopolies;
- economies of scale and natural monopolies;
- public goods and private goods;
- equity and equality and examples of each situation;
- inequality of wealth and income distribution using the Lorenz Curve (calculating the Gini coefficient is not required);
- the means by which the state can attempt to achieve greater equality (assuming this is equitable);
- discuss the equity/efficiency trade off with the aid of the PPF/trade-off model.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> free market	1	Eco2.1.1.1
2.	<b>Describe</b> the features of free market	2	Eco2.1.2.1
3.	<b>List</b> the conditions required for the market to work well	2	Eco2.1.2.2
4.	<b>Define</b> market failure	1	Eco2.1.1.2
5.	<b>Identify</b> an example of market failure	1	Eco2.1.1.3
6.	<b>List</b> the factors that cause market failure	2	Eco2.1.2.3

7.	<b>Critique</b> conditions of a free market in order to recognise how market failure can occur	3	Eco2.1.3.1
8.	<b>Describe</b> conditions under which government might decide to intervene in market failure	2	Eco2.1.2.4
9.	<b>Explain</b> how market failure is a basis for government intervention	3	Eco2.1.3.2
10.	<b>List</b> the range of interventions available to government to intervene against market failure	2	Eco2.1.2.5
11.	<b>Explain</b> how each of the government interventions works	3	Eco2.1.3.3
12.	<b>Discuss</b> the impact of market failure on the economy thus warranting government intervention giving specific examples of such interventions and their successes	4	Eco2.1.4.1
13.	<b>Define</b> positive externalities of consumption	1	Eco2.1.1.4
14.	<b>Give an</b> example of positive externalities of consumption	1	Eco2.1.1.5
15.	<b>Define</b> negative externalities of consumption	1	Eco2.1.1.6
16.	<b>Give an</b> example of negative externalities of consumption	1	Eco2.1.1.7
17.	<b>Compare</b> positive and negative externalities of production	3	Eco2.1.3.4
18.	<b>Define</b> climate change	1	Eco2.1.1.8
19.	<b>Describe</b> a factor that can cause climate change	2	Eco2.1.2.6
20.	<b>Explain</b> how negative externalities of production or consumption can result in climate change	3	Eco2.1.3.5
21.	<b>Discuss</b> the cost implications of climate change for an economy and government strategies in addressing the issue of climate change	4	Eco2.1.4.2
22.	<b>Describe</b> the features of mixed goods	2	Eco2.1.2.7
23.	<b>Relate</b> goods with externalities to mixed goods	3	Eco2.1.3.6
24.	<b>Define</b> property rights	1	Eco2.1.1.9
25.	<b>Explain</b> the significance of property rights	3	Eco2.1.3.7
26.	<b>Draw</b> a social marginal cost curve to illustrate externalities of production	3	Eco2.1.3.8
27.	<b>Draw</b> a social marginal benefit curve to illustrate externalities of production	3	Eco2.1.3.9
28.	<b>Identify</b> the social equilibrium (social preference) in a given situation	1	Eco2.1.1.10
29.	<b>Identify</b> the private market equilibrium (private preference) in a given situation	1	Eco2.1.1.11
30.	<b>Explain</b> the relationship between social equilibrium (social preference) and private market equilibrium (private preference)	3	Eco2.1.3.10
31.	<b>Explain</b> how subsidies can be used to internalise positive and negative externalities of production	3	Eco2.1.3.11
32.	<b>Explain</b> how regulations and public provision can be used to internalise negative externalities of production	3	Eco2.1.3.12
33.	<b>Explain</b> the respective costs of taxes and regulations when used to internalise negative externalities of production	3	Eco2.1.3.13
34.	<b>Explain</b> the respective benefits of subsidies and public provision when used to internalise positive externalities of production	3	Eco2.1.3.14
35.	<b>Evaluate</b> the cost implications of taxes and regulations when used to internalise negative externalities of production using specific examples	4	Eco2.1.4.3
36.	<b>Define</b> natural monopolies	1	Eco2.1.1.12
37.	<b>Identify</b> examples of natural monopolies in a given situation	1	Eco2.1.1.13
38.	<b>Describe</b> the features of natural monopolies	2	Eco2.1.2.8
39.	<b>Define</b> economies of scale	1	Eco2.1.1.14
40.	<b>Explain</b> how economies of scale can lead to natural monopolies	3	Eco2.1.3.15
41.	<b>Discuss</b> the implications of natural monopolies on an economy and evaluate why natural monopolies may or may not be socially desirable	4	Eco2.1.4.4



42.	<b>Explain</b> how natural monopolies can be influenced by the use of subsidies, regulations and public ownership	3	Eco2.1.3.16
43.	<b>Discuss</b> the costs of the use of subsidies, regulations or public ownership to influence natural monopolies and evaluate the cost-effectiveness of these strategies to government	4	Eco2.1.4.5
44.	<b>Discuss</b> the benefits of the use of subsidies, regulations or public ownership to influence natural monopolies	4	Eco2.1.4.6
45.	<b>List</b> the benefits of the use of subsidies, regulations or public ownership to influence natural monopolies	2	Eco2.1.2.9
46.	<b>Define</b> public goods	1	Eco2.1.1.15
47.	<b>Identify</b> examples of public goods	1	Eco2.1.1.16
48.	<b>Describe</b> the features of public goods	2	Eco2.1.2.10
49.	<b>Define</b> private goods	1	Eco2.1.1.17
50.	<b>Identify</b> examples of private goods	1	Eco2.1.1.18
51.	<b>Describe features</b> of private goods	2	Eco2.1.2.11
52.	<b>Distinguish</b> between public goods and private goods	3	Eco2.1.3.17
53.	<b>Explain</b> why public goods are not normally provided by the market	3	Eco2.1.3.18
54.	<b>Identify</b> an alternative method of the collective provision of public goods in a given situation	1	Eco2.1.1.19
55.	<b>List</b> alternative methods of the collective provision of public goods	2	Eco2.1.2.12
56.	<b>Explain</b> the costs and benefits of alternative methods of the collective provision of public goods	3	Eco2.1.3.19
57.	<b>List</b> the benefits of alternative methods of the collective provision of public goods	2	Eco2.1.2.13
58.	<b>Define</b> equity	1	Eco2.1.1.20
59.	<b>Define</b> equality	1	Eco2.1.1.21
60.	<b>Identify/State</b> a feature or example of equity or equality in a given context	1	Eco2.1.1.22
61.	<b>Distinguish</b> between equity and equality	3	Eco2.1.3.20
62.	<b>Present</b> inequality of wealth and income distribution using the Lorenz Curve	3	Eco2.1.3.21
63.	<b>Identify</b> the means by which the state can attempt to achieve greater equality in a given situation	1	Eco2.1.1.23
64.	<b>List</b> the means by which the state can attempt to achieve greater equality	2	Eco2.1.2.14
65.	<b>Discuss</b> the equity/efficiency trade off with the aid of the PPF/trade-off model using examples and evaluate the efficiency of the processes	4	Eco2.1.4.7
66.	<b>Define</b> dead weight loss (DWL)	1	Eco2.1.1.24
67.	<b>Identify</b> areas of dead weight loss	1	Eco2.1.1.25
68.	<b>List</b> the factors that cause dead weight loss	2	Eco2.1.2.15
69.	<b>Explain</b> the factors that cause dead weight loss	3	Eco2.1.3.22
70.	<b>Discuss</b> the implications of dead weight loss in an economy using specific examples	4	Eco2.1.4.8

## Sub-strand 2.2 Merit and demerit goods

**Key Learning outcome:** Students are able to demonstrate skills in research to collect information that enhances their understanding of merit and demerit goods, the factors that influence this and their influences in an economy. These include:

