

**2018**

# **Program**

**Preliminary Economics  
Topic 5**

**TOPIC:** FINANCIAL MARKETS

**DURATION:** 20%

**TEACHER:**

**DATE STARTED:**

**DATE FINISHED:**

**TOPIC FOCUS:** The operation of financial markets in Australia, the contemporary institutions and the controls existing in the market which influence market outcomes. The different types of markets and the influence of the Reserve Bank of Australia on interest rates are of central concern.

**WHAT WE WANT STUDENTS TO KNOW/BE ABLE TO DO BY THE END OF THIS TOPIC:**

Students learn to:

**Examine economic issues and apply economic skills**

- examine the contribution of financial markets to the economic welfare of individuals and firms
- investigate the extent of competition in financial markets
- discuss the need for regulation in financial markets

**Apply economic skills**




- compare and contrast financial markets with product markets
- explain the role of institutions in the operation of financial markets
- analyse the impact of financial innovations on individuals and the economy
- work in groups to investigate the economic role of the superannuation industry
- analyse the factors that influence the level of interest rates
- predict trends in interest rates in hypothetical situations.

**TOPIC OUTCOMES:**

A student:

P1 demonstrates understanding of economic terms, concepts and relationships

P2 explains the economic role of individuals, firms and government in an economy  
 P3 describes, explains and evaluates the role and operation of markets  
 P5 analyses the relationship between individuals, firms, institutions and government in the Australian economy  
 P7 identifies the nature and causes of economic problems and issues for individuals, firms and governments  
 P8 applies appropriate terminology, concepts and theories in economic contexts  
 P9 selects and organises information from a variety of sources for relevance and reliability  
 P10 communicates economic information, ideas and issues in appropriate forms  
 P11 applies mathematical concepts in economic contexts.

CONTENT	TEACHING AND LEARNING STRATEGIES	RESOURCES
<p>Students learn about:</p> <p><b>Financial markets in Australia</b></p> <p>Types of financial markets</p> <ul style="list-style-type: none"> <li>•primary and secondary markets</li> <li>•consumer credit, housing loans, business loans, short term money market, bond market, financial futures, foreign exchange</li> <li>•the share market – its role, function and effect on the economy</li> <li>•domestic and global markets</li> </ul> <p>Regulation of financial markets – the role and</p>	<ul style="list-style-type: none"> <li>• Games and simulations</li> <li>• Powerpoints with activities/questions and discussions</li> <li>• Nearpod lesson</li> <li>• MIND MAP CREATION</li> <li>• Watch music clips on concepts</li> <li>• read News articles/Journals and answer questions</li> <li>• examine quotes and statistics for usefulness and catalogue them</li> <li>• discuss and debate controversial ideas and conflicting viewpoints</li> <li>• complete tables, timelines and create organisational lists</li> <li>• research on topics for up-to-date research and alternative viewpoints</li> <li>• work with model and structured responses</li> <li>• PETEL PARAGRAPHS</li> <li>• write practice answers</li> <li>• Past papers</li> <li>• complete formative assessments such as practice</li> </ul>	<p><b>Alternative resources and activities also kept on Google classroom</b></p> <ul style="list-style-type: none"> <li>•  <a href="#">Word Match-The Stock marketFile</a></li> <li>•  <a href="#">Financial marketsFile</a></li> <li>•  <a href="#">MoneyFile</a></li> </ul>

<p>functions of current institutions</p> <ul style="list-style-type: none"><li>•Reserve Bank of Australia</li><li>•Australian Prudential Regulation Authority</li><li>•Australian Securities and Investments Commission</li><li>•Australian Treasury</li><li>•Council of Financial Regulators</li></ul> <p>Borrowers</p> <ul style="list-style-type: none"><li>•individuals</li><li>•business</li><li>•government</li></ul> <p>Factors affecting the demand for funds</p> <ul style="list-style-type: none"><li>•transactions and speculative motives</li><li>•financial innovations</li></ul> <p>Lenders</p> <ul style="list-style-type: none"><li>•individuals</li><li>•business</li><li>•government</li><li>•international</li></ul> <p>Financial aggregates measured by the Reserve</p>	<p>tests and model responses</p> <ul style="list-style-type: none"><li>• Watch You tube clips</li><li>• Watch music clips on concepts</li><li>• Google forms quizzes</li></ul>	
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Bank of Australia

- currency
- broad money
- credit

Interest rates

- types of rates in the short term and long term
- lending rates
- borrowing rates
- role of the Reserve Bank of Australia in determining the cash rate
- influence of the cash rate on interest rates.

**Teacher Signature:**

**Head Teacher Signature:**

