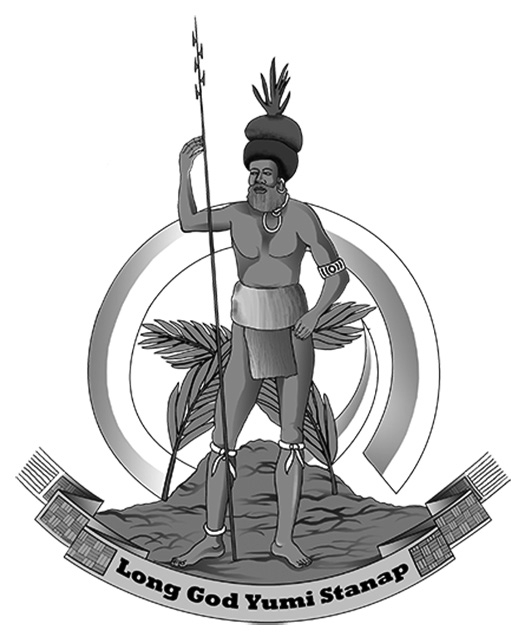
Vanuatu National Syllabus

**ECONOMICS**



**Senior Secondary**

Years 11 - 13

**Ministry of Education and Training**

**Republic of Vanuatu**

**2020**

**USP Library Cataloguing-in-Publication Data**

National Syllabus Senior Secondary Years 11-13/Ministry of Education and Training Vanuatu.-[Port Vila: Ministry of Education and Training, 2020].

…p.; 30cm.

ISBN 978-982-9126-20-7

Cover Design: Joseph K. Siri and Paul Dick

Layout: Raela Reuben

All rights reserved.

©2020, Ministry of Education and Training, Republic of Vanuatu

No part of this publication may be reproduced, stored or transmitted in any form or by any means of electronic, mechanical, photo-copying, recording or otherwise without the prior written permission of the publisher.

**CONTENTS**

Acknowledgement ............................................................................................................... v Foreword – Minister of Education and Training.................................................................vi Message from the Director General of Education and Training ....................................... vii Acronyms ..........................................................................................................................viii Curriculum Historical Background ..................................................................................... ix

Acronyms...

***Section 1:* Introduction** .................................................................................................1

Purpose ..........................................................................................................1

Rationale........................................................................................................2

Teaching Aims ...............................................................................................3

Key Learning Outcomes ........................................................................... 3

Specific Learning Outcomes........................................................................... 4

Strands ...........................................................................................................4

Prerequisites ..................................................................................................5

Overview .......................................................................................................6

Time Allocation ............................................................................................. 9

***Section 2:* Content Learning Outcomes for Years 11 – 13** ....................................... 11

Year 11

ECO1. Resource Allocation Via the Market System .................................11

ECO2. Resource Allocation Via the Public Sector....................................15

ECO3. Money ..........................................................................................17

ECO4. Trade and Payments ......................................................................19

Year 12

ECO1. Resource Allocation Via the Market System .................................22

ECO2. Resource Allocation Via the Public Sector....................................28

ECO3. Money ..........................................................................................30

ECO4. Trade and Payments ......................................................................32

Year 13

ECO1. Resource Allocation Via the Market System .................................36

ECO2. Resource Allocation Via the Public Sector....................................45

ECO3. Money ..........................................................................................50

ECO4. Trade and Payments ......................................................................52

***Section 3:* Assessment and Reporting**........................................................................ 54

Assessment.................................................................................................. 54

Reporting..................................................................................................... 60

Links to other Subjects................................................................................ 60

***Section 4:* Bibliography**............................................................................................... 61

***Section 5:* Appendices** ................................................................................................. 62

iv

Acknowledgements

This Year 11 to 13 Economics (ECO) syllabus was written, edited, designed and formatted by Ni-Vanuatu officers of the Curriculum Development Unit of the Ministry of Education and Training. We also acknowledge the inputs of the selected current and former senior secondary school teachers as writers, technical advisers and people representing the government institutions, semi government Agencies, NGOs and private sectors with expertise in Economics who are familiar with the Vanuatu context.

The syllabus is based on the *Vanuatu National Curriculum Statement (2010)*, which provides the framework for all curricula developed, published and implemented in Vanuatu Government schools. The following team of curriculum officers and writers contracted with the support of the development partners of Vanuatu Education Road Map (VERM), Department of Foreign Affairs and Trade (DFAT), Ministry of Foreign Affairs and Trade (MFAT) and United Nations Children’s Fund (UNICEF), developed this syllabus at the Vanuatu Curriculum Development Unit (CDU) with the assistance of the Division of Education Services.

Mrs Leisel Masingiow, Acting Principal Education Officer, Curriculum

Mr Fredrick Tamata, Senior Curriculum Coordinator, Curriculum

Mrs Felicity Rogers Nilwo, Senior Curriculum Coordinator, Curriculum

Mr James Melteres, Junior Secondary Curriculum Coordinator, Curriculum

In particular, the Ministry of Education and Training acknowledges the support of the Department of Foreign Affairs and Trade (DFAT), Ministry of Foreign Affairs and Trade (MFAT) and the United Nations Children’s Fund (UNICEF).

The syllabus is supported by materials developed locally as well as regionally approved materials that were reviewed and purchased for schools. This syllabus and supporting materials were written and validated by selected senior Economics teachers representing the country, consultations consisting of senior teachers and lectures from the VITE and the regional academic institutions, Le Vice Rectorat - UNC, USP, FNU, SPC and EQAP. Feedbacks from these consultations were used to make improvements.

The Ministry of Education and Training acknowledges and express many thanks to the main co-writers of the Vanuatu senior Economics syllabuses to develop for the first time in the history of the curriculum for Vanuatu.

Mr Elton Aru, Writer English version

Mr Fabiano Vinabit, French version

v

Foreword - Minister of Education and Training

The Government of Vanuatu supports the reform of the curriculum at all levels of schooling. The National Parliament has provided bipartisan support for these historic developments. The Vanuatu National Curriculum Statement provides a national unified approach to education in our country. Our education system will provide the same harmonised curriculum for all students at all levels of schooling. We are one nation, one people striving to achieve better outcomes for all students irrespective of their backgrounds and where they live.

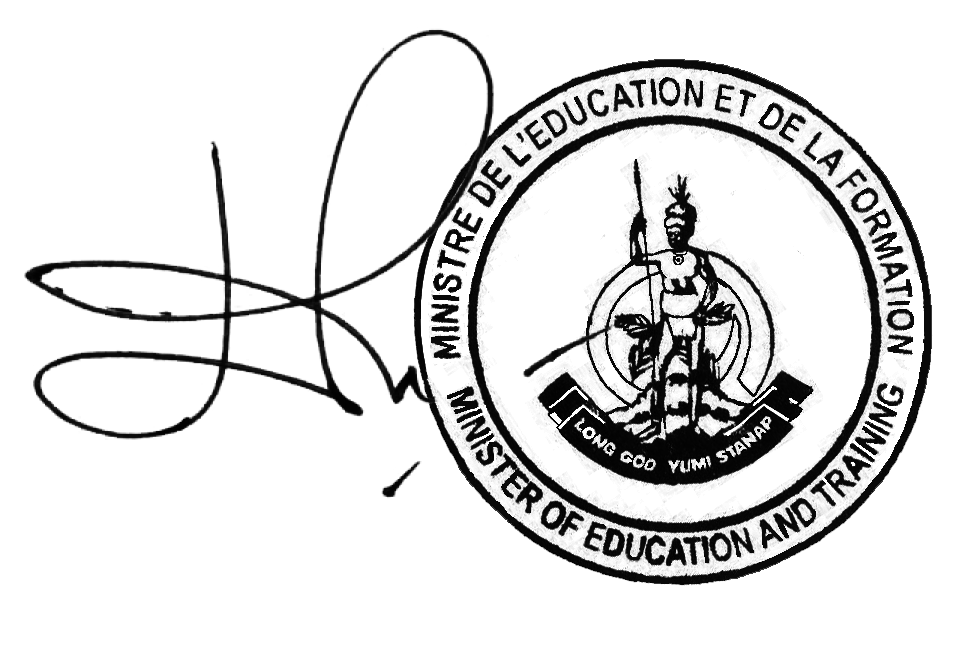
The reformed curriculum begins, in the early years of schooling from Years 1 to 13. This set of syllabus for Years 11 to 13 provides details of what students should learn in Economics. Learning Economics is a key fundamental in the education system that aims to prepare the students for a productive life in the future. Economics gives students the tools to understand economic and financial issues and to interpret events that will affect their financial futures.

This syllabus connects with the syllabus developed for students in Years 7 - 10. Economics study demands students to extend their skills and knowledge and understandings for an effective economic thinking that contributes to socially responsible, competent economic decision-making in a changing economy.

Our syllabuses will be reviewed and updated regularly so that they will always reflect the

thinking of our national, regional and international educators at this level of schooling.

I extend my best wishes of success for the new Curriculum reform programs at the Senior Secondary level and endeavour for the upliftment of the educational standards of our students around the country.



**Honourable Jean Pierre Nirua**

Minister of Education and Training

vi

Message from the Director General of Education and Training

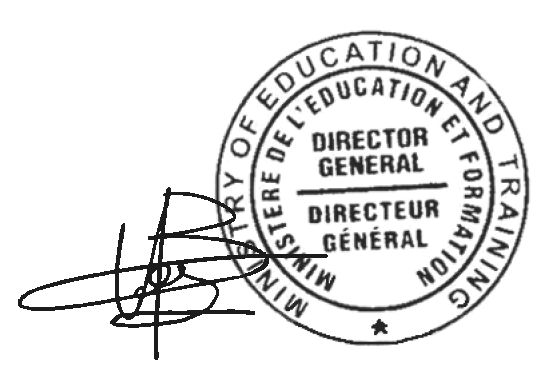
This national syllabus for Economics will be used by teachers to teach from Year 11-12-13 throughout Vanuatu. This syllabus is built upon concepts, skills and attitudes from the Year 1 to Year 10 National Syllabuses. The syllabus gives detail of what students will need to achieve at these levels of schooling.

At the individual level, economics underpins many aspects of our everyday activities, from sense of information in the newspaper to making informed decisions about personal finances. It supports learning in business. A good understanding of Economics is essential as economics affects our daily lives in both obvious ways and more subtle ways. From an individual perspective, economics frame many choices we have to make about work, leisure, consumption and how much to save. Our lives are also influenced by broader economic trends, such as inflation, interest rates and economic growth. Forces we have little control over but can change our lives.

The syllabus describes what the students need to do and to know. The learning of Economics also provide an excellent vehicle to train mind, and to develop the capacity to think logically, abstractly, critically and creatively in everyday life.

Teachers are provided standard scheme of work, time table and course content and weighting with uniform presentations for all subjects in senior level. Students in this year level are expected to prepare to enter University for further studies and required to have a common examination between French and English speaking students. This is the beginning of the harmonization of the national curriculum in Vanuatu and it will continue to improve in the coming years. The syllabuses have a common structure and are uniformed through the year level of the system from Years 1 - 13

These syllabuses put into practice the statements made in the *Vanuatu National Curriculum Statement (VNCS 2010)*. All schools should be familiar with the *VNCS* and these syllabuses and follow them carefully.

These syllabuses are approved by the National Education Commission and by the Minister for Education and Training are official curriculum documents for all schools to be used with students from Year 11 to Year 13.

**Bergmans Iati**

Acting Director General of Education and Training

vii

Acronyms

CDU Curriculum Development Unit

CPI Consumer Price Index GDP Gross Domestic Product GNE Gross National Expenditure GNI Gross National Income

MV=PQ M= money supply, V= the velocity of money, P=prices, Q=quantity of

production or activity.

viii

Curriculum Historical Background

The Education sector has made significant efforts since independence, to provide a common primary curriculum up to the Year 10 Leaving Certificate. However, the senior programme still maintained a separate curriculum until 2010, when the Ministry of Education and Training, decided to review the whole curriculum in order to offer common content for Francophone and Anglophone from primary to senior level.

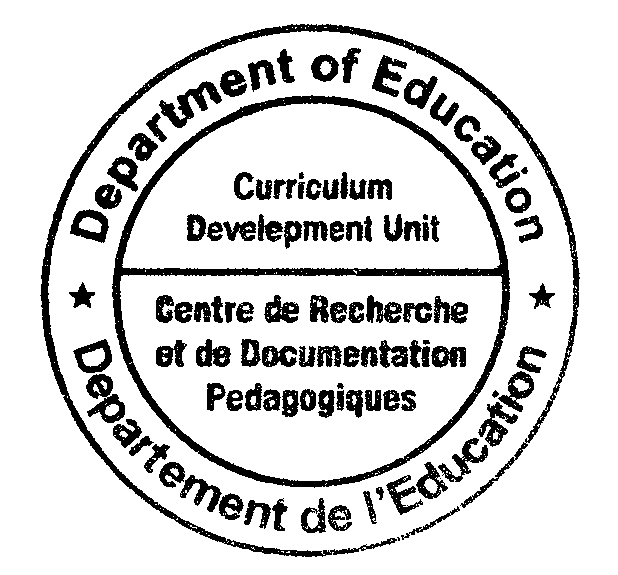
Today, this is happening and the background and concept of the curriculum for the senior cycle is to thoroughly prepare highly qualified members of our community to assist and promote our public and private economic sectors.

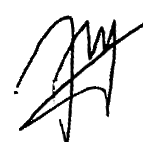
The reformed system prepares students to become technicians and engineers, that would be highly qualified in order promote the public and private sector. Furthermore the reform curriculum must prepare qualified bilingual and multilingual who will have the potential to pursue specialised academic or vocational studies.