- research skills;
- examples of positive and negative externalities of consumption;
- examples of merit and demerit goods;
- social marginal cost and benefit curves and externalities of consumption;
- social equilibrium (social preference) and the private market equilibrium (private preference);
- alternative means of internalising externalities of consumption and consumption of merit and demerit goods.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Name</b> the chosen set of goods (one merit and one demerit good) for this investigation	1	Eco2.2.1.1
2.	<b>Identify</b> relevant data sets	1	Eco2.2.1.2
3.	<b>Summarise</b> two economic theories related to the set of merit and demerit goods to be investigated	2	Eco2.2.2.1
4.	<b>List</b> two or more objectives for the investigation	2	Eco2.2.2.2
5.	<b>State</b> the purpose/hypothesis for the investigation	1	Eco2.2.1.3
6.	<b>Plan</b> a range of procedures in carrying out the research	3	Eco2.2.3.1
7.	<b>Collect</b> various forms of data/information (such as graphs, tables, other written materials and non-written materials) related to the selected set of merit and demerit goods	2	Eco2.2.2.3
8.	<b>Process</b> collected data/information using relevant tools/methods (such as graphs and tables)	3	Eco2.2.3.2
9.	<b>Present</b> various forms of raw/processed data/information related to the selected set of merit and demerit goods	3	Eco2.2.3.3
10.	<b>Compare</b> the raw/processed data/information with the economic theories of the selected set of merit and demerit goods	3	Eco2.2.3.4
11.	<b>Critically</b> analyse the raw/processed data/information related to the set of selected merit and demerit goods	4	Eco 2.2.4.1
12.	<b>Evaluate</b> the existence of the economic theories of the selected set of merit and demerit goods	4	Eco2.2.4.2
13.	<b>Conclude</b> the findings obtained from the research/investigation	4	Eco2.2.4.3
14.	<b>Recommend</b> on how to improve on future investigation/research	4	Eco2.2.4.4
15.	<b>Acknowledge</b> within the presentation and in the bibliography the sources of raw data/information used	2	Eco2.2.2.4

## Strand 3: Aggregate Economic Activity and Policy

**Major Learning Outcome:** Students are able to demonstrate understanding of aggregate economic activities and policies.

*A study of this strand will enable students to **understand the workings of the economy as a whole and also to understand the effects of government policy.** The study should draw on recent changes and developments in the economies of the Pacific region, predominately in the student's own country. Understanding of the range of macro-economic theories and policies is required for both external assessment and the internal assessment task.*

### Sub-strand 3.1 Domestic and external economic activity

**Key Learning outcome:** Students are able to demonstrate understanding of domestic and external economic activities and the influences of these on an economy, which include:

- real and nominal values and the CPI;
- nominal and real gross domestic product;
- components of aggregate demand in a typical country's system of national accounts;
- the market for an internationally traded commodity;
- balance of payments on current account and the balance of payments on capital account (referred to as the financial account in some countries like New Zealand);
- supply and demand analysis and the operation of the foreign exchange market with a flexible (floating) exchange rate;
- exchange rate changes on international trade in goods and services;
- factors, other than exchange rate changes, which may influence international trade;
- local trade, and their impact on international trade;
- changes in net exports (X-M) on domestic economic activity.

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> real values	1	Eco3.1.1.1
2.	<b>Define</b> nominal value	1	Eco3.1.1.2
3.	<b>Define</b> nominal Gross Domestic Product (GDP)	1	Eco3.1.1.3
4.	<b>Define</b> real GDP	1	Eco3.1.1.4
5.	<b>Distinguish</b> between real and nominal values	3	Eco3.1.3.1
6.	<b>Calculate</b> real GDP	2	Eco3.1.2.1
7.	<b>Calculate</b> growth rates	2	Eco3.1.2.2
8.	<b>Distinguish</b> between nominal and real GDP	3	Eco3.1.3.2
9.	<b>Use</b> the income approach to measure GDP	2	Eco3.1.2.3
10.	<b>Explain</b> the income approach to measure GDP	3	Eco3.1.3.3
11.	<b>Use</b> the expenditure approach to measure GDP	2	Eco3.1.2.4
12.	<b>Explain</b> the production approach to measure GDP	3	Eco3.1.3.4
13.	<b>Use</b> the production approach to measure GDP	2	Eco3.1.2.5
14.	<b>Identify</b> the components of aggregate demand in a typical country's System of National Accounts	1	Eco3.1.1.5
15.	<b>Explain</b> the nature and use of indices, especially the CPI	3	Eco3.1.3.5
16.	<b>Describe</b> the market for an internationally traded commodity identifying exports or imports	2	Eco3.1.2.6
17.	<b>Explain</b> how the market for an internationally traded commodity works with exports or imports	3	Eco3.1.3.6

18.	<b>Discuss</b> the features and processes within the market for an internationally traded commodity with exports and imports, using a case study or specific examples	4	Eco3.1.4.1
19.	<b>State</b> an internationally traded commodity within the country's economy	1	Eco3.1.1.6
20.	<b>Calculate</b> the price of internationally traded commodities under free trade	2	Eco3.1.2.7
21.	<b>Explain</b> the effects of free trade on price of local markets	3	Eco3.1.3.7
22.	<b>Explain</b> the effects of free trade on buyers, producers and government of a local product	3	Eco3.1.3.8
23.	<b>Define</b> Balance of Payments	1	Eco3.1.1.7
24.	<b>Define</b> Balance of Payments current account	1	Eco3.1.1.8
25.	<b>Identify</b> the major items in the balance of payments current account	1	Eco3.1.1.9
26.	<b>Describe</b> the elements of the Balance of Payments current account	2	Eco3.1.2.8
27.	<b>Outline</b> how countries balance their current account	2	Eco3.1.2.9
28.	<b>Explain</b> the relationship between the elements in the Balance of Payments current account	3	Eco3.1.3.9
29.	<b>Define</b> Balance of Payments capital account	1	Eco3.1.1.10
30.	<b>Identify</b> the major items in the balance of payments capital account	1	Eco3.1.1.11
31.	<b>Describe</b> the elements of the Balance of Payments capital account	2	Eco3.1.2.10
32.	<b>Explain</b> the relationship between the elements in Balance of Payments capital account	3	Eco3.1.3.10
33.	<b>Explain</b> the relationship between current account and capital account	3	Eco3.1.3.11
34.	<b>Distinguish</b> between the Balance of Payments current account and the Balance of Payments capital account	3	Eco3.1.3.12
35.	<b>Define</b> terms of trade	1	Eco3.1.1.12
36.	<b>Describe</b> movements in terms of trade	2	Eco3.1.2.11
37.	<b>Explain</b> the impact of movements in terms of trade on international trade	3	Eco3.1.3.13
38.	<b>Define</b> exchange rate	1	Eco3.1.1.13
39.	<b>Define</b> fixed exchange rate	1	Eco3.1.1.14
40.	<b>Define</b> flexible or floating exchange rate	1	Eco3.1.1.15
41.	<b>Define</b> appreciation of exchange rates	1	Eco3.1.1.16
42.	<b>Define</b> depreciation of exchange rates	1	Eco3.1.1.17
43.	<b>Define</b> devaluation of exchange rates	1	Eco3.1.1.18
44.	<b>Define</b> revaluation of exchange rates	1	Eco3.1.1.19
45.	<b>Identify</b> factors, other than exchange rate changes, which may influence international trade	1	Eco3.1.1.20
46.	<b>Explain</b> the effects of real interest rate changes on exchange rates and net exports	3	Eco3.1.3.14
47.	<b>Explain</b> the supply and demand analysis in the operation of a foreign exchange market with a flexible (floating) exchange rate	3	Eco3.1.3.15
48.	<b>Use</b> supply and demand analysis to show the operation of the foreign exchange market with a flexible (floating) exchange rate	2	Eco3.1.2.13
49.	<b>Explain</b> the impact of exchange rate changes on international trade in goods and services	3	Eco3.1.3.16
50.	<b>Explain</b> the impact of changes in net export (X-M) on domestic economic activity	3	Eco3.1.3.17
51.	<b>Discuss</b> the supply and demand analysis to show the operation of the foreign exchange market with a flexible (floating) exchange rate	4	Eco3.1.4.2
52.	<b>Discuss</b> the impacts of exchange rate changes on international trade in goods and services using examples	4	Eco3.1.4.3

