

## Temporary changes to Unit 4 Study Design in 2020

Students should note that the VCAA made temporary simplifications to the VCE Economics Study Design in recognition of the disruption to learning that has taken place during home isolation over 2020. Those key knowledge points/key skills that are listed below are no longer examinable.

- How welfare and tax reform policies are designed to influence AS and living standards
- The effect of immigration policies on the labour market and aggregate supply
- Strengths and weaknesses of aggregate supply (AS) policies
- Discuss the strengths and weaknesses of aggregate supply policies

### Key knowledge

- the nature, operation and aims of aggregate supply policies and their relationship to the domestic macroeconomic goals, international competitiveness and living standards
- the relationship between the efficient allocation of resources and aggregate supply
- how the following aspects of budgetary policy are designed to influence aggregate supply and the achievement of domestic macroeconomic goals:
  - spending on training and education
  - research and development grants
  - subsidies
  - investment in infrastructure
- how welfare and tax reform policies are designed to influence aggregate supply and living standards
- the effect of immigration policies on the labour market and aggregate supply, and the way in which this influences the achievement of domestic macroeconomic goals
- the strengths and weaknesses of using aggregate supply policies to achieve the Australian Government's domestic macroeconomic goals and how these goals may affect living standards

### Key skills

- define key economic concepts and terms and use them appropriately
- describe the aims of aggregate supply policies in terms of the domestic macroeconomic goals and living standards
- gather relevant data and information about the nature and operation of aggregate supply policies in Australia
- analyse the effect of aggregate supply policies on the domestic macroeconomic goals and living standards
- discuss the strengths and weaknesses of aggregate supply policies

The VCAA have also removed part of the Unit 4 preamble (see below) relating to market-based vs interventionist approaches to managing aggregate supply as well microeconomic reforms.

In Area of Study 2 students consider how the Australian Government utilises aggregate supply policies to manage the Australian economy. If the productive capacity of the economy is expanding, growth in aggregate demand can be met and economic growth can be maintained both now and into the future. ~~Students investigate the role of both market based and interventionist approaches to managing the supply side of the economy. They evaluate these policy responses in terms of their effect on incentives and consider how they increase competition and efficiency in the economy. Students assess the role of microeconomic reform in terms of its effect on economic prosperity and the achievement of the Australian Government's domestic macroeconomic goals.~~

As a consequence, the following sections of the textbook, Economic Fundamentals in Australia (6<sup>th</sup> ed), does not need to be covered by teachers over the course of 2020:

- 12.6 Tax and welfare reform policies (pp363-368)
- 12.7 Market-based versus interventionist approaches to managing the supply side of the economy (pp368-369)
- 12.8 The nature and purpose of Australia's immigration policy (pp369-376)
- 12.9 Strengths and weaknesses of AS policies (pp376-381)

## Assessment in 2020

In relation to assessment, students should note that the total assessment in Unit 4 is now been reduced from 25% of the entire course, to 20% (with Unit 3 now contributing 30% towards the study score in the subject). This has been achieved by reducing the total marks allocated to Unit 4 AOS 2 from 40 to 20, while leaving the marks allocated for Unit 4 AOS 1 to 60. This means that the total marks allocated to each outcome in Unit 4 is 60 marks for AOS 1 and 20 marks for AOS 2.

### Contribution to final assessment

School-assessed Coursework for Unit 4 will contribute ~~25~~ 20 per cent to the study score.

Outcomes	Marks allocated*	Assessment tasks
<b>Outcome 1</b> Discuss the nature and operation of aggregate demand policies and analyse how the policies may influence the Australian Government's domestic macroeconomic goals and living standards.	60	The student's performance on each outcome is assessed using one or more of the following: <ul style="list-style-type: none"> <li>• an essay</li> <li>• a report</li> <li>• problem-solving exercises</li> <li>• a folio of media commentaries</li> <li>• a folio of applied economic exercises</li> <li>• structured questions.</li> </ul>
<b>Outcome 2</b> Discuss the nature and operation of aggregate supply policies and <del>analyse</del> <del>discuss</del> how the policies may influence the Australian Government's domestic macroeconomic goals and living standards.	<del>40</del> 20	
<b>Total marks</b>	<del>100</del> 80	

\*School-assessed Coursework for Unit 4 contributes ~~25~~ 20 per cent.