After 37 years of independence, the senior curriculum perspective considers all subjects to be of equal importance in respect of individual students’ needs. In this perspective of subject complementarity, a high level of competency in literacy and numeracy at a senior level is essential and will in the future allow the students to support the development of Vanuatu.

The Ministry of Education and Training will need to rearrange school infrastructure in order for each institution to implement this new curriculum in the best conditions. The success of the students will give them better options for university studies or to be self-reliant, able to use properly existing resources, promote our economy to meet the Sustainable Development Goals (SDGs).

The timetabling and subjects choices policy for all senior courses must be respected and requirements are specified under this policy and these policies will be promulgated to all schools in the country. This is a step towards students having a common examination in Year 12 and at Year 13.

These reforms in Years 11 - 13 will change the tradition of a dual system of education, by harmonizing the contents and the pedagogical approaches. It will placing students at the center of learning, providing them with the knowledge and skills to be innovative, making Vanuatu self-reliant and a developed country; a strong and independent sovereign country in this region and internationally.



**Leisel Masingiow**

Acting Principal Education Officer

Curriculum Development Unit

ix

x

Section 1

**INTRODUCTION**

Economics is one of the new subjects for students in Vanuatu. It helps explain and predict how goods and services will be produced and consumed. It is the study of how people make decisions and the forces that affect their behaviour and the shape of their institutions. It explores issues of sustainability (efficient use of scarce resources), enterprise (identifying profit – maximizing levels of output), citizenship (economic decisions affecting Vanuatu society), and globalization (the benefits of international trade).

Central to the course is the development of an understanding of the relationships between consumers, businesses and governments agencies in Vanuatu and overseas. By studying economics, students make sense of the Vanuatu economy and its connections to the global economy. Through their investigation of these relationships, students develop the capacity to apply problem-solving strategies which incorporate the skills of analysis and evaluation.

Students will benefit from the study of economics if they engage in studies that include business, accounting and finance, media, law, marketing, employment relations, tourism, history, geography or environmental studies. If selected as a specialization at university, economics can lead to careers in: share, finance or commodities markets; business; economic forecasting; banking; insurance; tourism; resource management; property development and management; government; environmental management; town planning; foreign affairs or economic policy development.

The study of economics allows students to develop knowledge and understanding, skills, attitudes and values using subject matter and methodology that suits their interests. The course benefits students when they pursue further education and training, employment and active participation as responsible citizens.

**Purpose**

The purpose of the economics syllabus is to:

y provide a curriculum structure which encourages students to complete secondary education

y foster the intellectual, social and moral development of students, in particular developing their:

- knowledge, skills, understanding and attitudes in economics

- capacity to manage their own learning

- desire to continue learning in formal or informal settings after school

- capacity to work together with others.

1

y provide a flexible structure within which students can prepare for:

- further education and training

- employment

- full and active participation as citizens.

y provide formal assessment and certification of students’ achievements.

**Rationale**

Economics provides us with a toolkit to make informed choices and better use of our scarce resources. Economics students explore issues that directly impact their lives, such as, whether to do homework or go to a movie, extract forest resources today or save them for the future, charge the full price or subsidize education to make it more accessible to students. Students engage in the learning process which promotes critical thinking, reflective learning and the opportunity to participate in the community.

Students identify and become familiar with:

y concepts and methods used to efficiently allocate scarce resources, produce goods and services, and distribute these goods and services amongst individuals and communities

y models (both macro and micro) to simplify and/or explain the real world and make predictions about it

y tools to evaluate economic decisions and assumptions made by others (in individual, business, governmental, and global contexts) and to make informed, efficient, equitable decisions for the future

y policies to solve economic problems and issues

y strategies to protect the natural environment.

The discipline of economics has a theoretical basis and economists often debate the relative merits of different theories when assessing economic issues and proposing solutions to economic problems, including economic modeling.

Discussion of economic issues dominates the media and politics. By understanding economics, students can make informed judgment about issues and policies and participate responsibly in decision-making.

2

**Teaching Aims**

The course is designed to give students an understanding of basic economic concepts and to explore economic issues affecting a variety of economic environments. In so doing, it enables students to be aware of the changing nature of the economic environment and to take an effective part in economic activity and to contribute to economic well-being. Economics courses should enable students to:

1. understand basic economic concepts, principles and simple analytical techniques and apply them to current economic issues

2. inquire into and reason clearly and objectively about economic issues

3. interpret and present economic data and arguments in a clear, concise and coherent manner

4. develop an awareness of the interrelationships between economic, social and political events.

Overall, this course is designed to develop students’ knowledge, understanding, skills, values and attitudes for effective economic thinking that contributes to socially responsible, competent economic decision-making in a changing economy.

**Key Learning Outcomes (KLO)**

Key learning outcomes are statements that describe significant and essential learning that learners have achieved, and can reliably demonstrate at the end of a course. In other words, learning outcomes identify what the learner will know and be able to do by the end of a course or program.

Through the study of economics, students are able to develop:

**Knowledge** and understanding about:

y the economic behaviour of individuals, firms, institutions and governments

y the function and operation of markets

y the operation and management of economies

y contemporary economic problems and issues facing individuals, firms and

governments.

**Skills** to:

y investigate and engage in effective analysis, synthesis and evaluation of economic information from a variety of sources

y communicate economic information, ideas and issues in appropriate forms

y work independently and collaboratively.

3

**Values** and **attitudes** about:

y informed participation in economic debate and decision-making

y responsible approaches towards people, societies and environments

y ethical and socially responsible behaviour in relation to personal decision- making, business practices, employment and legal issues

y fundamental rights, rules and laws that promote fairness, justice and equity in our society through responsible and active citizenship.

**Specific Learning Outcomes (SLO)**

Using the SOLO (Structure of Observed Learning Outcomes) taxonomy, the specific learning outcomes in this syllabus are provided with skill levels to guide teaching, learning and assessment. The skill levels have discrete scale of either 1, 2, 3, or 4. This scale increases in the complexity and difficulty in the thinking processes from 1 to 4.

**Skill level 1 is called the Uni-Structural Level**

The student has no understanding of the subject, he just repeats what he has learned by heart. His knowledge has no connection with others, is unorganized and without content. The student does not know how to recognize the context in which it applies.

**Skill level 2 is called the Multi-Structural Level**

The student deals with only one aspect of knowledge. He can recite, identify, name and follow simple instructions.

**Skill level 3 is called the Relational Level**

The student can deal with many aspects of a problem, but without making connections between them. He can follow a procedure, describe, classify, etc.

**Skill level 4 called is the Extended Abstract Level**

At this level, the student connects the knowledge between them, he sees several aspects of a situation and knows how to approach it in several ways. He can explain his understanding and the links between knowledge.

**Strands**

The Economics program of study from year 11 to 13 has been designed to allow students to develop the knowledge and understanding, skills, attitudes and values of the components of Economics.

There are four strands that are embedded in this Economics program of study. The four strands are continuously delivered to the students from year 11 to 13 in different depth and dimension according to the year level and the time allocated for the program.

4

The four strands to be taught from year 11 to year 13 are:

1. Resource Allocation through the Market System

2. Resource Allocation through the Public Sector

3. Money

4. Trade and Payments

**Prerequisites**

Students intending to take Economics in senior level (years 11 to 13) must complete and achieve the National Year 10 Leaving Certificate. A good grade in Mathematics, English and Social Science subjects would be an added advantage.

5

**Overview**

**Reference System for Outcomes**

In the following tables each sub-strand outcome has letters and numbers which denote the

strand name, the sub strand name, the year level, and the number indicates how many outcomes with these characteristics. For instance, in the Resource Allocation Via the Market System table

11ECO1.1.1 means Year 11(**11**), Economics(**ECO**), Strand 1(**1**), Sub-strand 1(**1**) and Specific

Learning Outcome.

|  |  |  |  |
| --- | --- | --- | --- |
| **Strands** | **Sub-strands** | | |
| **Year 11** | **Year 12** | **Year 13** |
| **ECO1. Resource Allocation through the Market System** | **11ECO1.1 Introduction to Economics** *Demonstrate an understanding of the economic problem faced by all economies.*  **11ECO1.2 Consumers’ Decisions and Demand** *Demonstrate an understanding of consumer choices, using scarcity and / or demand.*  **11ECO1.3 Producers’ Decisions and Supply** *Demonstrate an understanding of decisions a producer makes about production and supply.*  **11ECO1.4 The Market I** *Demonstrate an understanding on the types of markets and*  *the concepts of market equilibrium.* | **12ECO1.1 Introduction to Economic problems** *Demonstrate an understanding of the concepts of economic problems using a model.*  **12ECO1.2 Consumer**  **Demand** *Demonstrate an understanding of the concept of demand.*  **12ECO1.3 Producers’ Decisions and Supply** *Demonstrate understanding of the concept of supply.*  **12ECO1.4 The Market Equilibirim** *Demonstrate an understanding of the concepts of equilibrium.* | **13ECO1.1 Economic problem: Scarcity and Allocation**  *Demonstrate an understanding of the economic problem of scarcity and allocation concepts using an economic model.*  **13ECO1.2 Demand and**  **Utility** *Demonstrate an understanding of the concept of demand and utility.*  **13ECO1.3 Supply and**  **Costs** *Demonstrate an understanding of the concept of supply and costs.*  **13ECO1.4 Market Equilibrium, Market Structures and Analysis** *Demonstrate an understanding on the concept of market equilibrium, market structures and analysis.* |
| **ECO2. Resource Allocation through the Public Sector** | **11ECO2.1 Government Intervention I** *Demonstrate an understanding on the importance of the economic functions of the government.* | **12ECO2.1 Government Intervention II** *Demonstrate an understanding on government interventions and economic issues in*  *the local economy.* | **13ECO2.1 Government Intervention III** *Demonstrate an understanding of market failure and government intervention in the economy.* |

6

|  |  |  |  |
| --- | --- | --- | --- |
|  | **11ECO2.2**  **Classifications of Goods and Services I** *Demonstrate an understanding on the classification of goods and services produced in an economy.*  **11ECO2.3 Equality and**  **Equity I** *Demonstrate an understanding on equality and equity.* | **12ECO2.2**  **Classifications of Goods and Services II** *Demonstrate an understanding of the classification and features of goods and services produced in an economy.*  **12ECO2.3 Equality and**  **Equity II** *Demonstrate an understanding on methods of promoting equity.* | **13ECO2.2 Classifications of Goods and Services III** *Demonstrate an understanding of characteristics of public goods, private goods, merit and demerit goods.*  **13ECO2.3 Equity and Efficiency III** *Demonstrate an understanding on why the free market solution is*  *not always equitable, and how governments may intervene for equity at the cost of efficiency.* |
| **ECO3. Money** | **11ECO3.1 Introduction to Money I**  *Demonstrate an understanding on the evolution, functions, characteristics and types of money.*  **11ECO3.2 The Money**  **Supply I** *Demonstrate an understanding on the relationship between money supply and price levels.*  **11ECO3.3 Inflation I** *Demonstrate an understanding on the causes and effects of inflation.* | **12ECO3.1 Introduction to Money II**  *Demonstrate an understanding on the evolution, functions, characteristics and types of money and the banking system.*  **12ECO3.2 The Money**  **Supply II** *Demonstrate an understanding on the relationship between money supply and price levels.*  **12ECO3.3 Inflation II** *Demonstrate an understanding on the causes and effects of inflation.* | **13ECO3.1 Circular flow of income and spending** *Demonstrate an understanding of aggregate level of economic activity in*  *terms of the circular flow*  *of income and spending.*  **13ECO3.2 Aggregate supply and deman model** *Demonstrate an understanding of how the aggregate demand/supply model can be used to show equilibrium in the macro-economy.*  **13ECO3.3 Money, Interest rates and the Banking Systems** *Demonstrate an understanding of the domestic market for money and credit and the monetary policy influence on Vanuatu’s aggregate economic activity.* |
| **ECO4. Trade and**  **Payments** | **11ECO4.1 Introduction to Trade and Trade Agreements I** *Demonstrate an understanding on the importance of domestic trade, international trade and trade agreements.* | **12ECO4.1 Introduction to Trade and Trade Agreements II** *Demonstrate an understanding on the importance of domestic and international trade and the impacts of trade agreements.* |  |

7

|  |  |  |  |
| --- | --- | --- | --- |
|  | **11ECO4.2 Balance of Payments I** *Demonstrate an understanding on*  *the components of the balance of payments of an economy.*  **11ECO4.3 Exchange**  **Rate I** *Demonstrate an understanding on the importance of the exchange rate in an economy.*  **11ECO4.4 Circular flow of Income and Spending I** *Demonstrate an understanding on the relationship between different sectors of the economy and the effects of economic growth.* | **12ECO4.2 Balance of Payments II** *Demonstrate an understanding on the causes of balance of payment deficits and surpluses.*  **12ECO4.3 Exchange**  **Rate II** *Demonstrate an understanding on the importance of the exchange rate in an economy.*  **12ECO4.4 Circular flow of Income and Spending II** *Demonstrate an understanding on the relationship between different sectors of the economy and the effects of economic growth.* | **13ECO4.2 Government Finance and Fiscal Policy**  *Demonstrate an understanding of the significance of the balance of payments on Vanuatu’s economic activity.*  **13ECO4.3 Foreign Exchange Rate** *Demonstrate an understanding of the operation of the foreign exchange market and the other external influences that affect Vanuatu’s economic activity.*  **13ECO4.4 Circular flow of Income and Spending III**  *Demonstrate an understanding of economic activity in*  *terms of the circular flow of income and spending and how the aggregate demand/supply model*  *can be used to show equilibrium in the macro- economy.* |

8

**Time Allocation**

**Year 11 weightings of each strand**

Within 33 weeks of classes, Year 11 Economics classes require four hours of teaching each

week.