53.	<b>Discuss</b> the impact of changes in net export (X-M) on domestic economic activity	4	Eco3.1.4.4
-----	--	---	------------

## Sub-strand 3.2 Monetary and Fiscal policy

**Key Learning outcome:** Students are able to demonstrate understanding of monetary and fiscal policy such as:

- operation of the credit multiplier and the role that banks play in the process of credit creation;
- the functions of the Reserve (Central) Bank, particularly the implementation of monetary policy;
- supply and demand analysis and the money market;
- effects of real interest rate changes on consumption, investment, exchange rates and net exports;
- major components of a typical government budget;
- trends in a government's revenue, expenditure and operating balance over the past ten years;
- impacts of government revenue, expenditure and surpluses/deficits on economic activity;
- fiscal constraint on a government in the South Pacific region that requires responsible management of fiscal policy over time. E.g. New Zealand's Public Finance Amendment Act 2004;
- the aggregate demand curve;
- consumption, investment, government expenditure and net exports;
- shifts in the aggregate supply curve as the result of exogenous changes in nominal labour costs, imported material costs, productivity and technology;
- equilibrium level of prices, employment and production and illustrate a recessionary gap and inflationary gap;
- changes in fiscal policy, monetary policy and other factors.

*Note: students will be examined on their ability to use aggregate demand/aggregate supply analysis, not their ability to derive aggregate demand and supply curves.*

SLO #	Specific Learning Outcomes: Students are able to	Skill Level	SLO Code
1.	<b>Define</b> money supply	1	Eco3.2.1.1
2.	<b>Identify</b> the components of money supply in a country	1	Eco3.2.1.2
3.	<b>Explain</b> the primary changes in money supply	2	Eco3.2.2.1
4.	<b>Explain</b> the secondary changes in money supply	2	Eco3.2.2.2
5.	<b>Describe</b> the credit multiplier	2	Eco3.2.2.3
6.	<b>Explain</b> how the credit multiplier works to increase money supply	3	Eco3.2.3.1
7.	<b>Describe</b> the role that commercial banks play in the process of credit creation	2	Eco3.2.2.4
8.	<b>Discuss</b> the role that banks play in the process of credit creation and the impacts of this role on the economy using specific examples	4	Eco3.2.4.1
9.	<b>Explain</b> the money supply and money demand analysis in relation to the money market	3	Eco3.2.3.2
10.	<b>Apply</b> supply and demand analysis to the money market	3	Eco3.2.3.3
11.	<b>Explain</b> the effects of real interest rate changes on consumption and investment	3	Eco3.2.3.4
12.	<b>Define</b> monetary policy	1	Eco3.2.1.3
13.	<b>List</b> the tools of monetary policy	2	Eco3.2.2.5

14.	<b>Describe</b> the functions of the Reserve (Central) Bank, particularly in the implementation of the monetary policy	2	Eco3.2.2.6
15.	<b>Describe</b> the monetary measures that can be used to achieve government aims	2	Eco3.2.2.7
16.	<b>Identify</b> the major components of a typical government's budget in a given situation	1	Eco3.2.1.4
17.	<b>Identify</b> trends in a government's revenue or expenditure over the past ten years in a given situation	1	Eco3.2.1.5
18.	<b>Explain</b> trends in a government's revenue or expenditure over the past ten years	3	Eco3.2.3.5
19.	<b>Identify</b> trends in a government's operating balance over the past ten years	1	Eco3.2.1.6
20.	<b>Explain</b> trends in a government's operating balance over the past ten years	3	Eco3.2.3.6
21.	<b>Explain</b> the impact of government revenue and expenditure on economic activity	3	Eco3.2.3.7
22.	<b>Explain</b> the impact of government surpluses and deficits on economic activity	3	Eco3.2.3.8
23.	<b>Define</b> fiscal policy	1	Eco3.2.1.7
24.	<b>Define</b> expansionary fiscal policy	1	Eco3.2.1.8
25.	<b>Define</b> contractionary fiscal policy	1	Eco3.2.1.9
26.	<b>Define</b> public debt	1	Eco3.2.1.10
27.	<b>Discuss</b> the impacts of having a high level of public debt for an economy	3	Eco3.2.3.9
28.	<b>Describe</b> a fiscal constraint on a government in the South Pacific Region that requires responsible management of fiscal policy over time. E.g. New Zealand's Public Finance Amendment Act 2002	2	Eco3.2.2.8
29.	<b>Discuss</b> the conditions and influences that responsible management of fiscal policy over time had on fiscal constraint on a government in the South Pacific region E.g. New Zealand's Public Finance Amendment Act 2003	3	Eco3.2.3.10
30.	<b>Define</b> aggregate demand	1	ECO3.2.1.11
31.	<b>Describe</b> the components of aggregate demand	2	Eco3.2.2.9
32.	<b>Discuss</b> the impact of changes in the components of aggregate demand on national income using examples	4	Eco3.2.4.3
33.	<b>Explain</b> the reasons for the downward-sloping aggregate demand curve	3	Eco3.2.3.11
34.	<b>Describe</b> the shifts of the aggregate demand curve	2	Eco3.2.2.10
35.	<b>List</b> the factors that influence the shifts on an aggregate demand curve	2	Eco3.2.2.11
36.	<b>Describe</b> the trends on an aggregate demand curve	2	Eco3.2.2.12
37.	<b>Describe</b> the aggregate demand curve as showing levels of total demand consistent with given price levels	2	Eco3.2.2.13
38.	<b>Discuss</b> shifts of the aggregate demand curve as a result of changes in government expenditure in terms of the collective changes in consumption, investment, government expenditure, net exports using examples	4	Eco3.2.4.4
39.	<b>Define</b> aggregate supply	1	Eco3.2.1.12
40.	<b>Describe</b> the shape of the short-run aggregate supply curve	2	Eco3.2.2.14
41.	<b>Explain</b> why the supply curve becomes steeper as the economy approaches full capacity	3	Eco3.2.3.12
42.	<b>Explain</b> why the economy can temporarily operate beyond full capacity	3	Eco3.2.3.13
43.	<b>List</b> factors that affect shifts in an aggregate supply curve	2	Eco3.2.2.15

