

Economics Topic 3

THE AUSTRALIAN ECONOMY



learning goal

- Students will be successful if they can accurately answer the thinking questions:
Why are some countries wealthier than others?
Why is the standard of living higher in some countries than others?

- Students will learn about GDP and managing the economy.

success criteria

let's revise

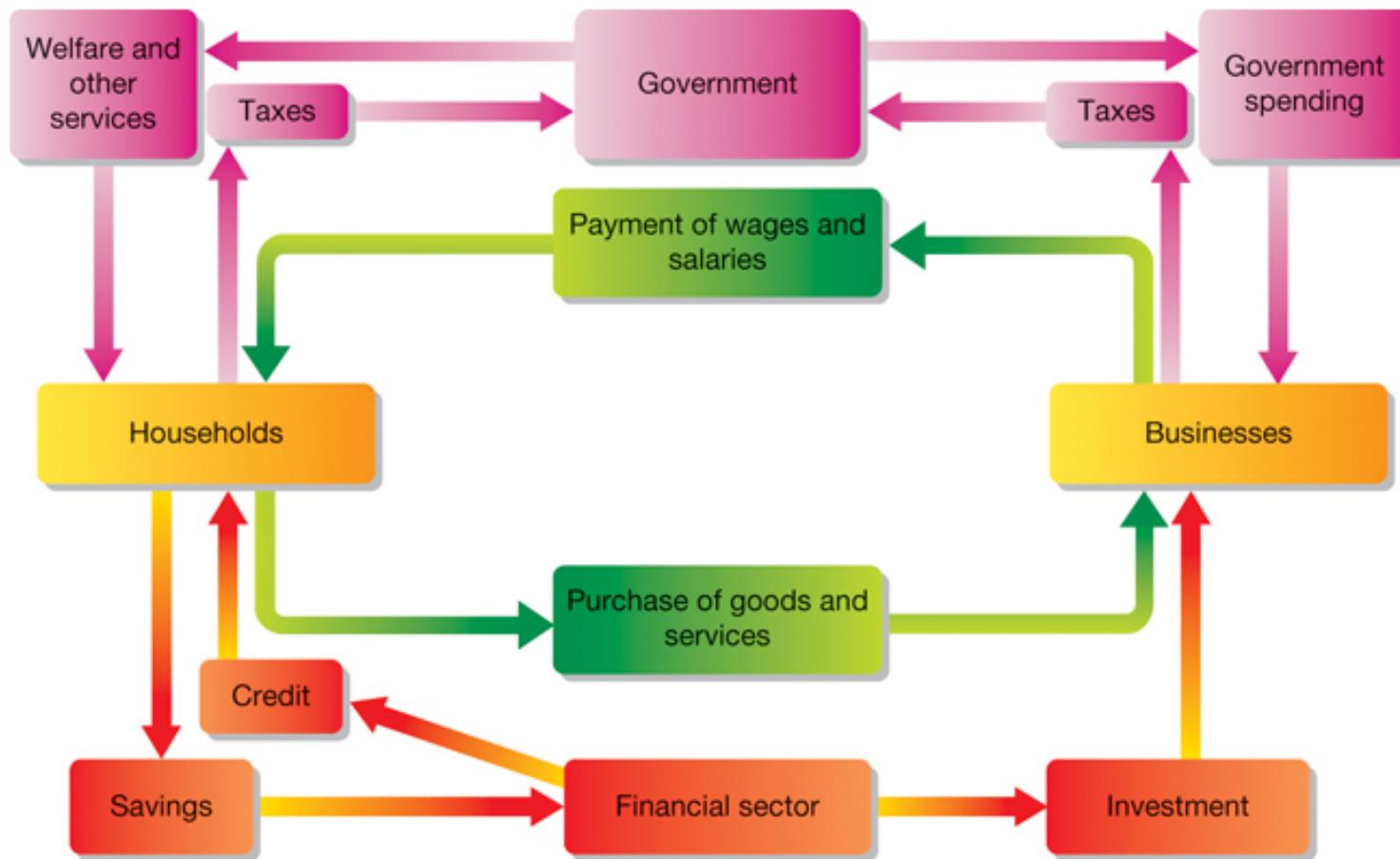


#1

Macroeconomics: refers to the way Australia, as a nation, functions economically. It is larger scale economic factors. Recall from lesson 1 where we talked about our monetary system, inflation, unemployment and economic growth as issues that affect Australia's economic environment.

Microeconomics: refers to the behaviour of businesses and individuals, and the factors that influence purchasing decisions. Microeconomics is concerned with single factors and the effects of individual decisions. Think about prices, levels of production and the use of resources.

the participants



lesson outline

01

Students to do the quiz to check their knowledge and understanding of concepts taught so far.

02

Group Brainstorm: Using butchers paper and marker pens

- a. Standard of living
- b. What is it? What does it mean?
- c. What does a good standard of living look like? Compare to a lower standard of living. How do we know which countries have a good / bad standard of living? What do we look at?

03

What is GDP and analysis of countries activity.

The Australian Economy

The economy of Australia is one of the largest mixed market economies in the world, with a GDP of AUD\$1.62 trillion as of 2015. Australia's total wealth is AUD\$6.4 trillion in 2013. In 2012, it was the 12th largest national economy by nominal GDP.