|  |  |  |
| --- | --- | --- |
| **Strand** | **No. of hours** | **Weighting**  **(%)** |
| 1. Resource Allocation through the Market System | 48 | 36 |
| 2. Resource Allocation through the Public Sector | 36 | 27 |
| 3. Money | 16 | 13 |
| 4. Trade and Payments | 32 | 24 |
| **Total** | **132 hours** | **100 %** |

**Year 12 weightings of each strand**

Within 33 weeks of classes, year 12 Economics classes require four hours of teaching each

week.

|  |  |  |
| --- | --- | --- |
| **Strand** | **No. of hours** | **Weighting**  **(%)** |
| 1. Resource Allocation through the Market System | 48 | 36 |
| 2. Resource Allocation through the Public Sector | 36 | 27 |
| 3. Money | 16 | 13 |
| 4. Trade and Payments | 32 | 24 |
| **Total** | **132 hours** | **100 %** |

9

**Year 13 weightings of each strand**

Within 33 weeks of classes, year 13 Economics classes require five hours of teaching each

week.Year 12 - 13

|  |  |  |
| --- | --- | --- |
| **Strand** | **No. of hours** | **Weighting**  **(%)** |
| 1. Resource Allocation through the Market System | 75 | 45 |
| 2. Resource Allocation through the Public Sector | 45 | 27 |
| 3. Money | 45 | 28 |
| **Total** | **165 hours** | **100** |

10

Section 2

**CONTENT LEARNING OUTCOMES FOR YEARS 11 - 13**

**YEAR 11**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 1: RESOURCE ALLOCATION THROUGH THE MARKET SYSTEM** | | | | |
| **Major Learning Outcome: 11ECO1** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the basic economic concepts relating to the operation of the market system, and analyse how decisions are made and their outcome in a modern market economy. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Introduction to**  **Economics** | **11ECO1.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the economic problem faced by all economies. | 11ECO1.1.1.1 | **Define** the economic term of scarcity. | 1 |
| 11ECO1.1.1.2 | **Define** the economic term of choice. | 1 |
| 11ECO1.1.1.3 | **Define** the economic term of opportunity cost. | 1 |
| 11ECO1.1.1.4 | **Identify** examples of scarcity, choice and opportunity cost. | 1 |
| 11ECO1.1.2.1 | **Describe** the relationship between scarcity, choice and opportunity cost. | 2 |
| 11ECO1.1.1.5 | **Identify** the types of factors of production (resources). | 1 |
| 11ECO1.1.1.6 | **State** the factor reward for the factors of production. | 1 |
| 11ECO1.1.2.2 | **Describe** the different factors of production and the factor rewards. | 2 |
| 11ECO1.1.2.3 | **Describe** the different types of economic goods and services. | 2 |

11

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 11ECO1.1.2.4 | **Distinguish** between factor market and goods and services market. | 2 |
| 11ECO1.1.1.7 | **Define** the concept of specialization. | 1 |
| 11ECO1.1.1.8 | **Define** the concept of interdependence. | 1 |
| 11ECO1.1.1.9 | **Define** the concept of exchange. | 1 |
| 11ECO1.1.2.5 | **Describe** the relationship between important sectors (stages of production) of the economy using the concepts of specialization, interdependence and exchange. | 2 |
| 11ECO1.1.1.10 | **Identify** the four economic questions. | 1 |
| 11ECO1.1.1.11 | **State** the four types of economic systems. | 1 |
| 11ECO1.1.2.6 | **Describe** how different economic systems solve the economic questions. | 2 |
| 11ECO1.1.1.12 | **Define** a Production Possibility Curve. | 1 |
| 11ECO1.1.2.7 | **Draw** a Production Possibility Curve using a production possibility schedule. | 2 |
| 11ECO1.1.2.8 | **Illustrate** the concepts of scarcity, choice and opportunity cost on the production possibility curve. | 2 |
| **Consumers’ Decisions and Demand** | **11ECO1.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate  an understanding of consumer choices, using scarcity and / or demand. | 11ECO1.2.1.1 | **Identify** a consumer choice during times of scarcity. | 1 |
| 11ECO1.2.1.2 | **Define** the concept of Demand. | 1 |
| 11ECO1.2.1.3 | **State** the Law of Demand. | 1 |
| 11ECO1.2.2.1 | **Differentiate** between individual demand and market demand. | 2 |
| 11ECO1.2.2.2 | **List** different factors affecting demand for goods and services. | 2 |
| 11ECO1.2.3.1 | **Show** how market demand is derived using individual demand curves or schedules. | 3 |
| 11ECO1.2.2.3 | **List** price factors and non-price factors affecting demand for goods and services. | 2 |
| 11ECO1.2.2.4 | **Describe** price factors and non-price factors affecting demand for goods and services. | 2 |

12

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

schedules.

13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 11ECO1.2.2.5 | **Illustrate** the effects of price factors on the demand curve graph. | 2 |
| 11ECO1.2.2.6 | **Illustrate** the effects of non-price factors on the demand curve graph. | 2 |
| 11ECO1.2.3.2 | **Explain** the difference between a movement along and/ or the shift of the demand curve. | 3 |
| 11ECO1.2.4.1 | **Discuss** the impact of a change in income on the demand for luxuries, necessities and inferior goods. | 4 |
| **Producers’ Decisions and Supply** | **11ECO1.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate  an understanding of decisions a producer makes about production and supply. | 11ECO1.3.1.1 | **Define** the Law of Supply. | 1 |
| 11ECO1.3.1.2 | **State** the difference between individual supply and market supply. | 1 |
| 11ECO1.3.3.1 | **Show** how market supply is derived using individual supply curves or | 3 |
| 11ECO1.3.2.1 | **List** price factors and non-price factors affecting supply for goods and services. | 2 |
| 11ECO1.3.2.2 | **Describe** price factors and non-price factors affect supply for goods and services. | 2 |
| 11ECO1.3.2.3 | **Illustrate** the effects of price factors on the supply curve. | 2 |
| 11ECO1.3.2.4 | **Illustrate** the effects of non-price factors on the supply curve graph. | 2 |
| 11ECO1.3.3.2 | **Explain** the difference between a movement along and/ or the shift of the supply curve. | 3 |
| 11ECO1.3.2.5 | **Describe** the concept of production and productivity. | 2 |
| 11ECO1.3.1.3 | **Recite** the definition of specialization, interdependence and exchange. | 1 |
| 11ECO1.3.1.4 | **Define** the concept of division of labour. | 1 |
| 11ECO1.3.1.5 | **Define** the concept of investment. | 1 |
| 11ECO1.3.1.6 | **Define** the concept of economies of scale. | 1 |
| 11ECO1.3.1.7 | **Define** the concept of diseconomies of scale. | 1 |

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 11ECO1.3.4.1 | **Discuss** the effects of technology, specialization, division of labour, investment, and economies and diseconomies of scale on productivity. | 4 |
| 11ECO1.3.2.6 | **Classify** business expansion as diversification, vertical integration and  horizontal integration. | 2 |
| 11ECO1.3.2.7 | **Explain** ways in which firms compete through price and non-price competition. | 2 |
| **The Market I** | **11ECO1.4**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the types of markets and the concepts of market equilibrium. | 11ECO1.4.1.1 | **Define** a market. | 1 |
| 11ECO1.4.1.2 | **Define** the market situation of perfect completion. | 1 |
| 11ECO1.4.1.3 | **Define** the market situation of monopoly. | 1 |
| 11ECO1.4.1.4 | **Define** the market situation of monopolistic competition. | 1 |
| 11ECO1.4.1.5 | **Define** the market situation of oligopoly. | 1 |
| 11ECO1.4.1.6 | **Define** the market situation of duopoly. | 1 |
| 11ECO1.4.3.1 | **Combine** market demand and market supply on a graph to determine the equilibrium. | 3 |
| 11ECO1.4.1.7 | **Identify** equilibrium price and equilibrium quantity. | 1 |
| 11ECO1.4.1.8 | **Identify** prices which shows disequilibrium at the market. | 1 |
| 11ECO1.4.1.9 | **Define** excess supply (surplus). | 1 |
| 11ECO1.4.1.10 | **Define** excess demand (shortage). | 1 |
| 11ECO1.4.2.1 | **Illustrate** the effect of how the market reacts to excess demand or excess supply to reach equilibrium at the market. | 2 |
| 11ECO1.4.3.2 | **Explain** the effects of changes in demand and supply on the equilibrium. | 3 |
| 11ECO1.4.4.1 | **Discuss** the effects of price controls (minimum and maximum price), quotas, taxes (direct and indirect taxes) and subsidies on equilibrium. | 4 |

14

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 2:: RESOURCE ALLOCATION THROUGH THE STATE SECTOR** | | | | |
| **Major Learning Outcome: 11ECO2** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the role governments play in allocating resources, particularly where the market does not result in efficient or equitable outcomes. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Government**  **Intervention I** | **11ECO2.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate  an understanding on the importance of the economic functions of the government. | 11ECO2.1.1.1 | **Identify** the basic reasons why government intervenes in the economy. | 1 |
| 11ECO2.1.1.2 | **Identify** the economic functions of the government. | 1 |
| 11ECO2.1.1.3 | **Identify** the economic aims of the government. | 1 |
| 11ECO2.1.1.4 | **Identify** the sources of Government revenue and major areas of | 1 |
| 11ECO2.1.2.1 | **List** different types of taxes available in the country’s economy. | 2 |
| 11ECO2.1.2.2 | **List** different tax systems available in the country’s economy. | 2 |
| 11ECO2.1.3.1 | **Compare** different types of taxes used in an economy. | 3 |
| 11ECO2.1.4.1 | **Discuss** how taxes affect the different sectors of the economy. | 4 |

Government expenditure.

15

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Classifications of Goods and Services I** | **11ECO2.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the classification of goods and services produced in an economy. | 11ECO2.2.1.1 | **Define** private goods. | 1 |
| 11ECO2.2.1.2 | **Define** public goods. | 1 |
| 11ECO2.2.1.3 | **Define** mixed goods. | 1 |
| 11ECO2.2.2.1 | **List** examples of private goods. | 2 |
| 11ECO2.2.2.2 | **List** examples of public goods. | 2 |
| 11ECO2.2.2.3 | **List** examples of mixed goods. | 2 |
| 11ECO2.2.2.4 | **Describe** the features of private goods. | 2 |
| 11ECO2.2.2.5 | **Describe** the features of public goods. | 2 |
| 11ECO2.2.2.6 | **Describe** the features of mixed goods. | 2 |
| 11ECO2.2.2.7 | **Outline** the difference between merit and demerit goods. | 2 |
| 11ECO2.2.2.8 | **List** examples of merit goods. | 2 |
| 11ECO2.2.2.9 | **List** examples of demerit goods. | 2 |
| 11ECO2.2.3.1 | **Compare** the features of merit goods with demerit goods. | 3 |
| **Equality and**  **Equity I** | **11ECO2.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on equality and equity. | 11ECO2.3.1.1 | **Define** equality. | 1 |
| 11ECO2.3.1.2 | **Define** equity. | 1 |
| 11ECO2.3.2.1 | **List** different ways of how economic inequalities arises. | 2 |
| 11ECO2.3.2.2 | **Describe** the difference between equality and efficiency. | 2 |
| 11ECO2.3.2.3 | **Outline** the positive and negative effects of inequality. | 2 |
| 11ECO2.3.3.1 | **Examine** policies to reduce inequality in order to improve equity. | 3 |

16

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 3: MONEY** | | | | |
| **Major Learning Outcome: 11ECO3** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the  domestic market for money and credit. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Introduction to**  **Money I** | **11ECO3.1**  Upon successful  completion of this  sub-strand, students are able too demonstrate  an understanding on  the evolution, functions, characteristics and types of money. | 11ECO3.1.1.1 | **Define** money. | 1 |
| 11ECO3.1.1.2 | **Identify** the evolution of money. | 1 |
| 11ECO3.1.2.1 | **Describe** the functions of money. | 2 |
| 11ECO3.1.2.2 | **Describe** the characteristics of money. | 2 |
| 11ECO3.1.2.3 | **Classify** the financial institutions that exist in an economy. | 2 |
| 11ECO3.1.3.1 | **Analyse** the roles and functions of the different financial institution within  an economy. | 3 |
| **The Money**  **Supply I** | **11ECO3.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the relationship between money supply and price levels. | 11ECO3.2.1.1 | **Define** money supply. | 1 |
| 11ECO3.2.2.1 | **List** the components of the money supply. | 2 |
| 11ECO3.2.3.1 | **Explain** the relationship between the supply of money and price levels  using the Quantity Theory of Money or Fisher’s Equation. | 3 |
| 11ECO3.2.1.2 | **Identify** the effects of changes in the money supply. | 1 |
| 11ECO3.2.2.2 | **List** the factors that affect the money supply. | 2 |
| 11ECO3.2.2.3 | **Describe** the effects of factors that affect the money supply. | 2 |

17

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Inflation I** | **11ECO3.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the causes and effects of inflation. | 11ECO3.3.1.1 | **Define** inflation. | 1 |
| 11ECO3.3.1.2 | **Name** a method of measuring inflation. | 1 |
| 11ECO3.3.2.1 | **Calculate** the rate of inflation from a given source. | 2 |
| 11ECO3.3.2.2 | **List** the causes of inflation. | 2 |
| 11ECO3.3.3.1 | **Explain** the economic effects of inflation. | 3 |
| 11ECO3.3.3.2 | **Explain** the social effects of inflation. | 3 |

18

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

foreign aid, and remittances.