44.	<b>Relate</b> aggregate supply to firms' production decisions at each price level	3	Eco3.2.3.14
45.	<b>Explain</b> shifts in the aggregate supply curve as the result of exogenous changes in nominal labour costs	3	Eco3.2.3.15
46.	<b>Explain</b> shifts in the aggregate supply curve as the result of exogenous changes in productivity	3	Eco3.2.3.16
47.	<b>Explain</b> shifts in the aggregate supply curve as the result of exogenous changes in technology	3	Eco3.2.3.17
48.	<b>Describe</b> the aggregate demand and aggregate supply model	2	Eco3.2.2.16
49.	<b>Use</b> aggregate demand and aggregate supply curves to identify the equilibrium level of prices	1	Eco3.2.1.13
50.	<b>Use</b> aggregate demand and aggregate supply curves to identify the equilibrium level of income, output and employment	1	Eco3.2.1.14
51.	<b>Define</b> a recessionary gap	1	Eco3.2.1.15
52.	<b>Illustrate</b> a recessionary gap	2	Eco3.2.2.17
53.	<b>List</b> factors that cause a recessionary gap	2	Eco3.2.2.18
54.	<b>Name</b> one factor that can be used to eliminate recessionary gap	1	Eco3.2.1.16
55.	<b>Explain</b> how a named factor influences a recessionary gap	3	Eco3.2.3.18
56.	<b>Define</b> an inflationary gap	1	Eco3.2.1.17
57.	<b>Illustrate</b> an inflationary gap	2	Eco3.2.2.19
58.	<b>List</b> factors that cause an inflationary gap	2	Eco3.2.2.20
59.	<b>Explain</b> how a named factor influences an inflationary gap	3	Eco3.2.3.19
60.	<b>Explain</b> inflationary pressure at full employment	3	Eco3.2.3.20
61.	<b>Examine</b> the effect on price level resulting from a change in other factors (including business/consumer confidence and external factors)	3	Eco3.2.3.21
62.	<b>Use</b> aggregate demand/aggregate supply analysis to examine the effect on price level resulting from a change in other factors (including business/consumer confidence and external factors)	3	Eco3.2.3.22
63.	<b>Examine</b> the effect on employment resulting from a change in other factors (including business/consumer confidence and external factors)	3	Eco3.2.3.23
64.	<b>Use</b> aggregate demand/aggregate supply analysis to examine the effect on employment resulting from a change in other factors (including business/consumer confidence and external factors)	3	Eco3.2.3.24
65.	<b>Examine</b> the effect on total output resulting from a change in other factors (including business/consumer confidence and external factors)	3	Eco3.2.3.25
66.	<b>Use</b> aggregate demand/aggregate supply analysis to examine the effect on total output resulting from a change in other factors (including business/consumer confidence and external factors)	3	Eco3.2.3.26
67.	<b>Use</b> aggregate demand/aggregate supply analysis to examine the effect on price level resulting from a change in fiscal policy and/or monetary policy	3	Eco3.2.3.27
68.	<b>Use</b> aggregate demand/aggregate supply analysis to examine the effect on employment resulting from a change in fiscal policy and/or monetary policy	3	Eco3.2.3.28
69.	<b>Use</b> aggregate demand/aggregate supply analysis to examine the effect on the total output resulting from a change in fiscal policy and/or monetary policy	3	Eco3.2.3.29

## ASSESSMENT

The assessment of the course is in two parts (external and internal assessment) in the following proportions

1. External assessment (EA) : 70%
2. Internal assessment (IA) : 30%

The principal, or his/her nominee, will certify that the syllabus requirements have been fulfilled.

### 6.1 Assessment Weightings

Strand #	Strand Title	Objectives/ Outcomes	External/ internal	Approximate Weighting (%)	Suggested Time
<b>1</b>	Resource Allocation via the Market System	Demonstrate understanding of the key ideas about the operation of the market system, and how decisions are made and their outcome in a modern market economy	<i>Internal</i>	15	11 weeks
			<i>External</i>	30	
<b>2</b>	Resource Allocation via the Public Sector	Demonstrate understanding of the part governments play in allocating resources, particularly where the market does not result in efficient or equitable outcomes	<i>Internal</i>	15	7 weeks
			<i>External</i>	20	
<b>3</b>	Aggregate Economic Activity and Policy	Understand the workings of the economy as a whole and the effects of government policy	<i>External</i>	20	10 weeks
<b>Total</b>				100%	28 weeks



## 6.2 External Assessment

This will be a **3-hour written** examination.

The written external examination will assess students' knowledge and understanding of basic economic concepts, principles and simple analytical techniques outlined in Strands 1, 2 and 3 of the Economics Syllabus. The examination will also assess a variety of thinking and statistical skills prescribed, for example: reasoning clearly and objectively, presenting and interpreting data and arguments clearly, concisely and logically. In examination questions, equal credit should be given to economic knowledge, understanding and skills.

The approximate weightings given to each section in the written examination will be as follows:

Strand 1: Resource Allocation via the Market System 30%

Strand 2: Resource Allocation via the Public Sector 20%

Strand 3: Aggregate Economic Activity and Policy 20%

## 6.3 Assessment Blueprint

Content Area/ Strand	Assessment Type	SOLO Skill Levels				Weighting (%)
		Level 1	Level 2	Level 3	Level 4	
<b>Strand 1:</b> Resource Allocation via the Market System	EA	7	5	3	1	30
	IA	1	2	2	1	15
<b>Strand 2:</b> Resource Allocation via the Public Sector	EA	4	3	2	1	20
	IA	1	2	2	1	15
<b>Strand 3:</b> Aggregate Economic Activity and Policy	EA	7	3	1	1	20
<b>Number of Items</b>	<b>EA</b>	<b>18</b>	<b>11</b>	<b>6</b>	<b>3</b>	<b>100%</b>
	<b>IA</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>2</b>	
<b>TOTAL</b>		<b>20</b>	<b>30</b>	<b>30</b>	<b>20</b>	

Note: The number of EA items may vary from time to time.

## 6.4 Internal Assessment Tasks

As part of the course, students are required to complete two tasks which are assessed by teachers in schools based on aspects of the economies of the students' own countries.

There are two Internal Assessment Tasks.

1. An investigation into an aspect from Strand 1 (15%), and
2. An investigation into an aspect from Strand 2 (15%).

The learning outcomes for IA Task 1 are listed under sub-strand 1.5.

The learning outcomes for IA Task 2 are listed under sub-strand 2.2.

Teachers are urged to refer the students to these learning outcomes to guide their investigations.

*Weighting:* With a score of 30% allocated for the internal assessment tasks, teachers have the responsibility of deciding the weighting of time given to each task in relation to their teaching programme.

Task	Weighting (%)	Suggested % of the teaching programme	Suggested equivalent class time
1. An investigation about market structures from Strand 1	15	No less than 5%	3 weeks
2. An investigation on merit and demerit goods from Strand 2	15	No less than 5%	3 weeks

### *Notes to the teacher:*

*General:* Course work requirements, the assessment tasks and weightings given to each task should be clearly explained to students at the beginning of the year's course and included in the assessment statement for students. Results must be clearly recorded and maintained by teachers so that accurate information on each student's progress is readily available.

At the beginning of each year, each school presenting students for the Regional Form 7 Economics assessment must complete an **Internal Assessment Summary Form (ECON-IA)** and forward to EQAP by the date set down by the Director. This form is in **Appendix 1**.

It is the teacher's responsibility to ensure that students are provided with all necessary assessment information so that they are guided well towards achievement of learning outcomes that are covered under the IA tasks.

The assessment statement and copies of all assessment tasks and assessment schedules used, as well as a sample of student responses to all internal assessment work undertaken, must be available for verification on request until 30 November of the year of the examination.

The moderation of Internal Assessment will be done in accordance with EQAP policy as specified from time to time.

## 6.4.1 IA Task 1 Instructions

**This task will require students to carry out a number of inquiry steps (using the following simplified research method common to social science inquiries):**

1. Outline the *nature of the investigation*, including specific objectives or hypotheses.
2. Summarise the *procedures* to be followed, including a Research Schedule or milestones.
3. Include a brief summary of the *economic theory* in the syllabus relevant to the inquiry.  
This will include:
  - definitions of relevant economic terms;
  - inclusion of relevant graphs, models and economic formulae
  - summary of relevant concepts, policies, possible expected relationships etc. as appropriate to the task.
4. *Gather* relevant data from primary and/or secondary sources. These must be acknowledged.
5. *Process/organise* data appropriately e.g. into tables, graphs or charts. The processed data is to be included in the body of the report while the raw data should be included in an Appendix at the end for verification by the assessor.
6. *Interpret and analyse* the processed data against the theory summarised in Step 3 above.
7. Make *conclusions* about the ‘fit’ or relevance of the findings, referring back to the original objectives or hypotheses.
8. *Evaluate* the validity of the investigation, commenting on strengths and weaknesses in the research method; make *recommendations* if appropriate.
9. *Present* the report neatly with appropriate subheadings, labels, referencing etc.