Australia is the 19th-largest importer and 19th-largest exporter. The Reserve Bank of Australia publishes quarterly forecasts of the economy.

https://en.wikipedia.org/wiki/Economy_of_Australia



Let's Research : The Australian Economy

Let's research:

Is Australia a wealthy country? Why or why not?

Which sector dominates the Australian economy?

What other sector is important for the Australian economy? Why?



Economic Growth



One of the most important goals of any economy is to grow every year. Economic growth can provide increased living standards for people.

Economic growth occurs when an economy produces more goods and services this year than it did last year. To produce more goods and services, a country must access extra natural, human and capital resources or use existing resources more effectively.

Economic growth can also occur with increased spending on locally made products by households, businesses and governments.

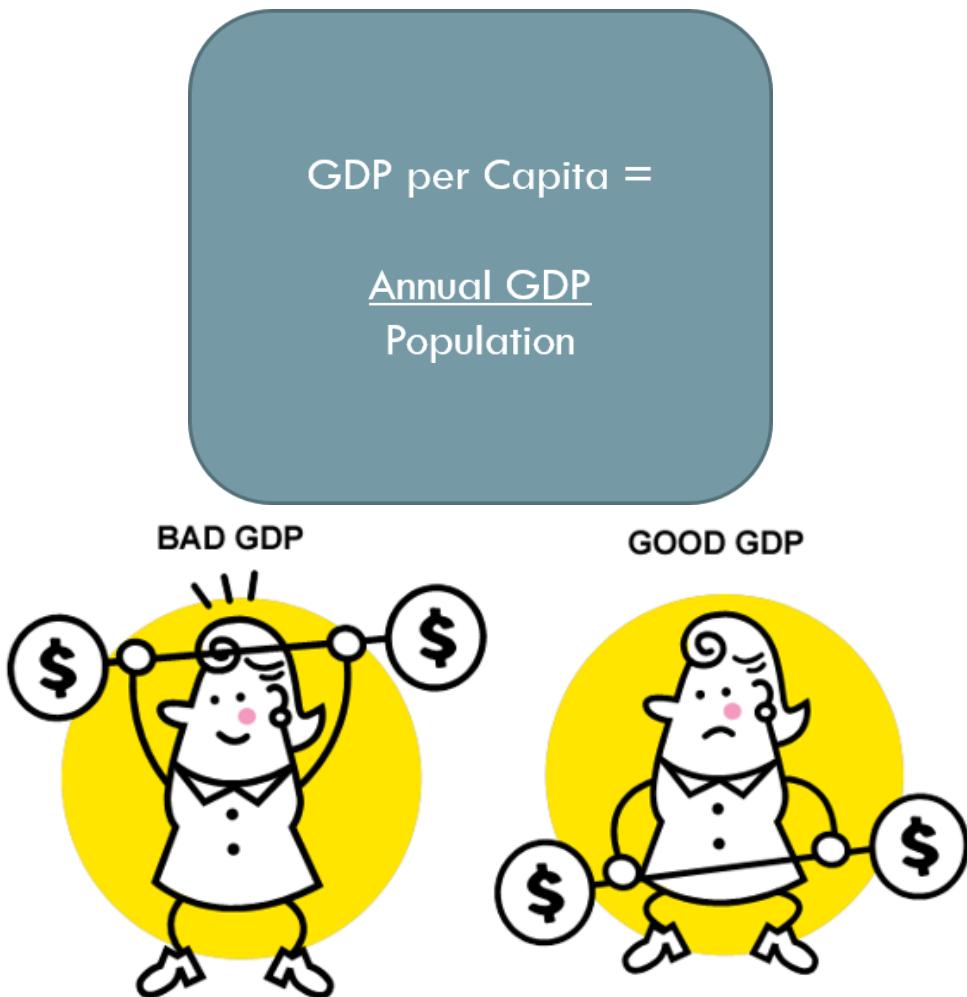
Measuring Economic Growth

GDP (Gross Domestic Product) is commonly used as an indicator of the economic health of a country, as well as a gauge of a country's standard of living.

Since the mode of measuring GDP is uniform from country to country, GDP can be used to compare the productivity of various countries with a high degree of accuracy.



GDP (Gross Domestic Product)



A nation's GDP from any period can be compared against previous years or quarters. GDP is the total value of all goods and services produced across the nation in a given year.

Example: Australia produces goods and services totalling US\$1,339.54 billion

In our example, Australia's population is 23,130,000
Australia's GDP per capita is \$57,913.

Your Task: Economic Growth and Living Standards

01

You will be given a country. Research their GDP.

<http://www.tradingeconomics.com/australia/gdp-per-capita>

02

Make notes on the following:-

The GDP and GDP per capita of your country.

What is it like to live in your country?

03

What effect might GDP have on living standards in your chosen country?

What kinds of things does your country produce?



- Make a list of five goods costing less than \$100 each that you would like to buy right now.
- If you had exactly \$100 to spend, how would you rank these five goods in order of preference?
- Which goods could you buy right now? Would you have any change left from \$100?
- Explain why this activity is an example of the economic problem of relative scarcity.
- Discuss this with a partner.

thinking question



#2

"In economics, one of the most important concepts is 'opportunity cost' - the idea that once you spend your money on something, you can't spend it again on something else".

MALCOLM TURNBULL