19

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 4: TRADE AND PAYMENTS** | | | | |
| **Major Learning Outcome: 11ECO4** | | Upon successful completion of this strand, students are able to demonstrate an understanding of external influences that affect the economic activity of an economy. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Introduction to Trade and Trade Agreements I** | **11ECO4.1**  Upon successful completion of this sub-strand, students are able to demonstrate  an understanding on the importance of domestic trade, international trade and trade agreements. | 11ECO4.1.1.1 | **Define** the concept of trade. | 1 |
| 11ECO2.2.1.2 | **State** some reasons for trade. | 1 |
| 11ECO2.2.2.1 | **List** the reasons for trading. | 2 |
| 11ECO4.1.2.2 | **Examine** the importance of international trade, foreign investment, | 2 |
| 11ECO4.1.2.3 | **List** the major exports (including tourism) and imports with trading partners. | 2 |
| 11ECO4.1.1.3 | **State** some impacts of trade on an economy. | 1 |
| 11ECO4.1.2.4 | **List** some causes and effects of trade agreements on an economy. | 2 |
| **Balance of**  **Payments I** | **11ECO4.2**  Upon successful completion of this sub-strand, students are able to demonstrate  an understanding on the components of the balance of payments of an economy. | 11ECO4.2.1.1 | **Define** balance of payment. | 1 |
| 11ECO4.2.1.2 | **Define** balance on current account. | 1 |
| 11ECO4.2.1.3 | **Define** balance on capital account. | 1 |
| 11ECO4.2.2.1 | **Outline** the components of the balance of current and capital account. | 2 |
| 11ECO4.2.2.2 | **Calculate** the balance on current account. | 2 |
| 11ECO4.2.2.3 | **Calculate** the balance on capital account. | 2 |

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 11ECO4.2.2.4 | **Calculate** the balance of payments. | 2 |
| 11ECO4.2.1.4 | **Define** foreign investment. | 1 |
| 11ECO4.2.1.5 | **Define** foreign aid. | 1 |
| 11ECO4.2.1.6 | **Define** remittances. | 1 |
| 11ECO4.2.2.5 | **Describe** the effects of foreign investment. | 2 |
| 11ECO4.2.2.6 | **Describe** the features of foreign aid. | 2 |
| 11ECO4.2.2.7 | **Describe** the features remittances. | 2 |
| **Exchange Rate I** | **11ECO4.3**  Upon successful completion of this sub-strand, students are able to demonstrate  an understanding on the importance of the exchange rate in an economy. | 11ECO4.3.1.1 | **Define** the concept of exchange rate. | 1 |
| 11ECO4.3.2.1 | **Calculate** exchange rate from a given source. | 2 |
| 11ECO4.3.1.2 | **Define** fixed exchange rate. | 1 |
| 11ECO4.3.1.3 | **Define** floating exchange rate. | 1 |
| 11ECO4.3.2.2 | **List** the factors affecting the exchange rate. | 2 |
| 11ECO4.3.3.1 | **Use** the demand and supply curves to show changes in demand and supply of a currency that would affect the exchange rate. | 3 |
| 11ECO4.3.1.4 | **Define** devaluation/ depreciation of exchange rate. | 1 |
| 11ECO4.3.1.5 | **Define** revaluation/ appreciation of exchange rate. | 1 |
| 11ECO4.3.2.3 | **Describe** the difference of a devaluation/ depreciation | 2 |
| 11ECO4.3.2.4 | **Describe** the difference in appreciation/revaluation on trade. | 2 |

20

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Circular flow of Income and Spending I** | **11ECO4.4**  Upon successful completion of this sub-strand, students are able to demonstrate  an understanding on the relationship between different sectors of the economy and the effects of economic growth. | 11ECO1.5.1.1 | **Define** aggregate demand. | 1 |
| 11ECO1.5.1.2 | **Define** aggregate supply. | 1 |
| 11ECO1.5.1.3 | **State** the definition of Gross Domestic Product (GDP). | 1 |
| 11ECO1.5.1.4 | **Define** economic growth. | 1 |
| 11ECO1.5.2.1 | **List** the effects of economic growth on the economy. | 2 |
| 11ECO1.5.1.5 | **Define** employment. | 1 |
| 11ECO1.5.1.6 | **Define** unemployment. | 1 |
| 11ECO1.5.2.2 | **List** the causes and effects of employment on economic growth. | 2 |
| 11ECO1.5.2.3 | **List** the causes and effects of unemployment on economic growth. | 2 |
| 11ECO1.5.1.7 | **Define** circular flow of income and expenditure. | 1 |
| 11ECO1.5.1.8 | **Identify** the main sectors shown on the circular flow of economic  activities. | 1 |
| 11ECO1.5.3.1 | **Construct** a circular flow diagram to illustrate money flow and real/  physical flow. | 3 |
| 11ECO1.5.2.4 | **Describe** the difference between an injections and withdrawals in the  circular flow diagram. | 2 |
| 11ECO1.5.3.2 | **Explain** the relationship between different sectors involved and the effects of withdrawals and injections on the economy. | 3 |

21

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

**YEAR 12**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 1: RESOURCE ALLOCATION THROUGH THE MARKET SYSTEM** | | | | |
| **Major Learning Outcome: 12ECO1** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the basic economic concepts relating to the operation of the market system, and analyse how decisions are made and their outcome in a modern market economy. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Introduction to Economics problems** | **12ECO1.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the economic problem using a model. | 12ECO1.1.1.1 | **State** a purpose of a model in Economics. | 1 |
| 12ECO1.1.1.2 | **Define** economic scarcity. | 1 |
| 12ECO1.1.1.3 | **Define** economic choice. | 1 |
| 12ECO1.1.1.4 | **Define** opportunity cost. | 1 |
| 12ECO1.1.3.1 | **Explain** the link between scarcity, economic choice and opportunity cost. | 3 |
| 12ECO1.1.1.5 | **Define** the concept of specialization. | 1 |
| 12ECO1.1.1.6 | **Define** economic interdependence. | 1 |
| 12ECO1.1.3.2 | **Explain** the relationship between specialization and interdependence. | 3 |
| 12ECO1.1.3.3 | **Explain** the relationship between the concepts of specialization, production, interdependence, exchange and markets using a circular flow diagram. | 3 |
| 12ECO1.1.4.1 | **Discuss** the stages of production using the concepts of specialisation, interdependence, distribution and exchange. | 4 |
| 12ECO1.1.1.7 | **Define** production. | 1 |

22

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 12ECO1.1.1.8 | **Define** economies of scale. | 1 |
| 12ECO1.1.2.1 | **List** the types of economies of scale (ie. internal, external). | 2 |
| 12ECO1.1.1.9 | **Define** diseconomies of scale. | 1 |
| 12ECO1.1.2.2 | **List** factors that influence diseconomies of scale. | 2 |
| 12ECO1.1.2.3 | **Describe** increasing returns. | 2 |
| 12ECO1.1.2.4 | **Describe** diminishing returns. | 2 |
| 12ECO1.1.2.5 | **Describe** constant returns. | 2 |
| 12ECO1.1.2.5 | **Describe** the factors of production and their rewards. | 2 |
| 12ECO1.1.2.7 | **Describe** a Production Possibilities Curve. | 2 |
| 12ECO1.1.2.8 | **List** the assumptions of a Production Possibilities Curve. | 2 |
| 12ECO1.1.3.4 | **Construct** a Production Possibilities Curve. | 3 |
| 12ECO1.1.2.9 | **Describe** underutilization of resources in a given context. | 2 |
| 12ECO1.1.2.10 | **Describe** full employment of resources in a given context. | 2 |
| 12ECO1.1.2.11 | **Describe** an unattainable combination in a given context. | 2 |
| 12ECO1.1.2.12 | **Illustrate** the concepts of scarcity, choice and opportunity cost on the production possibilities curve. | 2 |
| 12ECO1.1.4.2 | **Discuss** reasons for a concave (bowed out) PPC and a straight line PPC. | 4 |
| 12ECO1.1.3.5 | **Explain** shifts in the production possibilities curve. | 3 |

23

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Consumer**  **Demand** | **12ECO1.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the concept of demand. | 12ECO1.2.1.1 | **Define** Demand. | 1 |
| 12ECO1.2.1.2 | **State** the Law of Demand. | 1 |
| 12ECO1.2.2.1 | **Describe** the difference between individual demand and market demand. | 2 |
| 12ECO1.2.3.1 | **Explain** the factors affecting demand for goods and services. | 3 |
| 12ECO1.2.2.2 | **Illustrate** how market demand is derived using individual demand curves or schedules. | 2 |
| 12ECO1.2.2.3 | **List** factors that cause a shift in the entire demand curve. | 2 |
| 12ECO1.2.2.4 | **Describe** a factor that causes a movement along the demand curve. | 2 |
| 12ECO1.2.2.5 | **Describe** non-price factors affecting demand for goods and services causing the shift of the whole demand curve. | 2 |
| 12ECO1.2.2.6 | **Illustrate** the effect of a change in price on the demand curve (movement along the demand curve). | 2 |
| 12ECO1.2.2.7 | **Illustrate** the effects of non-price factors on the demand curve graph. | 2 |
| 12ECO1.2.3.2 | **Distinguish** between movements along a demand curve and shifts in the entire demand curve. | 3 |
| 12ECO1.2.4.1 | **Discuss** the impact of a change in consumer income on the demand for luxuries, necessities and inferior goods. | 4 |
| 12ECO1.2.1.3 | **Define** price elasticity of demand. | 1 |
| 12ECO1.2.3.3 | **Calculate** price elasticity of demand using the Mid-point Formula. | 3 |

24

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Producers decisions and Supply** | **12ECO1.3**  Upon successful  completion of this  Sub-strand, students are able to demonstrate an understanding of the concept of supply. | 12ECO1.3.1.1 | **Define** supply. | 1 |
| 12ECO1.3.1.2 | **State** the Law of Supply. | 1 |
| 12ECO1.3.2.1 | **Describe** the difference between individual supply and market supply. | 2 |
| 12ECO1.3.3.1 | **Explain** the factors affecting supply of goods and services. | 3 |
| 12ECO1.3.2.2 | **Illustrate** how market supply is derived using individual supply curves or schedules. | 2 |
| 12ECO1.3.2.3 | **List** factors that cause a shift in the entire supply curve. | 2 |
| 12ECO1.3.2.4 | **Describe** a factor which causes a movement along the supply curve. | 2 |
| 12ECO1.3.2.5 | **Describe** non-price factors affecting supply for goods and services causing the shift of the whole supply curve. | 2 |
| 12ECO1.3.2.6 | **Illustrate** the effects of price factors on the supply curve graph. | 2 |
| 12ECO1.3.2.7 | **Illustrate** the effects of non-price factors on the supply curve graph. | 2 |
| 12ECO1.3.3.2 | **Explain** the difference between movements along a supply curve and shifts of the supply curve itself. | 3 |
| 12ECO1.3.1.3 | **Define** price elasticity of supply. | 1 |
| 12ECO1.3.1.4 | **Define** total cost. | 1 |
| 12ECO1.3.1.5 | **Define** average cost. | 1 |
| 12ECO1.3.1.6 | **Define** marginal cost. | 1 |
| 12ECO1.3.2.8 | **Explain** the features of production and productivity. | 2 |
| 12ECO1.3.4.1 | **Discuss** the effects of technology, specialization, and division of labour on productivity. | 4 |
| 12ECO1.3.4.2 | **Discuss** the effects of investment, diminishing returns, economies and diseconomies of scale on productivity. | 4 |

25

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **The Market**  **Equilibrium** | **12ECO1.4**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the concepts of equilibrium. | 12ECO1.4.1.1 | **Identify** market structures as either perfect or imperfect. | 1 |
| 12ECO1.4.1.2 | **Define** perfect competition. | 1 |
| 12ECO1.4.1.3 | **Define** monopoly. | 1 |
| 12ECO1.4.1.4 | **Define** monopolistic competition. | 1 |
| 12ECO1.4.1.5 | **Define** oligopoly. | 1 |
| 12ECO1.4.1.6 | **Define** duopoly. | 1 |
| 12ECO1.4.1.7 | **Define** monopsony. | 1 |
| 12ECO1.4.2.1 | **Describe** the features of perfect competition. | 2 |
| 12ECO1.4.2.2 | **Describe** the features of monopoly. | 2 |
| 12ECO1.4.2.3 | **Describe** the features of monopolistic competition. | 2 |
| 12ECO1.4.2.4 | **Describe** the features of oligopoly. | 2 |
| 12ECO1.4.2.5 | **Describe** the features of duopoly. | 2 |
| 12ECO1.4.2.6 | **Describe** the features of monopsony. | 2 |
| 12ECO1.4.2.7 | **Examine** the concept of market demand and market supply. | 2 |
| 12ECO1.4.2.8 | **Construct** market demand and market supply on a graph to determine the equilibrium. | 2 |
| 12ECO1.4.1.8 | **Identify** equilibrium price and equilibrium quantity from graphs/ schedules. | 1 |
| 12ECO1.4.1.9 | **Identify** prices which show disequilibrium at the market. | 1 |

26

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 12ECO1.4.1.10 | **Define** excess supply (surplus). | 1 |
| 12ECO1.4.1.11 | **Define** excess demand (shortage). | 1 |
| 12ECO1.4.2.9 | **Explain** how the market reacts to excess demand or excess supply to reach equilibrium. | 2 |
| 12ECO1.4.3.1 | **Explain** the effects of changes in demand and supply on the equilibrium. | 3 |
| 12ECO1.4.4.1 | **Discuss** the effects of price controls (minimum and maximum price) on equilibrium. | 4 |
| 12ECO1.4.4.2 | **Discuss** the effects of quotas and subsidies on equilibrium. | 4 |
| 12ECO1.4.4.3 | **Discuss** the effects of taxes (direct and indirect taxes) and on equilibrium. | 4 |
| 12ECO1.4.3.2 | **Calculate** consumer spending from a given demand and supply schedule. | 3 |
| 12ECO1.4.3.3 | **Calculate** market revenue from a given demand and supply schedule. | 3 |
| 12ECO1.4.2.10 | **Differentiate** between aggregate supply and aggregate demand. | 2 |

27

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

taxation in Vanuatu.