### ***Task 1 Teacher Guidelines***

The following guidelines are supplied to enable teachers to carry out valid and consistent assessment using this internal assessment resource. Teachers should refer to the Assessment Schedule in conjunction with this assessment resource. Note that teachers may need to vary the assignment slightly from year to year to ensure that plagiarism does not become an issue.

#### **Context/setting**

This assessment requires the student to collect and process information from primary and secondary sources and carry out an economic analysis. The theory to be investigated will be selected from Strand 1 of the *South Pacific Form Seven Certificate Economics Syllabus*.

#### **Purpose:**

**The purpose of this inquiry is to investigate and determine the existence and nature of a particular market structure in the community.**

### Hypothesis:

Any of the following scenarios comply with the requirements with regard to the use of a hypothesis as part of the investigation

- No hypothesis is used in the investigation, instead specific objectives are used
- A hypothesis is provided by the teacher for students to base their investigation on
- A hypothesis is developed by the student and approved by the teacher

### Planning the investigation:

Any of the following scenarios comply with the requirements with regard to the planning of the investigation.

- Students may plan their own investigation
- Students may plan their investigation in consultation with the teacher
- Teachers could give feed forward guidance to students by requiring them to present material to do with the planning of their investigation at a pre-set milestone

### Collecting information:

- Collect information from a range of primary and/or secondary sources (A range means from at least three sources; for example, from three different websites, or the use of three different surveys, or the use of a variety of sources such as the internet, yearbook and textbook).
- Sufficient information must be collected so that the economic analysis that is undertaken enables students to demonstrate the use of the Seventh Form statistical skills (if appropriate to the investigation) stated in Appendix 3.
- Students should be directed to collect sufficient information to enable them to carry out a comprehensive economic analysis.

### Processing information:

- Information processing involves the transformation of data into tables, graphs, summaries etc.
- Any primary data that is collected is to be compared with published information or secondary data that is available from sources in the public domain, e.g. text book.

### Economic Analysis:

- The quality and depth of the economic analysis is the distinguishing feature between work at the level of unistructural, multistructural, relational and extended abstract (see Assessment Schedule)
- An economic analysis (multistructural) requires the application of relevant economic theory to some of the information collected, and a conclusion(s) that is related to the analysis
- A full economic analysis (relational) includes the requirements for the multistructural level and also requires the appropriate use of all of the information collected in the analysis, and a detailed conclusion(s) related to the analysis. Some recommendations may be made.

- A comprehensive economic analysis (extended abstract) includes the requirements for achievement at the relational level, plus a thorough and appropriate exploration of the relationships between economic theory and the information collected consideration of weaknesses or limitations of the analysis (evaluation), and a thorough and justified conclusion related to the analysis. Relevant recommendations are made.

#### Presentation:

- Refer to the Assessment Schedule for guidance on presentation
- Learners should be encouraged to collate or summarise raw data and include the raw data in an appendix to their report for verification.
- This analysis is to be presented as a written report which, as a guide only, may be approximately 10 sides of A4 paper in length, including the Appendix.
- All sources of information and data are to be clearly acknowledged.

#### Conditions

- Information may be collected from primary and/or secondary sources.
- The information must be appropriately referenced.
- Students should present material at pre-set milestones.

#### **Resource requirements**

- School based library and information technology facilities should be made available wherever possible. Teachers may have to assist in the sourcing of some of the data and information.

### ***Task 1 Student Guidelines***

**Internal Assessment Resource: Task 1 - related to Learning Outcomes in Strand 1 of the *South Pacific Form Seven Certificate Economics Syllabus*.**

**You are required to investigate and determine the existence and nature of a particular market structure in the community.**

### ***Student Instructions Sheet***

- (a) Carefully choose an appropriate local firm or industry to investigate.
- (b) Outline the nature of the investigation – essentially to gather, process and analyse data to enable you to classify (demonstrated by the evidence) your chosen firm or industry as being either a duopoly, oligopoly or monopolistically competitive market structure. Include specific objectives or hypotheses.
- (c) Summarise the procedures to be followed (including a Research Schedule with milestones). This investigation will take approximately 2 weeks, with a mixture of in-class and out-of-class activity. Your plan will need to be checked by your teacher before you proceed.
- (d) Include a brief summary of economic theory in the syllabus relevant to market structures.
  - (1) definitions of relevant economic terms
  - (2) a table with a brief comparison of the features of the range of market structures including typical examples, number of sellers, competition, degree of control over price, shape of demand curve, existence of barriers to entry, and the presence or otherwise of product differentiation.
  - (3) a summary of typical price and non-price marketing strategies used by the various market structures. (Other theory may also be included if relevant)
- (e) Gather relevant data from primary and/or secondary sources relevant to the nature of your investigation and specific objectives. These must be acknowledged. Primary data may include observations, questionnaires and personal interviews. Secondary sources may include newspapers, documents, websites etc.
- (f) Process/organise data appropriately e.g. into tables, graphs, charts or written summaries. Include any relevant calculations e.g. percentages, ratios etc. The processed data is to be included in the body of the report while the raw data should be included in an Appendix at the end for verification by the assessor.
- (g) Interpret and analyse the processed data against the theory summarised in Step (d) above.
- (h) Make conclusions, including the ‘fit’ or relevance of the findings, referring back to the original objectives or hypotheses.
- (i) Evaluate the validity of your findings and the investigation, including comment on strengths and weaknesses of the research method used. Make any relevant recommendations.
- (j) Present the written report neatly with appropriate subheadings, labels, referencing, use of appendices, etc. and ensure that you submit it by the agreed deadline written in your research schedule. As a guide only, the report may be approximately 10 sides of A4 paper in length, including the Appendix.

## 6.4.2 IA Task 1 Scoring Rubric

### Task 1 Weighting (15%)

The following is a **generic Assessment Schedule (or Scoring Rubric)** to be used for the Internal Assessment Task 1. Changes can be made to suit the requirements of the specific investigations or studies used. Scores have been grouped into skill levels and any score within a skill level may be granted according to the teacher's professional judgement – but no half scores are to be given.

This task has a total skill score of 33 but only 15 will be counted towards the IA weighting as indicated below and in Strand 1, Sub-strand 1.5.

Task item	SLO Code	Skill Level	Level 1	Level 2	Level 3	Level 4
<b>State</b> the purpose/ hypotheses for the investigation	Eco1.5.1.1	1	Purpose is correctly stated			
<b>State</b> the objectives for the investigation	Eco1.5.1.2	1	Objectives are correctly stated			
<b>Outline the</b> background information on the research topic	Eco1.5.2.1	2	Basic background information is provided	Background information is comprehensive		
<b>Summarise</b> the methodology used in the research	Eco1.5.2.2	2	Methodology is provided but not complete	Methodology is complete		
<b>Plan</b> an appropriate list of activities and procedures to carry out the investigation	Eco1.5.2.3	2	Plan is provided but basic only	Plan is comprehensive and workable		
<b>Collect</b> relevant information and data from a wide range of sources	Eco1.5.2.4	2	Only basic pieces of data collected	Complete sets of data collected		

