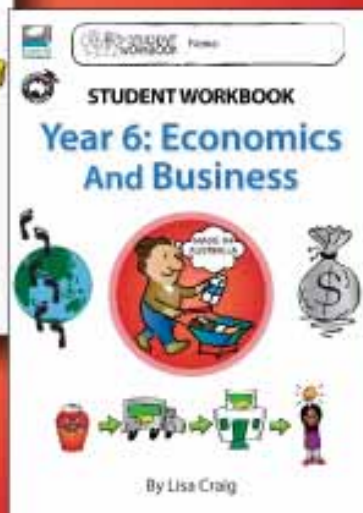
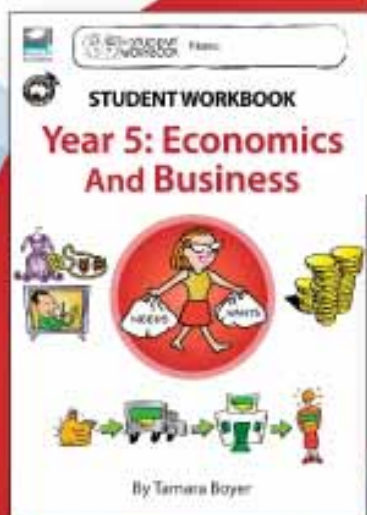


# Economics And Business

## TEACHERS' MANUAL



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SAMPLE

## Section 1 Understanding Needs And Wants

4. Scenarios, such as dining at a restaurant, could illustrate the consumption of both goods and services because it involves purchasing food which is a good but you are also paying for someone to cook the food and serve it to you (the chef and the waiter). This is a service.
5. Answers will be unique for each student. Examples include:  
Food: bread, butter, school canteen.  
Clothing: pyjamas, school uniform.  
Transport: car, bus, train, petrol.  
Household: toaster, fridge, television.  
School: books, pen, paper, teacher.  
Technology: mobile phone, computer.

### Page 8: Personal And Community Needs And Wants 1

Curriculum Link: The difference between needs and wants and why choices need to be made about how limited resources are used (ACHEK001)

Elaboration: Listing all the items they would like to have and categorising these items as a need or a want.

**Information:** All people have needs and wants. The kinds of things that an individual can benefit from, such as: a bicycle, a skateboard, a can of soft drink or a new hairstyle are referred to as personal needs and wants. In most cases these goods and services can be obtained from businesses or retailers.

Goods and services that many people in society can benefit from are called community needs and wants. For example, roads, footpaths, public transport, rubbish collection and schools are available to be shared by all members of the community. Usually the government is responsible for providing and maintaining them with money collected from taxes, fares and tolls.

### Answers:

Personal Wants	Community Wants
<i>What are they?</i>	
Needs and wants that individuals can benefit from.	Needs and wants that many members of society can benefit from.
<i>Who provides them?</i>	
Businesses and retailers.	The government.
<i>What are some examples?</i>	
iPod, bicycle, soft drink.	Roads, parks, schools, hospitals.

### Page 9: Personal And Community Needs And Wants 2

Curriculum Link: The difference between needs and wants and why choices need to be made about how limited resources are used (ACHEK001)

Elaboration: Listing all the items they would like to have and categorising these items as a need or a want.

**Information:** Max woke up at 7am to the sound of his alarm clock. He only snoozed once before getting out of bed and making his way to the bathroom. Max had a quick shower, dried himself and then brushed his teeth. He got dressed, combed his hair and then went to the kitchen to make some breakfast. After eating two slices of toast with Vegemite and drinking a glass of orange juice, Max said goodbye to his family, picked up his bag and then set off for school. He only had a short walk down the footpath and then through the park. As he reached the cross-walk in front of the school, the attendant asked the students to wait while an ambulance went past. The attendant then stopped the other traffic while the students crossed the road. Max waited eagerly for the bell to ring. Friday was his favourite day at school and he had a great line up of subjects ahead.

## Section 2

## Resources

### Page 18: Natural, Capital And Human Resources

Curriculum Link: Types of resources (natural, human, capital) and the ways societies use them in order to satisfy the needs and wants of present and future generations (ACHEK002)  
Elaboration: Categorising resources as natural (water, coal, oil), human (workers, business owners, designing, making, thinking), and capital (tools, machines, technologies).

**Information:** A resource is anything that has some form of use or value. In order to satisfy the needs and wants of consumers, producers use resources to supply goods and services. There are three main types of resources: natural, capital and human.

#### ● Natural Resources

Natural resources refers to anything that exists without humans having put them there. Examples include: the oceans, earth, soil, forests and animals. Mineral and energy resources, such as: gold, diamonds, coal, oil and natural gas, are also classified as natural resources which can be used for production.

#### ● Capital Resources

Human-made objects and technology which are used to produce goods and services are referred to as capital. Examples include: a truck used to transport goods, the desk that someone works at and the tools used by a tradesperson.