28

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 2: RESOURCE ALLOCATION THROUGH THE STATE SECTOR** | | | | |
| **Major Learning Outcome: 12ECO2** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the role governments play in allocating resources, particularly where the market does not result in efficient or equitable outcomes. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Government**  **Intervention II** | **12ECO2.1**  Upon successful completion of this sub-strand, students are able to demonstrate an  understanding on government interventions and economic issues in the local economy. | 12ECO2.1.2.1 | **Describe** reasons for government intervention in the economy. | 2 |
| 12ECO2.1.2.2 | **Outline** the economic functions of the government. | 2 |
| 12ECO2.1.3.1 | **Explain** the aims of a Government budget. | 3 |
| 12ECO2.1.4.1 | **Discuss** the different types of taxes, tax systems and the principle of | 4 |
| 12ECO2.1.2.3 | **Describe** the economic aims of the government. | 2 |
| 12ECO2.1.2.4 | **Explain** the economic issue of unemployment. | 2 |
| 12ECO2.1.2.5 | **Explain** the economic issue of growth. | 2 |
| 12ECO2.1.2.6 | **Explain** the economic issue of trade. | 2 |
| 12ECO2.1.2.7 | **Explain** the economic issue of inflation. | 2 |
| 12ECO2.1.1.1 | **Define** inequality. | 1 |
| 12ECO2.1.2.8 | **Explain** the economic issue of inequality. | 2 |
| 12ECO2.1.4.2 | **Discuss** the impact of measures that Governments can use to address the economic issues. | 4 |

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Classifications of Goods and Services II** | **12ECO2.2**  Upon successful completion of this sub-strand, students are able to demonstrate  an understanding of the classification and features of goods and services produced in an economy. | 12ECO2.2.2.1 | **List** the features of private goods. | 2 |
| 12ECO2.2.2.2 | **List** the features of public goods. | 2 |
| 12ECO2.2.2.3 | **List** the features of mixed goods. | 2 |
| 12ECO2.2.2.4 | **Differentiate** between merit and demerit goods. | 2 |
| 12ECO2.2.2.5 | **Describe** examples of merit goods. | 2 |
| 12ECO2.2.2.6 | **Describe** examples of demerit goods. | 2 |
| 12ECO2.2.3.1 | **Compare** the features of merit goods with demerit goods. | 3 |
| 12ECO2.2.4.1 | **Discuss** how the Government would encourage consumption of merit goods. | 4 |
| 12ECO2.2.4.2 | **Discuss** how the Government would discourage consumption of demerit goods. | 4 |
| **Equality and**  **Equity II** | **12ECO2.3**  Upon successful completion of this sub-strand, students are able to demonstrate an understanding on methods of promoting equity. | 12ECO2.3.1.1 | **Define** equity. | 1 |
| 12ECO2.3.2.1 | **Describe** how economic inequalities arise. | 2 |
| 12ECO2.3.2.1 | **Explain** the difference between equality and equity. | 3 |
| 12ECO2.3.3.2 | **Examine/Compare** the positive and negative effects of inequality. | 3 |
| 12ECO2.3.4.1 | **Investigate** the policies to reduce inequality in order to improve equity. | 4 |

29

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

commercial banks, and development banks) that exist in an economy.

using the Quantity Theory of Money or Fisher ’s Equation.

30

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 3: MONEY** | | | | |
| **Major Learning Outcome: 12ECO3** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the  domestic market for money and credit. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Introduction to**  **Money II** | **12ECO3.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the evolution, functions, characteristics and types  of money and the banking system. | 12ECO3.1.2.1 | **Describe** the evolution of money. | 2 |
| 12ECO3.1.2.2 | **List** the functions of money. | 2 |
| 12ECO3.1.2.3 | **Examine** the characteristics of money. | 2 |
| 12ECO3.1.2.4 | **Describe** the importance of financial institutions (Reserve Bank, | 2 |
| 12ECO3.1.2.5 | **List** the functions of financial institutions **(**Reserve Bank, commercial banks, and development banks) that exist in an economy. | 2 |
| 12ECO3.1.3.1 | **Analyse** the roles and functions of the different financial institution within an economy. | 3 |
| **The Money**  **Supply II** | **12ECO3.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the relationship between money supply and price levels. | 12ECO3.2.1.1 | **Define** money supply. | 1 |
| 12ECO3.2.2.1 | **Describe** the components of the money supply. | 2 |
| 12ECO3.2.2.2 | **Describe** the Quantity Theory of Money or Fisher’s equation. | 2 |
| 12ECO3.2.3.1 | **Explain** the relationship between the supply of money and price levels | 3 |
| 12ECO3.2.4.1 | **Discuss** the effects of government borrowing on money supply. | 4 |

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 12ECO3.2.4.2 | **Discuss** the effects of foreign aid on money supply. | 4 |
| 12ECO3.2.4.3 | **Discuss** the effects of remittances money supply. | 4 |
| 12ECO3.2.4.4 | **Discuss** the effects of lending by commercial banks on money supply. | 4 |
| **Inflation II** | **12ECO3.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the causes an d effects of inflation. | 12ECO3.3.1.1 | **State** the definition of inflation. | 1 |
| 12ECO3.3.2.1 | **Describe** the causes of demand and cost push inflation. | 2 |
| 12ECO3.3.3.1 | **Explain** the social and economic effects of inflation. | 3 |
| 12ECO3.3.4.1 | **Evaluate** the effectiveness of government policies to combat inflation. | 4 |

31

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 4: TRADE AND PAYMENTS** | | | | |
| **Major Learning Outcome: 12ECO4** | | Upon successful completion of this strand, students are able to demonstrate an understanding of external influences that affect the economic activity of an economy. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Introduction to Trade and Trade Agreements II** | **12ECO4.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the importance of domestic and international trade and the impacts of trade agreements. | 12ECO4.1.1.1 | **State** the definition of trade. | 1 |
| 12ECO4.1.2.1 | **Describe** absolute advantage from trade. | 2 |
| 12ECO4.1.2.2 | **Describe** comparative advantage from trade. | 2 |
| 12ECO4.1.2.3 | **Describe** gains from trade. | 2 |
| 12ECO4.1.2.4 | **Use** simple mathematical examples to illustrate comparative and gains from trade following specialisation. | 2 |
| 12ECO4.1.3.1 | **Apply** the concepts of opportunity cost, to international trade. | 3 |
| 12ECO4.1.3.2 | **Apply** the concepts of comparative advantage to international trade. | 3 |
| 12ECO4.1.3.3 | **Apply** the concepts of specialization to international trade. | 3 |
| 12ECO4.1.3.4 | **Apply** the concepts of exchange to international trade. | 3 |
| 12ECO4.1.3.5 | **Apply** the concepts of markets to international trade. | 3 |
| 12ECO4.1.3.6 | **Apply** the concepts of gains from trade to international trade. | 3 |
| 12ECO4.1.3.7 | **Differentiate** between trade restriction and free trade. | 3 |
| 12ECO4.1.1.2 | **Define** terms of trade. | 1 |

32

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

invisibles.

33

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 12ECO4.1.1.3 | **Name** a regional trade agreement. | 1 |
| 12ECO4.1.2.5 | **Describe** the roles of the International Monetary Fund (IMF)) on trade. | 2 |
| 12ECO4.1.2.6 | **Describe** the roles of the World Trade Organisation (WTO) on trade. | 2 |
| **Balance of**  **Payments II** | **12ECO4.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the causes of balance of payment deficits and surpluses. | 12ECO4.2.1.1 | **Identify** the components of balance of visibles (trade) and invisibles. | 1 |
| 12ECO4.2.1.2 | **Identify** the components of balance on current account and capital account. | 1 |
| 12ECO4.2.1.3 | **Identify** the components of foreign reserves and balance of payments. | 1 |
| 12ECO4.2.3.1 | **Distinguish** between the components of visibles (balance of trade) and | 3 |
| 12ECO4.2.3.2 | **Distinguish** between current account and capital account. | 3 |
| 12ECO4.2.3.3 | **Distinguish** between foreign reserves and balance of payments. | 3 |
| 12ECO4.2.2.1 | **Calculate** the balance of visibles (balance of trade). | 2 |
| 12ECO4.2.2.2 | **Calculate** the balance on current account. | 2 |
| 12ECO4.2.2.3 | **Calculate** the balance on capital account. | 2 |
| 12ECO4.2.2.3 | **Calculate** the balance of payments. | 2 |
| 12ECO4.2.4.1 | **Evaluate** the trend in the balance of payments of Vanuatu including major trading partners, main commodities and services traded (imports and exports), the main components of the current and capital account. | 4 |
| 12ECO4.2.1.4 | **Define** foreign investment. | 1 |
| 12ECO4.2.3.4 | **Explain** the importance of remittances, foreign aid and foreign investment. | 3 |

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Exchange Rate II** | **12ECO4.3**  Upon successful completion of this sub-strand, students  are able to demonstrate an understanding on  the importance of the exchange rate in an economy. | 12ECO4.3.1.1 | **Define** exchange rate. | 1 |
| 12ECO4.3.2.1 | **Describe** the features of a managed (fixed) exchange rate. | 2 |
| 12ECO4.3.2.2 | **Describe** the features of a flexible (floating) exchange rates. | 2 |
| 12ECO4.3.3.1 | **Explain** how certain factors contribute to revaluation. | 3 |
| 12ECO4.3.3.2 | **Explain** how certain factors contribute to devaluation. | 3 |
| 12ECO4.3.3.3 | **Explain** how certain factors contribute to appreciation. | 3 |
| 12ECO4.3.3.4 | **Explain** how certain factors contribute to depreciation. | 3 |
| 12ECO4.3.4.1 | **Discuss** the effects of revaluation/ devaluation on exports, imports and  Balance of Payments on the economy of the country using specific examples. | 4 |
| 12ECO4.3.4.2 | **Discuss** the effects of appreciation/ depreciation on exports, imports and  Balance of Payments on the economy of the country using specific examples. | 4 |
| **Circular flow of Income and Spending II** | **12ECO4.4**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on the relationship between different sectors of the economy and the effects of economic growth. | 12ECO4.4.1.1 | **Define** the concept of Gross National Income (GNI). | 1 |
| 12ECO4.4.1.2 | **Define** the concept of Gross National Expenditure (GNE). | 1 |
| 12ECO4.4.1.3 | **Define** the concept of Gross Domestic Product (GDP) per capita. | 1 |
| 12ECO4.4.2.1 | **List** the factors that influence GNI. | 2 |
| 12ECO4.4.2.2 | **List** the factors that influence GNE. | 2 |
| 12ECO4.4.2.3 | **List** the factors that influence GDP. | 2 |
| 12ECO4.4.2.4 | **Outline** the differences between Nominal Gross Domestic Product (NGDP)  and Real Gross Domestic Product (RGDP). | 2 |

34

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 12ECO4.4.3.1 | **Distinguish** between the concepts of Gross Domestic Product (nominal) and  Real GDP per capita as measures of circular flows. | 3 |
| 12ECO4.4.3.2 | **Distinguish** between the concepts of Gross National Income (GNI), and Real  GDP per capita as measures of circular flows. | 3 |
| 12ECO4.4.3.3 | **Distinguish** between the concepts of Gross National Expenditure (GNE), Gross Domestic Product (nominal and real GDP), and Real GDP per capita as measures of circular flows. | 3 |
| 12ECO4.4.3.4 | **Distinguish** between the concepts of Gross National Expenditure (GNE), Gross Domestic Product (nominal and real GDP), and real GDP per capita as measures of circular flows. | 3 |
| 12ECO4.4.2.5 | **Describe** basic components of aggregate demand. | 2 |
| 12ECO4.4.2.6 | **Describe** basic components of aggregate supply. | 2 |
| 12ECO4.4.2.5 | **Explain** the effects of unemployment on the economic growth. | 3 |
| 12ECO4.4.3.5 | **Construct** a circular flow diagram to illustrate money flow and real/ physical  flow and the relationship between different sectors in the economy. | 3 |

35

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

**YEAR 13**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 1: RESOURCE ALLOCATION THROUGH THE MARKET SYSTEM** | | | | |
| **Major Learning Outcome: 13ECO1** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the basic economic concepts relating to the operation of the market system, and analyse how decisions are made and their outcome in a modern market economy. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Economic problem: Scarcity and Allocation** | **13ECO1.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the economic problem of scarcity and allocation concepts using an economic model. | 13ECO1.1.1.1 | **State** a purpose of a model in Economics. | 1 |
| 13ECO1.1.1.2 | **Define** economic terms of scarcity, economic choice, opportunity cost,  underutilization of resources, productive and allocative efficiency. | 1 |
| 13ECO1.1.1.3 | **Identify**/state a feature or example of economic scarcity, economic choice, opportunity cost, underutilization of resources, productive and allocative efficiency, in a given context. | 1 |
| 13ECO1.1.1.4 | **Describe** the production possibilities model. | 1 |
| 13ECO1.1.2.1 | **List** basic assumptions of a production possibility model. | 2 |
| 13ECO1.1.3.1 | **Explain** the relationship between economic scarcity, choice and opportunity cost. | 3 |
| 13ECO1.1.2.2 | **Describe** the features of economic scarcity, choice and opportunity cost. | 2 |
| 13ECO1.1.2.3 | **Illustrate** economic scarcity, choice and opportunity cost. | 2 |
| 13ECO1.1.2.4 | **Describe** utilization & underutilization of resources within a production possibilities model. | 2 |
| 13ECO1.1.2.5 | **Illustrate** utilization & underutilization of resources with a production possibility curve. | 2 |
| 13ECO1.1.2.6 | **Describe** the features of productive and allocative efficiency. | 2 |

36

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

within a given situation.

curves.