<b>Acknowledge</b> the sources of information	Eco1.5.2.5	2	One acknowledgement is provided	More than one provided and citation method is correct		
<b>Process</b> all data collected by using relevant tools and models (tables and graphs)	Eco1.5.3.1	3	Data pieces are organised into simple tables	Data pieces are tabulated and graphs are given but not complete	Data pieces are tabulated and graphs are given and all complete	
<b>Interpret and analyse</b> fully/accurately all the information and data showing trends	Eco1.5.3.2	3	A simple/basic data trend is provided	More than one data trends are provided but not linked back to findings	Interpretations are provided and well linked to data trends	
<b>Discuss</b> findings using a wide variety of economic tools and models related to the objectives of the investigation	Eco1.5.4.1	4	Basic discussion that is superficial	A number of relevant ideas are provided but they are distinct/disjointed	Relevant ideas are well linked back to findings with strong links to economic ideas	Related ideas are well linked to findings and to the overall purpose of the investigation
<b>Analyse</b> economic tools and models related to the objectives of the investigation	Eco1.5.3.3	3	Economic ideas are given but superficial	A number of references are made to economic tools	Economic tools mentioned are well linked to the purpose of the investigation	
<b>Draw</b> conclusions, clearly related to the objectives and make recommendations for future research	Eco1.5.4.2	4	A very basic statement of conclusion is given	More than one statement but not well linked together	More than one concluding statement that are coherently linked to the overall purpose of the investigation	Related concluding statements that are coherently linked to the overall objectives of the investigation with recommendations for future research
<b>Discuss</b> the limitations of the research and recommend alternatives for future research	Eco1.5.4.3	4	One limitation is stated	At least one limitation and at least one alternative is recommended but not well linked	At least 2 limitations and alternatives given that are linked	More than 2 limitations and related alternatives recommended



### 6.4.3 IA Task 2 Instructions

**This task requires students to produce a power-point presentation on MERIT and DEMERIT GOODS.**

#### **Power-point Presentation on MERIT and DEMERIT GOODS**

**Aim :** For the students to come up with a 10 -15 minutes Power Point presentation on Merit and Demerit goods to better inform the audience on the existence of the economic theories in their own economy with regards to the chosen set of goods – Merit and Demerit Goods.

**Outcome :** At the completion of this task, the Students are able to achieve the selected specific learning outcomes in Strand 2, Sub-strand 2.2.

**Task duration :** 3 weeks for preparation of the task and 10 – 15 minutes presentation.

**Task instruction:** For the students to investigate a set of Merit and Demerit Goods over a minimum period of ten consecutive time periods. They must choose a set of Merit and Demerit goods and collect information about their own economy related to the set of goods chosen to base their investigation on.

#### **INSTRUCTIONS FOR CONDUCTING THE IA TASK:**

##### **A. Instructions to the Teacher:**

1. The students are given three weeks to prepare for this task.
2. Make available the equipment required for the presentation such as the laptop and projector, etc.
3. Use the Assessment Scoring Rubric provided for marking of this task.
4. Use the Assessment Record Sheet for recording of each student's responses.

##### **B. Instructions to the Student :**

1. Follow Requirements: SPFSC Economics Task 2, numbers (1) to (15) below. Further Instructions will be provided by your teacher to assist you in your preparation for the actual presentation.
2. Make sure that each item in the task details are covered in your presentation but you can include other relevant information that may allow a good flow of presentation.
3. Submit a hard copy of your presentation to the teacher or supervisor at the end of your presentation.

<b>REQUIREMENTS: SPFSC Economics - Task 2</b>		<b>SKILL LEVELS</b>
<p>State the chosen set of Merit and Demerit Goods from your own Economy. Summarize Economic Theories related to the set of Merit and Demerit Goods. The theories may include :</p> <ul style="list-style-type: none"> <li>• definition of relevant economic terms.</li> <li>• a table making a brief comparison of the features of the two goods including local examples, government intervention to internalise the consumption externalities of the two goods, etc.</li> </ul> <p>Source any raw data/ information used in your presentation.</p>		
1.	Name the chosen set of Merit and Demerit goods from your own economy to investigate.	1
2.	Identify relevant data sets.	1
3.	Summarise two economic theories related to the set of Merit and Demerit goods to investigate.	2
<p>Outline the nature of the research by stating one objective, finding out one Hypothesis and planning three Procedures to be followed. This investigation will take 3 weeks, with a mixture of in-class and out-of-class activity. Use Research Schedules and other alternatives for planning the chosen research procedures. Check with your Teachers your plans before you proceed further on.</p>		
4.	List at least TWO related Objectives for the investigation.	2
5.	State ONE related Hypotheses for the investigation.	1
6.	Plan a range of Procedures in carrying out the research.	4
<p>Gather relevant data from primary (such as observations, television and radio documentaries, questionnaires and own interviews) and/or secondary sources (such as newspapers and magazine articles, documents and websites) relevant to the nature of your investigation and specific objectives. The data/ information collected must be acknowledged and should be as current as possible and covers a minimum of ten consecutive time periods. The related data/ information collected are to be included in the appendix of the hardcopy of your presentation which will be submitted to the teacher.</p>		
7.	Collect various forms of data/ information (such as graphs, tables, other written materials and non - written materials) related to the set of Merit and Demerit goods.	2
<p>Process related data/ information to the research such as transformation of data/ information into tables, graphs, charts, calculations or written summaries. The presentation of the processed data/ information should be comprehensive and clear. Source any raw data/ information used within the Presentation and in the Bibliography.</p>		
8.	Process collected data/ information using relevant tools/ methods (such as graphs and tables).	3
<p>Present the related data/ information collected. The presented information/data can be processed data/ information and raw data/ information, and should be relevant for the analysis and evaluation. The presentations should include graphs, tables and other non – written materials as well as written materials. Source any raw data/ information used within the Presentation and in the Bibliography.</p>		
9.	Present various forms of raw/ processed data/ information related to the set of Merit and Demerit goods.	3
<p>Critically analyse, compare and evaluate the presented data/ information.</p>		
10.	Compare the raw/ processed data/ information with the Economic Theories of the set of Merit and Demerit goods.	3
11.	Critically analyse the raw/ processed data/ information related to the set of Merit and Demerit goods.	4
12.	Evaluate the existence of the Economic Theories of the set of Merit and Demerit goods in your Economy.	4
<p>Make conclusions about the investigation/research and the findings. Comment on the strengths and weaknesses of how the research was being carried out, and about the research procedures used.</p>		
13.	Conclude the findings obtained from the research/investigation.	4

14.	Recommend on how to improve on future investigation/ research.	4
15.	Acknowledge within the Presentation and in the Bibliography the sources of raw data/ information used.	2

### 6.4.4 IA Task 2 Scoring Rubric

Item #	Task Item	SLO code	Skill Level	Level 1	Level 2	Level 3	Level 4
1	Name the chosen set of merit and demerit goods (from your own economy) to investigate	Eco2.2.1.1	1	Chosen set of merit and demerit goods (in the student's own economy) is correctly stated			
2	Identify relevant data sets	Eco2.2.1.2	1	Relevant data sets are correctly identified			
3	Summarise two economic theories related to the set of merit and demerit goods to be investigated	Eco2.2.2.1	2	Economic theories are stated/named	Economic theories related to the set of merit and demerit goods are correctly summarised		
4	List two or more objectives for the investigation	Eco2.2.2.2	2	One objective listed is related	A range of related objectives are correctly listed		
5	State one related hypotheses for the investigation	Eco2.2.1.3	1	A related hypothesis is correctly stated			
6	Plan a range of procedures in carrying out the research	Eco2.2.3.1	3	Only one planned procedure	Two or more procedures planned but the link between them is not clear	Two or more procedures are planned and related to each other	
7	Collect various forms of data/information (such as graphs, tables, other written materials and non - written materials) related to the selected set of merit and demerit goods	Eco2.2.2.3	2	Some relevant data/information collected	Various forms of relevant data/information collected		
8	Process collected data/ information using relevant tools/methods (such as graphs and tables)	Eco2.2.3.2	3	Some data/information are processed using a range of relevant tools/methods	Most data/information are processed using a range of relevant tools/methods	All data/information related to the set of merit and demerit goods are processed using a	