37

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.1.2.7 | **Illustrate** productive and allocative efficiency. | 2 |
| 13ECO1.1.2.8 | **Describe** the shape of production possibility curves. | 2 |
| 13ECO1.1.3.2 | **Explain** how a certain factor influences the shape of production  possibility curves. | 3 |
| 13ECO1.1.4.1 | **Discuss** the implications of the shape of production possibility curves on real life economic situations. | 4 |
| 13ECO1.1.2.9 | **Describe** the pattern/s in the shifts in production possibility curves. | 2 |
| 13ECO1.1.3.3 | **Explain** shifts in production possibility curves in relation to effects that  influence the shift. | 3 |
| 13ECO1.1.2.10 | **Give** a range of examples of opportunity cost. | 2 |
| **Demand and Utility** | **13ECO1.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the concept of demand and utility. | 13ECO1.2.1.1 | **Define** the concept of marginal utility. | 1 |
| 13ECO1.2.1.2 | **State** the Law of demand. | 1 |
| 13ECO1.2.1.3 | **Identify/state** a feature or example of marginal utility or law of demand | 1 |
| 13ECO1.2.2.1 | **Derive** the individual demand curve using the concept of marginal utility. | 2 |
| 13ECO1.2.3.1 | **Construct** the market demand curve by summing individual demand | 3 |
| 13ECO1.2.3.2 | **Explain** how movement along demand curve occurs and reasons for this movement. | 3 |
| 13ECO1.2.3.3 | **Explain** reasons for shift of demand curve. | 3 |
| 13ECO1.2.3.4 | **Distinguish** between movements along a demand curve and shifts of the demand curve itself. | 3 |
| 13ECO1.2.2.2 | **List** reasons for shifts of demand curve. | 2 |
| 13ECO1.2.3.5 | **Explain** how each reason influences the shifts of demand curve. | 3 |

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.2.1.4 | **Define** price elasticity of demand. | 1 |
| 13ECO1.2.1.5 | **Define** cross-elasticity of demand. | 1 |
| 13ECO1.2.1.6 | **Identify/state** a feature or example of price elasticity or cross-elasticity of demand within a given situation. | 1 |
| 13ECO1.2.3.6 | **Relate** price elasticity of demand to taxation. | 3 |
| 13ECO1.2.3.7 | **Relate** price elasticity of demand to total expenditure. | 3 |
| 13ECO1.2.3.8 | **Calculate** price elasticity and relate it to total expenditure. | 3 |
| 13ECO1.2.2.3 | **Calculate** cross-elasticity of demand. | 2 |
| 13ECO1.2.2.4 | **List** the factors that affect differing elasticities for various goods. | 2 |
| 13ECO1.2.3.9 | **Explain** how each factor influences differing elasticities for various goods. | 3 |
| 13ECO1.2.1.7 | Define income elasticity. | 1 |
| 13ECO1.2.1.8 | **Identify/state** a feature or example of income elasticity within a given situation. | 1 |
| 13ECO1.2.2.5 | **Calculate** income elasticity. | 2 |
| 13ECO1.2.3.10 | **Explain** how the concepts of elasticity will be significant for some firms  in their pricing decisions. | 3 |
| 13ECO1.2.1.9 | **Identify** good as luxury, normal or inferior. | 1 |
| 13ECO1.2.1.10 | **Identify/state** a feature or example of luxury, normal or inferior goods within a given situation. | 1 |
| 13ECO1.2.2.6 | **Describe** features of luxury, normal or inferior. | 2 |
| 13ECO1.2.3.11 | **Explain** how a good is a luxury, normal or inferior. | 3 |
| 13ECO1.2.2.7 | **Calculate** price elasticity of demand. | 2 |
| 13ECO1.2.2.8 | **Calculate** total expenditure. | 2 |

38

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Supply and Costs** | **13ECO1.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the concept of supply and costs. | 13ECO1.3.1.1 | **Define** accounting costs. | 1 |
| 13ECO1.3.1.2 | **Define** economic (opportunity) costs. | 1 |
| 13ECO1.3.3.1 | **Distinguish** between accounting cost and economic (opportunity) cost. | 3 |
| 13ECO1.3.3.2 | **Apply** the law of diminishing returns to show its relationship to  increasing marginal costs and the shape of the firm’s supply curve. | 3 |
| 13ECO1.3.1.3 | **Define** short-run average cost concept. | 1 |
| 13ECO1.3.1.4 | **Define** marginal cost or total cost concept. | 1 |
| 13ECO1.3.2.1 | **Calculate** marginal cost or total costs. | 2 |
| 13ECO1.3.3.3 | **Explain** the relationships between short-run average, marginal and total cost concepts. | 3 |
| 13ECO1.3.4.1 | **Discuss** the application of the relationship between short-run average, marginal and total cost concepts in an everyday situation giving examples. | 4 |
| 13ECO1.3.3.4 | **Distinguish** between short-run average, marginal and total cost concepts. | 3 |
| 13ECO1.3.2.2 | **Describe** the link between a supply curve and the marginal cost curve  for a perfectly competitive firm. | 2 |
| 13ECO1.3.3.5 | **Explain** the link between a supply curve and the marginal cost curve for  a perfectly competitive firm. | 3 |
| 13ECO1.3.3.6 | **Construct** market supply curves from the supply curves of individual  firms. | 3 |
| 13ECO1.3.1.5 | **State** the law of supply. | 1 |
| 13ECO1.3.1.6 | **State** the law of diminishing returns. | 1 |
| 13ECO1.3.2.3 | **List** factors that contribute to movements along the supply curve. | 2 |
| 13ECO1.3.3.7 | **Explain** how these factors cause movement along supply curve. | 3 |
| 13ECO1.3.2.4 | **List** factors that contribute to shifts in the supply curve. | 2 |

39

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.3.3.8 | **Explain** how these factors cause the shift of supply curve. | 3 |
| 13ECO1.3.3.9 | **Distinguish** between movements along a supply curve and shifts in supply curves. | 3 |
| 13ECO1.3.4.2 | **Discuss** 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 |
| 13ECO1.3.2.5 | **Describe** the market forces that will lead to market equilibrium. | 2 |
| 13ECO1.3.3.10 | **Derive** supply curve from cost information. | 3 |
| 13ECO1.3.1.7 | **Identify** shutdown point and break-even price in a given situation. | 1 |
| 13ECO1.3.2.6 | **Describe** an application of shutdown point and break-even price in a given situation. | 2 |
| **Market Equilibrium, Market Structures and Analysis** | **13ECO1.4**  Upon successful completion of this sub-strand, students  are able to demonstrate an understanding on  the concept of market equilibrium, market structures and analysis. | 13ECO1.4.1.1 | **Define** consumer surplus, producer surplus. | 1 |
| 13ECO1.4.1.2 | **Identify/state** a feature or example of consumer surplus or producer surplus within a given situation. | 1 |
| 13ECO1.4.1.3 | **Identify** the gains to sellers or buyers (consumers’ surplus) from  reaching market equilibrium. | 1 |
| 13ECO1.4.2.1 | **Describe** the gains to sellers or buyers (producers’ surplus) from  reaching market equilibrium. | 2 |
| 13ECO1.4.1.4 | **Identify** the gains to buyers (consumers’ surplus) and sellers (producers’  surplus) from reaching equilibrium. | 1 |
| 13ECO1.4.4.1 | **Discuss** the gains from trade to buyers (consumers’ surplus) and sellers  (producers’ surplus) from reaching equilibrium, using examples. | 4 |
| 13ECO1.4.3.1 | **Show** the gains to buyers (consumers’ surplus) and sellers (producers’  surplus) from reaching equilibrium. | 3 |
| 13ECO1.4.3.2 | **Explain** how allocative efficiency is achieved at equilibrium where the sum of consumers’ and producers’ surplus is maximised. | 3 |
| 13ECO1.4.2.2 | **Show** how shifts in demand and supply affect equilibrium. | 2 |

40

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.4.2.3 | **Show** how shifts in demand and supply affect equilibrium and hence the  sum of producers’ surplus. | 2 |
| 13ECO1.4.2.4 | **Show** how shifts in demand and supply affect equilibrium and hence the  sum of producers’ and consumers' surplus. | 2 |
| 13ECO1.4.3.3 | **Demonstrate** graphically that any change imposed on the market  equilibrium will lead to a loss of allocative efficiency. | 3 |
| 13ECO1.4.3.4 | **Explain** using the concept of real wages, the effects of price level changes and controls in the labour market. | 3 |
| 13ECO1.4.1.5 | **Identify** incidence of sales tax on consumers/producers. | 1 |
| 13ECO1.4.1.6 | **Identify** incidence of subsidy on consumers/producers. | 1 |
| 13ECO1.4.3.5 | **Explain** the incidence of a sales tax on a commodity with a relatively inelastic demand and on a commodity having a relatively elastic demand. | 3 |
| 13ECO1.4.3.6 | **Compare** the incidence of a sales tax on a commodity with a relatively inelastic demand with a commodity having a relatively elastic demand. | 3 |
| 13ECO1.4.2.5 | **Describe** the market for an internationally traded commodity identifying exports or imports. | 2 |
| 13ECO1.4.3.7 | **Explain** how the market for an internationally traded commodity works with exports or imports. | 3 |
| 13ECO1.4.4.2 | **Discuss** the features and processes within the market for an internationally traded commodity with exports and imports, using a case study or specific examples. | 4 |
| 13ECO1.4.1.7 | **State** an internationally traded commodity within the country’s  economy. | 1 |
| 13ECO1.4.2.6 | **Calculate** price of internationally traded commodities under free trade. | 2 |

41

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.4.3.8 | **Explain** the effects of free trade on price of local markets. | 3 |
| 13ECO1.4.3.9 | **Explain** the effects of free trade on buyers, producers and government of a local product. | 3 |
| 13ECO1.4.1.8 | **Define** average revenue. | 1 |
| 13ECO1.4.1.9 | **Define** marginal revenue. | 1 |
| 13ECO1.4.1.10 | **Define** total revenue. | 1 |
| 13ECO1.4.1.11 | **Identify/state** a feature or example of average / marginal / total revenue. in a given context. | 1 |
| 13ECO1.4.2.7 | **Calculate** revenues. | 2 |
| 13ECO1.4.1.12 | **Define** perfect competition. | 1 |
| 13ECO1.4.1.13 | **Identify** a case of perfect competition within a given situation. | 1 |
| 13ECO1.4.2.8 | **Describe** features of competition. | 2 |
| 13ECO1.4.3.10 | **Explain** how competition advantages consumers. | 3 |
| 13ECO1.4.3.11 | **Explain** effects of competition on producers. | 3 |
| 13ECO1.4.3.12 | **Illustrate** effects of competition on consumers. | 3 |
| 13ECO1.4.1.14 | **Define** Monopolist. | 1 |
| 13ECO1.4.1.15 | **Define** Oligopoly. | 1 |
| 13ECO1.4.1.16 | **Define** Monopoly. | 1 |
| 13ECO1.4.1.17 | **Identify/state** a feature or example of monopolist, monopoly or oligopoly in a given context. | 1 |
| 13ECO1.4.2.9 | **Describe** features of monopoly. | 2 |
| 13ECO1.4.3.13 | **Make** a comparison of output decisions of a monopolist with a perfectly  competitive firm. | 3 |

42

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.4.3.14 | **Make** a comparison of pricing decisions of a monopolist with a  perfectly competitive firm. | 3 |
| 13ECO1.4.4.3 | **Discuss** 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 |
| 13ECO1.4.1.18 | **Define** dead weight loss (DWL). | 1 |
| 13ECO1.4.3.15 | **Explain** the relationship between monopolistic equilibrium to allocative  efficiency. | 3 |
| 13ECO1.4.3.16 | **Explain** the relationships between average, marginal and total revenue under perfect competition. | 3 |
| 13ECO1.4.4.4 | **Discuss** the impacts of relationships of average, marginal and total revenue under perfect competition using examples and recommendations. | 4 |
| 13ECO1.4.2.10 | **Describe** the use of marginal cost and marginal revenue as the basis of  profit maximisation. | 2 |
| 13ECO1.4.3.17 | **Explain** how the use of marginal cost and marginal revenue contributes  to profit maximisation. | 3 |
| 13ECO1.4.1.19 | **Define** normal profit. | 1 |
| 13ECO1.4.2.11 | **Calculate** normal profit. | 2 |
| 13ECO1.4.2.12 | **Illustrate** how normal profit is achieved. | 2 |
| 13ECO1.4.3.18 | **Explain** and illustrate how normal profit is achieved in the long run. | 3 |
| 13ECO1.4.2.13 | **Describe** super-normal profit. | 2 |
| 13ECO1.4.3.19 | **Explain** and illustrate super-normal profit. | 3 |
| 13ECO1.4.2.14 | **Describe** sub-normal profit. | 2 |
| 13ECO1.4.3.20 | **Explain** and illustrate sub-normal profit. | 3 |