						range of relevant tools/methods	
9	Present various forms of raw/processed data/ information related to the selected set of merit and demerit goods	Eco2.2.3.3	3	Some related data/ information is presented	Most related data/ information is well presented	Presentation of all the various forms of raw/processed data/information related to the set of merit and demerit goods is clear and correct	
10	Compare the raw/ processed data/ information with the economic theories of the selected set of merit and demerit goods	Eco2.2.3.4	3	Data/Information and one related theory stated	Data/Information and one or two theories described but with unclear or no link	Raw/processed data/information and the economic theories of the selected set of merit and demerit goods are well explained and compared	
11	Critically analyse the raw/ processed data/ information related to the selected set of merit and demerit goods	Eco2.2.4.1	4	Related data/ information are defined	Related data/ information are described	Related data/ information are explained	Various forms of data/information related to the set of merit and demerit goods are correctly and critically analysed
12	Evaluate the existence of the economic theories of the selected set of merit and demerit goods	Eco2.2.4.2	4	One theory is named/stated	Existence of the one or two theories described	Existence of one or two theories explained	Existence of the economic theories of the selected set of merit and demerit goods are well assessed/ evaluated
13	Conclude the findings obtained from the research/investigation	Eco2.2.4.3	4	Some effort had been given to make some conclusion	Some conclusion points given but with no clear links to the findings	Conclusion is given with adequate links to the findings	Conclusion is clear and valid with strong links to the findings
14	Recommend on how to improve on future investigation/research	Eco2.2.4.4	4	One idea is stated	One or two recommendations given but with no clear links to the research conducted	Two or more recommendations are well explained and related to the research conducted	Two or more recommendations are given that are relevant and possible for future investigation
15	Acknowledge within the presentation and in the bibliography the sources of raw data/information used	Eco2.2.2.4	2	Some data/information used are adequately sourced within the presentation and in the bibliography	All raw data/ information used are clearly sourced within the presentation and in the bibliography		

## 7. APPENDICES

### Appendix 1: IA Summary Form

#### SOUTH PACIFIC FORM SEVEN CERTIFICATE ECONOMICS IA Summary Form

Country: \_\_\_\_\_ School: \_\_\_\_\_

Task	Brief Description of Task	Start Date	Finish Date	Weight (%)
Task 1  (Investigation from Strand 1)				15%
Task 2  (Investigation from Strand 2)				15%
<b>Total</b>				<b>30%</b>

- Note:**
1. Be specific about dates, not just Week 3 Term 1, etc.
  2. Assessment schedules for the tasks are provided in the syllabus. Teachers must use these.
  3. All IA Score Capture Sheets will be provided by EQAP to schools.

**Teacher's Name and Signature:** .....

**Principal's Name and Signature:** .....

A full IA program is to be submitted together with this IA Summary Form.

## Appendix 2: IA Program Proposal Template

### FULL IA PROGRAM

---

#### Page 1: COVER PAGE

<p style="text-align: center;"><b>xxxxxxx SEC SCHOOL</b> <b>SPFSC 2020</b> <b>Xxxxx (subject): FULL</b> <b>IA PROGRAM</b></p> <p style="text-align: center;">Name:</p>
--

#### Page 2: INSERT IA SUMMARY FORM HERE

(To be completed, signed by both the teacher and the School Principal of his/her Nominee/school stamped/scan/insert)

#### Pages 3-6:

##### 1 Task title: Task 1: \_\_\_\_\_

The title should be brief and include a reference to the particular syllabus topic or skill which is being assessed by the task.

Example: *“Research Topic – Investigation of an Economic Issue.”*

##### 2 Learning Outcomes: List the Specific Learning Outcomes (SLOs) to be assessed by the task.

These are found in the syllabus and need to be identified before the tasks are constructed.

Example: *Describe a feature of ....*

*(Copy and paste directly from the syllabus: it must show strand, sub strand and SLOs)*

##### 3 Assessment/Task:

**Describe the task as a form of assessment to measure student achievements of the above learning outcomes at different stages of the lesson/task implementation.**

*(Think of what are the best types of assessment for the above SLOs so that your students can demonstrate they have achieved the learning outcomes. Also include how you will pre-assess their knowledge at the beginning of the lesson and how you will continuously assess them throughout the strand/topic to monitor their learning progress. The summative assessments are the final IA tasks)*

e.g. Diagnostic: (can be oral questions/short tests/ surveys/questionnaires to find out what students already know before the lesson)

Formative: 1. This is the formative use of the summative assessment such as the drafts submitted, self-assessment, peer assessment, teacher assessment of the drafts and specific feedback provided to improve the task. 2. For CATs – this can be similar items prepared by teachers using the SLOs and given to students for practice. After scoring, the feedback needs to be given to improve learning. If the majority of students are not doing well then re-teach using another strategy, assess and monitor learning.

Summative: (these are the final IA tasks or the CATs to measure how much the students have learnt/achieved after the learning period)

#### **4 Resources: List materials required for completing the task (for learning and demonstrating the achievements of the SLOs.**

This must specify any material/items such as books, documents, maps, stimulus material, equipment required by the task, including the use of technology.

#### **5 Guidelines for the teacher on advance preparation requirements**

- a) **time required** by the student for task completion (monitoring progress)
- b) recommended dates/date range for task completion
- c) organisation of room and hardware to facilitate task completion (learning assessment)

(After the task has been completed and scored, teachers will need an IA score capture sheet to record the performance of all students in the class)

#### **6 Guidelines for the teacher on task completion and task control**

This must specify:

- the role of the teacher during the period of task completion
- instructions that are to be given by the teacher to the students
- actions that are required of the teacher during task completion

#### **7 Preparation by the students beforehand**

If students are required to prepare in advance of the task date, preparatory notes must indicate the requirements. For example, students may need to collect support materials for a task that is supervised in a classroom.

#### **8 Task outline for the student**

This outline is a brief description of the task that the student is to complete. It is a general description without specific detail.

Example: *Your task is to focus on an important economic issue. After investigating that issue, you need to process information collected and suggest possible courses of action that authorities could take.*

**9 Task detail for the student**

This must provide a detailed description of the task in the sequence that the student would be expected to follow during task completion. This must clearly state:

- what the student is expected to do
- what the student is expected to record and present for assessment

**10 Feedback & Support**

Allocate time for:

- i. student's self-assessment and correction
- ii. peer assessment, feedback, and time for improvement
- iii. teacher assessment, feedback, and time for time improvement

(NB: State how this will be carried out)

**11 Final submission & scoring**

State when the final task is due and how it will be assessed. State how the school (HOD/SPFSC Coordinator) will monitor the scoring of the tasks.

**12 Scoring Rubric**

Copy and paste directly from the syllabus the relevant scoring rubrics

**13 Assessment score capture sheet for the task**

This will be provided by EQAP

**(Repeat 1-13 for Task 2)**



## Appendix 3: Economic Skills

The following is a list of thinking, statistical and investigative skills that are relevant to the teaching of Economics in high schools. For statistical and investigative skills, the list shows how the skills can be introduced at an elementary level in junior high school and be developed through the fifth, sixth and seventh form years. Students can generally begin a study of Economics at any level, but need to be aware of the skills expected to be understood or learnt at the particular year level in which they enter. These skills will facilitate the achievement of the Learning Outcomes and provide criteria against which students' achievement can be measured. In addition to the following skills, students should demonstrate an ability to communicate information and ideas using appropriate written, oral and when possible, IT methods.

### THINKING SKILLS

Students should continue to develop the following skills as they progress through school and these skills form the basis for the investigative and statistical skills.

- **Recall of knowledge / Selecting data**  
The student is able to recall information, definitions and concepts, theories and processes, and select relevant data from a variety of sources.
- **Comprehension**  
The student is able to interpret supplied data, translate information from one form to another, and define and explain terms
- **Processing Information**  
The student demonstrates the ability to select and organise information, present the information in an appropriate manner, analyse important elements of information and the relationships between them, develop and apply methods and models to problem solving, and synthesise information in order to arrive at relevant conclusions.
- **Evaluation**  
The student demonstrates the ability to draw conclusions, make generalisations, judgments and recommendations, and make predictions.

### STATISTICAL SKILLS

The development and use of statistical skills is an important component of each level of an economics programme.

- **Junior High School (if offered)**

At this level, students should be able to interpret simple statistical data involving the selection of numbers from paragraphs and tables, the ordering and grouping of numbers,

and understanding simple numeracy (including percentages, using calculators, reading decimals, and understanding ratios).

They should be able to construct and interpret simple graphs, such as unit graphs (pictograms), column graphs, histograms, pie graphs and line graphs.

- **Fifth Form**

As well as being competent in the skills outlined for junior high school, students in form five should be able to rank sizes, work with means, medians and ranges, and calculate percentage changes.

They should also be able to construct and interpret graphs listed for junior high school plus multi-line graphs using common scales, positive/negative column graphs and percentage (bar) graphs, and be able to interpolate from line graphs (i.e. read values from intermediate points).

- **Sixth Form**

At this level, students should be able to analyse, synthesise, and evaluate the statistical data and the graphs listed in junior high and form five plus index graphs (e.g. Consumers' Price Index) and cumulative frequency graphs (comprehension only), and be able to use matrices (i.e. arrays of numbers), economic indicators, and price indices, as well as distinguish between real and nominal values.

They should also be able to design and construct the graphs listed for junior high and form five plus compound column graphs and multi-line graphs using two scales.

- **Seventh Form**

At this level, students should be able to select, analyse, synthesise, and evaluate the statistical data and the graphs listed in each of the three previous levels plus scatter diagrams/best fit lines, deviations from the mean, log scale graphs, and normal/positive/negative distributions, as well as calculate elasticities.

They should also be able to design and construct the graphs listed in the previous three levels.

## INVESTIGATIVE SKILLS

- **Junior High School (if offered)**

At this level, students should undertake simple investigations involving collecting information and data, analysing and interpreting the information or results, and presenting conclusions in an appropriate form.

- **Fifth Form**

At this level, students' investigations should involve determining the investigation procedure, selecting and collecting the appropriate information and data, analysing and interpreting the information or results, and presenting conclusions in an appropriate form.

- **Sixth Form**

At this sixth and seventh form levels investigations would involve defining the task (with assistance), students' determining the investigation procedure, selecting, collecting, and evaluating appropriate information and data, analysing and interpreting the information or results, and presenting conclusions in an appropriate form.

- **Seventh Form**

At this level, students would be expected to undertake investigations independently.

## Appendix 4: Advisory Section

### Suggested Texts and Workbooks

This is a list (as of June 2011) of some commonly used Economics texts and workbooks that are available and used in teaching the Year 13 (Seventh Form) Economics course in New Zealand. It is important for teachers to use this as a guide only and check current book lists available through publishers and book retailers.

#### Texts:

- Senior Economics (Second Edition), 2008, by Geoff Evans (Pearson Education NZ)  
ISBN: 978-0-582-54807-7

#### Student Workbooks

- Senior Economics Workbook, by Geoff Evans, Ben Cahill and John Rogers,  
(Pearson Education NZ) ISBN: 0-582-54511-0
- Level 3 Economics workbooks (Books 1, 2 and 3) 2009, by Richard Dykes (ABA Books Ltd)  
(Teacher Guides and Solutions are available for each of the 3 workbooks)
- Economics Learning Workbook, 2009, by Phillip Jellyman, (ESA Publications (NZ) Ltd)  
ISBN: 978-1-877459-59-7

### Suggested Other Resources

Look for the following types of reports (hard copy or from websites) relevant to each Pacific country in which the students are based.

- Reserve (Central) Bank Bulletins
- Central Planning      Strategic/Year Plans  
                                    Various specific reports  
                                    Economic Bulletins
- Statistics Department Year Books  
                                    Other reports
- Government Budget Reports
- Banks      Period reports  
                                    Newsletters and other publications  
                                    World Bank and IMF Reports
- Various magazines available and appropriate to the region including *Pacific Island Business* and *Island Business*

- Various newspapers and other periodicals of the region
- Various videos/DVDs and news broadcast (TV/Radio)
- The Internet

Including:

- Educational Quality Assessment Programme [www.eqap.org.fj](http://www.eqap.org.fj) for assessment information, examiner's reports, etc
- The New Zealand Qualifications Authority (NZQA) [www.nzqa.govt.nz](http://www.nzqa.govt.nz) for information on assessment, examiner's reports (Bursary), etc
- New Zealand Commerce and Economics Teachers Association [www.NZCETA.co.nz](http://www.NZCETA.co.nz) for resources and other information.
- Te Kete Ipurangi (TKI) [www.tki.org.nz](http://www.tki.org.nz) for teaching guides, internal assessment tasks and other teaching resources

## Suggested Teaching Programme – Form 7 Economics

This is an example of a teaching programme (timeline) showing the time that needs to be spent on different learning outcomes on which teachers can base their schemes of work. The programme allows for spare weeks for term holidays, time out, revision, exams, etc. With countries/schools in the region having a variety of term times, teachers will need to plan their own programmes using this as a guide. It is important that time is incorporated into the programme for students to carry out the work necessary for the two internal assessment tasks.

Week	Learning Outcome	Assessment
<b>Term I</b>	<b>Strand 1: Resource Allocation via the Market System (11 weeks)</b>	
1	Understand the economic problem of scarcity and allocation.	
2	Apply supply and demand analysis to factor and commodity markets	
3	Derive downward-sloping individual and market demand curves and explain shifts in market demand	
4	Define and calculate price, income and cross elasticity of demand and show their applications	
5	Continue	
6	Derive an upward-sloping supply curve for an individual perfectly competitive firm and for the market supply curve	
7	Explain shifts in individual firms' supply curves, define and show graphically price elasticity of supply	
8	Continue	
9	Understand the concept of market equilibrium, and explain why markets tend towards that equilibrium	Begin Internal Assessment 1
10	Apply marginal analysis to perfectly competitive firms' output decisions	
11	Continue	
12	Compare and contrast the firm's behaviour in a monopolistic market with that in a perfectly competitive market	
13	Investigate the range of market structures	
<b>Term II</b>		
1	Exam Revision	

2	Exam Revision	
3	Exam Revision	
4	Exam Revision	
5	<b>Exam Time</b>	<b>Exam</b>
	<b>Strand 2: Resource Allocation via the Public Sector (7 weeks)</b>	
6	Understand that a legal system and framework exists which enables the state to intervene in the market through different policy measures, should market failure be identified	
7	Describe the nature of positive and negative externalities of production, and how they relate to resource allocation in the market	Begin Internal Assessment 2
8	Explain how natural monopolies may or may not operate for the good of society	
9	Describe the characteristics of public goods and identify the reasons why the market will not, or cannot, supply them in sufficient quantities	
10	Explain why the free market solution is not always equitable, and show how governments may intervene for greater equity at the cost of efficiency	
11	Describe the nature of positive and negative externalities of consumption and how they relate to resource allocation in the market; link these concepts to merit and demerit goods	
	<b>Strand 3: Aggregate Economic Activity and Policy (10 weeks)</b>	
12	Demonstrate an understanding of economic activity in terms of the circular flow of income and spending	
13	Demonstrate an understanding of external influences that affect the economic activity of a country in the Pacific region	
14	Demonstrate an understanding of the domestic market for money and credit	
<b>Term III</b>		
1	Demonstrate an understanding of the impact of fiscal policy	
2	Use aggregate demand and supply analysis to show the relationship between the general price level, employment and total output	
3	Use the aggregate demand/aggregate supply model to analyse the impact of changes in fiscal and monetary policy and other factors	
4	Demonstrate application of real world macroeconomics data to economic theory and models	

5	<b>Exam Time</b>	<b>Exam</b>
6	Examination review	
7	Continue with application of real world macroeconomics data to economic theory and models	
8	Revision/exam preparation	
9	Revision/exam preparation	