43

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO1.4.1.20 | **Identify** the shut-down point. | 1 |
| 13ECO1.4.1.21 | **Identify** the breakeven point. | 1 |
| 13ECO1.4.2.15 | **Describe** the relationship of average and marginal revenue under monopoly. | 2 |
| 13ECO1.4.3.21 | **Explain** the relationship of average and marginal revenue under monopoly. | 3 |
| 13ECO1.4.3.22 | **Compare** average and marginal revenue of a monopoly and a firm  under perfect competition. | 3 |
| 13ECO1.4.4.5 | **Discuss** average and marginal revenue of a monopoly and a firm under  perfect competition. | 4 |
| 13ECO1.4.2.16 | **Describe** the features of short and long run positions under a monopoly and a perfect competition. | 2 |
| 13ECO1.4.3.23 | **Compare** the effects of short-run and long-run equilibrium positions for  a monopolist and a perfectly competitive firm. | 3 |
| 13ECO1.4.4.6 | **Discuss** 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 |
| 13ECO1.4.2.17 | **Describe** how marginal analysis works in determining the output and pricing decisions of a monopolist. | 2 |
| 13ECO1.4.3.24 | **Explain** marginal analysis in determine the output and pricing decisions of a monopolist. | 3 |
| 13ECO1.4.3.25 | **Apply** marginal analysis to determine the output and pricing decisions of a monopolist. | 3 |

44

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 2: RESOURCE ALLOCATION THROUGH THE STATE SECTOR** | | | | |
| **Major Learning Outcome: 13ECO2** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the role governments play in allocating resources, particularly where the market does not result in efficient or equitable outcomes. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Government**  **Intervention III** | **13ECO2.1**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of market failure and government intervention in the economy. | 13ECO2.1.1.1 | **Define** free market. | 1 |
| 13ECO2.1.2.1 | **Describe** the features of the free market. | 2 |
| 13ECO2.1.2.2 | **List** factors that cause market failure. | 2 |
| 13ECO2.1.3.1 | **Explain** how any factor can cause market failure. | 3 |
| 13ECO2.1.3.2 | **Critique** conditions of the free market in order to recognise how market failure can occur. | 3 |
| 13ECO2.1.1.2 | **Define** market failure. | 1 |
| 13ECO2.1.1.3 | **Identify** examples of market failure. | 1 |
| 13ECO2.1.3.3 | **Explain** how market failure is basis for government intervention. | 3 |
| 13ECO2.1.2.3 | **Describe** conditions under which government decides to intervene in a market failure. | 2 |
| 13ECO2.1.4.1 | **Discuss** the impact of market failure on the economy thus warranting government intervention giving specific examples of such interventions and their success. | 4 |
| 13ECO2.1.2.4 | **List** the range of interventions available to government to intervene against market failure. | 2 |
| 13ECO2.1.3.4 | **Explain** how each of the range of interventions works. | 3 |

45

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO2.1.1.4 | **Define** and give examples of positive and negative externalities of consumption. | 1 |
| 13ECO2.1.3.5 | **Compare** positive and negative externalities of production. | 3 |
| 13ECO2.1.2.5 | **Describe** the features of mixed goods. | 2 |
| 13ECO2.1.3.6 | **Relate** goods with externalities to mixed goods. | 3 |
| 13ECO2.1.1.5 | **Define** property right. | 1 |
| 13ECO2.1.3.7 | **Explain** the significance of property rights. | 3 |
| 13ECO2.1.2.6 | **Derive** social marginal benefit curve. | 2 |
| 13ECO2.1.3.8 | **Use** social marginal cost curve to illustrate externalities of production. | 3 |
| 13ECO2.1.3.9 | **Use** social marginal benefit curve to illustrate externalities of production. | 3 |
| 13ECO2.1.1.6 | **Identify** the social equilibrium (social preference) in a given situation. | 1 |
| 13ECO2.1.1.7 | **Identify** the private market equilibrium (private preference) in a given situation. | 1 |
| 13ECO2.1.3.10 | **Explain** the relationship between social equilibrium (social preference)  with the private market equilibrium (private preference). | 3 |
| 13ECO2.1.3.11 | **Explain** how subsidies can be used to internalise positive or negative externalities of production. | 3 |
| 13ECO2.1.3.12 | **Explain** how taxes can be used to internalise positive or negative externalities of production. | 3 |
| 13ECO2.1.3.13 | **Explain** how regulations can be used to internalise positive or negative externalities of production. | 3 |
| 13ECO2.1.3.14 | **Explain** how public provision can be used to internalise positive or negative externalities of production. | 3 |

46

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO2.1.3.15 | **Explain** the respective costs of subsidies, taxes, regulations and public provision when used to internalise positive externalities of production. | 3 |
| 13ECO2.1.4.2 | **Evaluate** the cost implications of subsidies, taxes, regulations and public provision when used to internalise positive or negative externalities of production. | 4 |
| 13ECO2.1.1.8 | **Define** natural monopolies. | 1 |
| 13ECO2.1.1.9 | **Identify** examples of natural monopolies in a given situation. | 1 |
| 13ECO2.1.2.7 | **Describe** the features of natural monopolies. | 2 |
| 13ECO2.1.1.10 | **Define** economies of scale. | 1 |
| 13ECO2.1.3.16 | **Explain** how economies of scale can lead to natural monopolies. | 3 |
| 13ECO2.1.4.3 | **Discuss** the implications of natural monopolies on an economy and evaluate why natural monopolies may or may not be socially desirable. | 4 |
| 13ECO2.1.3.17 | **Explain** how natural monopolies can be influenced by the use of subsidies. | 3 |
| 13ECO2.1.3.18 | **Explain** how natural monopolies can be influenced by the use of regulations. | 3 |
| 13ECO2.1.3.19 | **Explain** how natural monopolies can be influenced by the use of public  ownership. | 3 |
| 13ECO2.1.2.8 | **Describe** the costs of the use of subsidies, regulations or public ownership  to influence natural monopolies. | 2 |
| 13ECO2.1.4.4 | **Discuss** 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 |
| 13ECO2.1.4.5 | **Discuss** the benefits of the use of subsidies, regulations or public ownership to influence natural monopolies. | 4 |
| 13ECO2.1.2.9 | **List** the benefits of the use of subsidies, regulations or public ownership to influence natural monopolies. | 2 |

47

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Classifications of Goods and Services III** | **13ECO2.2**  Upon successful completion of this sub-strand, students  are able to demonstrate an understanding of characteristics of public goods, private goods, merit and demerit goods. | 13ECO2.2.1.1 | **Define** public goods, private goods. | 1 |
| 13ECO2.2.2.1 | **Describe** the features of public goods. | 2 |
| 13ECO2.2.3.1 | **Distinguish** between public goods and private goods. | 3 |
| 13ECO2.2.1.2 | **Identify** examples of private goods. | 1 |
| 13ECO2.2.3.2 | **Explain** why public goods are not normally provided by the market. | 3 |
| 13ECO2.2.1.3 | **Identify** an alternative method of the collective provision of public goods in a given situation. | 1 |
| 13ECO2.2.2.2 | **List** alternative methods of the collective provision of public goods. | 2 |
| 13ECO2.2.3.3 | **Explain** costs and benefits of alternative methods of the collective  provision of public goods. | 3 |
| 13ECO2.2.2.3 | **List** the benefits of alternative methods of the collective provision of public  goods. | 2 |
| 13ECO2.2.1.4 | **Define** merit and demerit goods with examples. | 1 |
| 13ECO2.2.4.1 | **Evaluate** a range of alternative means of internalising externalities of production and consumption and thereby increasing the consumption of merit goods and decreasing the consumption of demerit goods. | 4 |
| 13ECO2.2.2.4 | **List** the benefits of alternative methods of the collective provision of public  goods. | 2 |

48

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Equity and**  **Efficiency III** | **13ECO2.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding on why the free market solution is  not always equitable, and how governments may intervene for equity at the cost of efficiency. | 13ECO2.3.1.1 | **Define** equity. | 1 |
| 13ECO2.3.1.2 | **Define** equality. | 1 |
| 13ECO2.3.1.3 | **Identify/state** a feature or example of equity or equality in a given context. | 1 |
| 13ECO2.3.3.1 | **Distinguish** between equity and equality with examples. | 3 |
| 13ECO2.3.3.2 | **Explain** inequality of wealth and income distribution using the Lorenz  Curve. | 3 |
| 13ECO2.3.3.3 | **Demonstrate** inequality of wealth and income distribution using the  Lorenz Curve. | 3 |
| 13ECO2.3.3.4 | **Present** inequality of wealth and income distribution using the Lorenz  Curve. | 3 |
| 13ECO2.3.1.4 | **Identify** the means by which the state can attempt to achieve greater equality in a given situation. | 1 |
| 13ECO2.3.2.1 | **List** the means by which the state can attempt to achieve greater equality. | 2 |
| 13ECO2.3.4.1 | **Discuss** the equity/efficiency trade off with the aid of the PPF/trade-off model using examples and evaluate the efficiency of the processes. | 4 |
| 13ECO2.3.1.5 | **Define** dead weight loss. | 1 |
| 13ECO2.3.1.6 | **Identify** areas of dead weight loss. | 1 |
| 13ECO2.3.2.2 | **List** the factors that cause of dead weight loss. | 2 |
| 13ECO2.3.3.5 | **Explain** how each factor causes of dead weight loss. | 3 |
| 13ECO2.3.4.2 | **Discuss** the implications of dead weight loss in an economy giving examples. | 4 |

49

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 3: MONEY** | | | | |
| **Major Learning Outcome: 13ECO3** | | Upon successful completion of this strand, students are able to demonstrate an understanding of the  domestic market for money and credit. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Circular flow of Income and Spending** | **13ECO3.1**  Upon successful completion of this sub-strand, students are able to demonstrate an understanding of aggregate level of economic activity in terms of the circular flow of income and spending. | 13ECO3.1.3.1 | **Distinguish** between real and nominal values. | 3 |
| 13ECO3.1.3.2 | **Distinguish** between nominal and real Gross Domestic Product. | 3 |
| 13ECO3.1.3.3 | **Use** the income, expenditure and production approaches to measure  Gross Domestic Product. | 3 |
| 13ECO3.1.1.1 | **Identify** the components of aggregate demand in a typical country’s  System of National Accounts. | 1 |
| **Aggregate supply and demand model** | **13ECO3.2**  Upon successful completion of this sub-strand, students are able to demonstrate an understanding of how the aggregate demand/supply model can be used to show equilibrium in the macro- economy. | 13ECO3.2.3.1 | **Explain** the aggregate demand curve as showing levels of total demand consistent with given price levels. | 3 |
| 13ECO3.2.3.2 | **Explain** the reasons for shifts of the aggregate demand curve as a result of changes in consumption. | 3 |
| 13ECO3.2.3.3 | **Explain** the reasons for shifts of the aggregate demand curve as a result investment. | 3 |
| 13ECO3.2.3.4 | **Explain** the reasons for shifts of the aggregate demand curve as a result of government expenditure. | 3 |
| 13ECO3.2.3.5 | **Explain** the reasons for shifts of the aggregate demand curve as a result of net exports. | 3 |
| 13ECO3.2.1.1 | **Define** aggregate supply as the total output resulting from firms’  production decisions at each price level. | 1 |

50

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 13ECO3.2.4.1 | **Derive** an aggregate supply curve to explain why the curve becomes steeper as the economy approaches capacity output and can temporarily operate beyond full capacity. | 4 |
| 13ECO3.2.3.6 | **Explain** why the aggregate supply curve shifts as the result of exogenous changes in nominal labour costs, imported material cost, productivity and technology. | 3 |
| 13ECO3.2.1.2 | **Use** aggregate demand and aggregate supply curves to identify the equilibrium level of prices, employment and production. | 1 |
| **Money, Interest rates and the Banking Systems** | **13ECO3.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the domestic market for money and credit and the monetary policy influence on Vanuatu’s aggregate economic activity. | 13ECO3.3.1.1 | **Identify** the characteristics and function of money. | 1 |
| 13ECO3.3.1.2 | **Identify** the components of the money supply. | 1 |
| 13ECO3.3.2.1 | **Describe** roles/functions of the Reserve (Central) Bank, particularly the implementation of monetary policy. | 2 |
| 13ECO3.3.2.2 | **Describe** the difference between the transactions and asset demand for money. | 2 |
| 13ECO3.3.3.1 | **Apply** supply and demand analysis to the money market. | 3 |
| 13ECO3.3.3.2 | **Explain** how credit multiplier works to increase money supply. | 3 |
| 13ECO3.3.3.3 | **Explain** the effects of a change in monetary policy (official cash rate)  on market interest rates. | 3 |
| 13ECO3.3.4.1 | **Evaluate** the effects of interest rate changes on consumption, using  specific examples from Vanuatu. | 4 |
| 13ECO3.3.4.2 | Evaluate the effects of interest rate changes on investment using  specific examples from Vanuatu. | 4 |
| 13ECO3.3.4.3 | Evaluate the effects of interest rate changes on net export using  specific examples from Vanuatu. | 4 |

51

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **STRAND 4: TRADE AND PAYMENTS** | | | | |
| **Major Learning Outcome: 13ECO4** | | Upon successful completion of this strand, students are able to demonstrate an understanding of external influences that affect the economic activity of an economy. | | |
| **Sub-strand** | **Key Learning**  **Outcome** | **Code** | **Specific Learning Outcome** | **Skill**  **Levels** |
| **Government Finance and Fiscal Policy** | **13ECO4.2**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the significance of the balance of payments on Vanuatu’s economic activity. | 13ECO4.2.1.1 | **Identify** the major component of a typical Government’s Budget. | 1 |
| 13ECO4.2.1.2 | **Identify** a trend in a Government’s revenue, expenditure and  operating balance over the past ten years. | 1 |
| 13ECO4.2.2.1 | **Describe** the effect of budget surplus on the Vanuatu economy. | 2 |
| 13ECO4.2.2.2 | **Describe** the effect of budget deficit on the Vanuatu economy. | 2 |
| 13ECO4.2.2.3 | **Describe** the effects of tax rates (direct or indirect) on the Vanuatu economy. | 2 |
| 13ECO4.2.3.1 | **Explain** the impact of government revenue and expenditure on economic activity. | 3 |
| 13ECO4.2.2.4 | **Describe** the difference between fiscal policy and monetary policy. | 2 |
| 13ECO4.2.2.5 | **Describe** a fiscal constraint on the Vanuatu Government that requires responsible management of fiscal policy over time. E.g. New Zealand’s Public Finance Amendment Act 2004. | 2 |

52

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Foreign Exchange**  **Rate** | **13ECO4.3**  Upon successful  completion of this  sub-strand, students are able to demonstrate an understanding of the operation of the foreign exchange market and the other external influences that affect Vanuatu’s economic activity. | 13ECO4.3.3.1 | **Distinguish** between the Balance pf Payment on current account,  capital and financial account. | 3 |
| 13ECO4.3.1.1 | **Identify** the major item in the current accounts. | 1 |
| 13ECO4.3.1.2 | **Identify** the major item in the capital accounts. | 1 |
| 13ECO4.3.1.3 | **Identify** the major item in the financial accounts. | 1 |
| 13ECO4.3.3.2 | **Show** the operation of the foreign exchange market with a flexible  exchange rate using supply and demand analysis. | 3 |
| 13ECO4.3.3.3 | **Explain** the impact of exchange rate changes on exports of goods and services. | 3 |
| 13ECO4.3.3.4 | **Explain** the impact of exchange rate changes on imports of goods and services. | 3 |
| 13ECO4.3.4.1 | **Examine** factors other than exchange rate changes which influence  export and import demand and the impact of these on the economy. | 4 |
| 13ECO4.3.3.5 | **Explain** movements in the terms of trade and the effects of those changes on trade. | 3 |
| 13ECO4.3.1.4 | **Identify** the impact of changes in net exports on the domestic money supply. | 1 |
| **Circular flow of Income and Spending III** | **13ECO4.4**  Upon successful completion of this sub-strand, students are able to demonstrate understanding of the influences on Vanuatu’s aggregate economic activity. | 13ECO4.4.2.1 | **Illustrate** a recessionary gap and inflationary gap. | 2 |
| 13ECO4.4.4.1 | **Analyse** the effects of monetary policy and fiscal policy changes on components of aggregate demand and supply, and therefore on the level of aggregate economic activity. | 4 |
| 13ECO4.4.4.2 | **Interpret** a thorough understanding of the interrelationship in the macro economy. | 4 |

53

Vanuatu National ECONOMICS SYLLABUS, Senior Secondary Years 11 - 13

Section 3

**ASSESSMENT AND REPORTING**

**Assessment**

Assessment is a term that describes the processes that are used to identify and gather data about the performance of learners and to analyse and interpret these data to determine progress made towards achieving curriculum standards. (VNCS, p. 24).

The Economics course will be assessed through a variety of assessment techniques to ensure that the outcomes are achieved.

**External Examination**

The examination will make use of a variety of resources such as graphs, photographs, statistical tables, diagrams, models, cartoons, written reports, newspaper items, quotations and statements. Questions Items will be in the form of short answers, paragraphs and essays.

**Internal Assessment**

This section is made up of Teacher designed tasks which are assessed by teachers in schools,

and monitored by the Vanuatu Examinations and Assessment Unit.

**Continuous Assessment**

A variety of continuous assessments will also be carried out in-between the internal assessments and they will include unit tests, activities, reports, experimentations and assignments which will be monitored internally by the school.

**Year 11**

|  |  |  |
| --- | --- | --- |
| 1. | Internal Examination (IE) | 60% |
| 2. | Continuous Assessment (CA) | 40% |

For each Year level a general assessment blueprint will be given to guide the teacher and the examiner on the weighting and the distribution of items in the Examinations and Internal assessment.

The table on the following page gives the weights and distribution of items in Year 11.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Skill Levels** | | | | **Total** |
| **1** | **2** | **3** | **4** |
| **Assessment**  **Type** | IE | **Weight** | 10 | 26 | 12 | 12 | **60** |
| Number of items | 10 | 13 | 4 | 3 | 30 |
| CA | **Weight** | 7 | 16 | 9 | 8 | **40** |
| Number of items | 7 | 8 | 3 | 2 | 20 |

54

**Assessment Blueprint for Year 11**

The assessment blueprint for Economics course is given below. The weighting for each

strand and skills level is to be noted as these will be adhered to for assessment.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Strand** | **Assessment**  **Type** | **Skill Level / Score** | | | | **Weight** |
| **1** | **2** | **3** | **4** |
| 1. Resource Allocation through the Market System | IE |  |  |  |  | 21 |
| CA |  |  |  |  |  |
| 2. Resource Allocation through the Public Sector | IE |  |  |  |  | 16 |
| CA |  |  |  |  |  |
| 3. Money | IE |  |  |  |  | 9 |
| CA |  |  |  |  |  |
| 4. Trade and Payments | IE |  |  |  |  | 14 |
| CA |  |  |  |  |  |
| **Total number of items** | | **17** | **21** | **7** | **5** | **50** |
| **Total skill score** | | **17** | **42** | **21** | **20** | **100** |

**Internal Examination (EA)**

This will be a **three-hour written examination**, with a total of 60, which will assess the

following strands:

|  |  |  |
| --- | --- | --- |
| 1. | Resource Allocation through the Market System | 19% |
| 2. | Resource Allocation through the Public Sector | 16% |
| 3. | Money | 13% |
| 4. | Trade and Payments | 12% |
|  | **Total** | **60%** |

The examination time will be 3 hours, and will consist of short answer questions and paragraph responses. The examination will assess a range of specific learning outcomes (SLO) in this syllabus.

All strands will be represented in the examination.

All questions are COMPULSORY

**Continuous Assessment**

One major and four minor internal assessment tasks will be completed by every student.

These tasks allow for some flexibility of approach but must follow the specified rules of structure and content. Teachers will assess the product of students’ work resulting from these tasks using detailed marking schedules:

55

|  |  |
| --- | --- |
| **Type of Assessment** | **Weighting**  **(%)** |
| Minor task 1 |  |
| Minor task 2 |  |
| Minor task 3 |  |
| Minor task 4 |  |
| Field trips |  |
| **Total** | **40%** |

**Year 12**

Assessment of the Economics courses in Year 12 will be using these two modes:

|  |  |  |
| --- | --- | --- |
| 1. | External Examination (EE) | 60% |
| 2. | Internal Assessment (IA) | 40% |

For each Year level a general assessment blueprint will be given to guide the teacher and the examiner on the weighting and the distribution of items in the Examinations and Internal assessment.

The table below gives the weights and distribution of items in Year 12.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Skill Levels** | | | | **Total** |
| **1** | **2** | **3** | **4** |
| **Assessment**  **Type** | EE | **Weight** | 9 | 24 | 15 | 12 | **60** |
| Number of items | 9 | 12 | 5 | 3 | 29 |
| IA | **Weight** | 6 | 14 | 12 | 8 | **40** |
| Number of items | 6 | 7 | 4 | 2 | 19 |

56

**Assessment Blueprint**

The assessment blueprint for the Agriculture course is given below. The weighting for each

strand and skills level is to be noted as these will be adhered to for assessment.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Strand** | **Assessment**  **Type** | **Skill Level / Score** | | | | **Weight** |
| **1** | **2** | **3** | **4** |
| 1. Resource Allocation through the Market System | EE |  |  |  |  | 21 |
| IA |  |  |  |  |  |
| 2. Resource Allocation through the Public Sector | EE |  |  |  |  | 16 |
| IA |  |  |  |  |  |
| 3. Money | EE |  |  |  |  | 9 |
| IA |  |  |  |  |  |
| 4. Trade and Payments | EE |  |  |  |  | 14 |
| IA |  |  |  |  |  |
| **Total number of items** | | **15** | **19** | **9** | **5** | **48** |
| **Total skill score** | | **15** | **38** | **27** | **20** | **100** |

**End of Year Assessment**

The Examination time will be 3 hours with a total of 60 will consist of: short answer

questions and paragraph responses. The examination will assess a range of specific learning outcomes in the syllabus. All sections will be represented in the examination. All questions are COMPULSORY.

The weightings in the examination on the externally assessed parts of the syllabus shall be as below:

|  |  |  |
| --- | --- | --- |
| 1. | Resource Allocation through the Market System | 19% |
| 2. | Resource Allocation through the Public Sector | 16% |
| 3. | Money | 13% |
| 4. | Trade and Payments | 12% |
|  | **Total** | **60%** |

**Internal Assessment 40%**

One major and two minor internal assessment tasks will be completed by every student.

These tasks allow for some flexibility of approach but must follow the specified rules of

structure and content.

Teachers will assess the product of students’ work resulting from these tasks using detailed

marking schedules.

57

The tasks, weightings and suggested class-time are as follows:

|  |  |
| --- | --- |
| **Assessment components** | **Weighting**  **(%)** |
| Major task – Research Project |  |
| Minor task 1 |  |
| Minor task 2 |  |
| **Total** | **40%** |

**Year 13**

For each Year level a general assessment blueprint will be given to guide the teacher and the

examiner on the weighting and the distribution of items in the Examinations and Internal

assessment.

The table below gives the weights and distribution of items in Year 13.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Skill Levels** | | | | **Total** |
| **1** | **2** | **3** | **4** |
| **Assessment**  **Type** | EE | **Weight** | 6 | 20 | 18 | 16 | **60** |
| Number of items | 6 | 10 | 6 | 4 | 26 |
| IA | **Weight** | 5 | 12 | 15 | 8 | **40** |
| Number of items | 5 | 6 | 5 | 2 | 18 |

For Year 13 Agriculture course, the assessment is in two parts (Internal Assessment and

External Examination), and is made up of the two assessment components:

|  |  |  |
| --- | --- | --- |
| 1. | External Examination (EE) | 60% |
| 2. | Internal Assessment (IA) | 40% |

**Assessment Blueprint**

The assessment blueprint for Economics course is given below. The weighting for each

strand and skills level is to be noted as these will be adhered to for assessment.

58

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Strand** | **Assessment**  **Type** | **Skill Level / Score** | | | | **Weight** |
| **1** | **2** | **3** | **4** |
| 1. Resource Allocation through the Market Systems | EE |  |  |  |  | 27 |
| IA |  |  |  |  |  |
| 2. Resource Allocation through the Public Sector | EE |  |  |  |  | 16 |
| IA |  |  |  |  |  |
| 3. Aggregate Economic Activity and Police | EE |  |  |  |  | 17 |
| IA |  |  |  |  |  |
| **Total number of items** | | **11** | **16** | **10** | **6** | **40** |
| **Total skill score** | | **11** | **32** | **33** | **24** | **100** |

**External Examination**

This will be a three-hour written examination with a total of 60 that will assess all the

strands.

The written examination will assess students’ knowledge and understanding of basic economic concepts, principles and simple analytical techniques. The examination will also assess the thinking and statistical skills prescribed, particularly those of reasoning clearly and objectively, and presenting and interpreting data and arguments clearly, concisely and coherently.

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

|  |  |  |
| --- | --- | --- |
| 1. | Resource Allocation through the Market System | 27% |
| 2. | Resource Allocation through the Public Sector | 12% |
| 3. | Aggregate Economic Activity and Police | 21% |
|  | **Total** | **60%** |

Questions may require students to give objective, sentence or short paragraph answers or to draw and interpret diagrams, tables and graphs, or complete calculations. Questions may be resource based; some questions will require reference to specific plants or animals studied during the year. All questions are COMPULSORY.

**Internal Assessment**

As part of the course, students are required to complete two tasks which are assessed by

teachers in schools based on aspects of a local economy.

59

|  |  |
| --- | --- |
| **Assessment components** | **Weighting**  **(%)** |
| 1. A micro investigation about market structures from Strand 1. |  |
| 2. An investigation involving merit and demerit goods and externalities of consumption from strand 2. |  |
| 3. An investigation that compares real world data with macroeconomic theory from Strand 3. |  |
| **Total** | **40 %** |

**Reporting**

It is a requirement that all teachers provide reports on the academic achievements of their students throughout the school year. This will provide an indication of the academic progress of both the individual student and the class as a whole. Reports will also provide vital feedback for teachers on the delivery of the teaching and the level of attainment of understanding by the students throughout the teaching of the course. It will also provide a basis for assessment on the overall performance of a year group in that particular subject and in relation to other subjects taken. Last but not least, this report will also allow for assessment of the strengths and weaknesses of a student in the subject and can therefore be used as a basis for academic counseling where and when required.

Teachers must prepare progressive reports (a mid-year and end-of-year report) throughout the year. Mid-year reports should provide an overall assessment of academic progress from the start of the course up to the mid-year examination week of Term 2 of the school year. End-of-year reports should be based on assessments given to students after the mid-year examinations to the last assessment week for the subject within Term 3. Recording of all assessments must therefore be done by all teachers, whether it is a formative or a summative assessment. Assessments which are to count towards the reports must be agreed upon by the department as a whole before reports are to be prepared.

Overall weightings of assessments for mid-year and end-of year reports in Economics must follow the weighting criteria provided in this curriculum. Examinations must be treated and weighted separate to that of other progressive assessments, whether formative or summative. This will aid in providing vital information on a student’s abilities in various forms of assessments.

**Link to other Subjects**

y Agriculture

y Accounting

y Development Studies

y Geography

y History

y Computing Studies

60

Section 4

**BIBLIOGRAPHY**

y South Pacific Board for Educational [Assessment (SPBEA) www.spbea.org.fj](http://www.spbea.org.fj/)

y The New Zealand Qualifications [Authority (NZQA) www.nzqa.govt.nz](http://www.nzqa.govt.nz/)

y New Zealand Commerce and Economics Teachers Association www.NZCETA. co.nz

y New South Wales Board of Studies

61

Section 5

**APPENDICES**

62