#### ● Human Resources

Human resources include people themselves and the work that they carry out. This includes: physical labour, such as the kind of work a bricklayer does, as well as mental labour, such as the kind of work an office worker might do. When people have the skills and expertise which enables them to organise the entire production process, this is referred to as enterprise. These people, known as entrepreneurs, often hold high positions within a business including: owners, managers, principals and project officers. They are often described as 'the

brains' behind the business because they are able to generate new ideas and manage natural, capital and human resources in order to make their ideas become a reality.

### Page 19: Resource Types

Curriculum Link: Types of resources (natural, human, capital) and the ways societies use them in order to satisfy the needs and wants of present and future generations (ACHEK002)

Elaboration: Categorising resources as natural (water, coal, oil), human (workers, business owners, designing, making, thinking), and capital (tools, machines, technologies).

#### Answers:

Resource – anything that has some form of use or value e.g. wood, cars, people.

**Natural** – resources that exist without humans having put them there, e.g. oceans, earth, forests, animals, minerals.

**Capital** – human-made objects and technology, e.g. vehicles, computers.

**Human** – people, their intellectual abilities and the physical work that they are capable of, e.g. labour carried out by a bricklayer or a teacher, or the enterprise skills of a manager.

### Page 20: Resources In My School Community

Curriculum Link: Types of resources (natural, human, capital) and the ways societies use them in order to satisfy the needs and wants of present and future generations (ACHEK002)

Elaboration: Categorising resources as natural (water, coal, oil), human (workers, business owners, designing, making, thinking), and capital (tools, machines, technologies).

#### Answers:

1. Education.
2. Students.
3. Example of school resources include:

**Natural** – the site on which the school is built.

**Capital** – buildings, classrooms, desks, chairs, board, pens, paper, books, computers, gymnasium.

## Section 3

## Personal Consumer Choices

Persuasive advertising uses language together with images that are often exaggerated in order to convince consumers that they must have the products, while informative advertising presents consumers with selective factual information;

- **other advertising techniques** – strategies used to appeal to a target audience may include the use of humour; the inclusion of beautiful people such as models and celebrities; the promise of popularity, happiness, success or beauty; bribery (for example buy one get one free); play on the consumers' fear of ill-health or lack of safety; sentimental images including families, children and pets; scientific evidence that a product really works; the use of repetitive language, for example 'Save! Save! Save!' may also be used to emphasise a particular message and commit it to the buyers' memories.

**Answers:**

Students provide examples of advertisements that they have seen on television that are appealing to consumers.

**Page 30: Advertising 2**

Curriculum Link: Influences on consumer choices and methods that can be used to help make informed personal consumer and financial choices (ACHEK003)

Elaboration: Identifying the variety of selling and advertising strategies used by businesses, for example, television and internet advertising and email promotions.

**AD:**
**Answers:**

1. Brand name: Funky Phone.



Logo:

Slogan: It's fantastic! It's fun! It's funky!

2. The target audience includes young girls and boys aged from approximately 10 years to teenagers.
3. Adjectives such as 'fantastic', 'fun' and 'funky' are used to make the product sound entertaining and attractive. The phrase, 'You'll be the envy of all your friends' and the picture of the young girl surrounded by lots of friends suggests that if you get a Funky Phone you will be popular.
4. Advertising techniques include:
  - i) the promise of popularity (you'll be the envy of all your friends)
  - ii) bribery (free internet for 12 months)
  - iii) scientific evidence (latest technology)

**Extension:**

The advertisement above is an example of print advertising and may appear in newspapers, magazines, online or as a poster. Another way of promoting a product is through radio advertising. Such advertisements require careful consideration as they rely primarily on what consumers can hear rather than visual prompts.

In groups of 2 – 3, create a radio advertisement to persuade listeners that they must buy a Funky Phone. Your advertisement should last between 30 and 60 seconds, make

use of persuasive language and advertising techniques appropriate to the target audience, and include a short jingle.



## Section 3

## Personal Consumer Choices

INCOME	
Pocket money/allowance	\$10.00
Job – walking the neighbour's dogs	\$10.00
<b>Total Income</b>	<b>\$20.00</b>

EXPENDITURE	
Purchase lunch from school canteen twice a week	\$7.00
Bus fare to and from school	\$9.00
<b>Total Expenditure</b>	<b>\$16.00</b>

$$\text{Balance} = \text{Total Income} - \text{Total Expenditure} = \$4.00$$

**Answers:**

- \$4.00
- 

	Total savings	What could they buy?
After 1 month	\$4 x 4 weeks = \$28	A t-shirt, a music album
After 1 year	\$4 x 52 weeks = \$208	A new bike

- Wise consumers will attempt to spend less than their income in order to maximise their savings

**Page 38: Budgeting For A Birthday Party 1**

Curriculum Link: Influences on consumer choices and methods that can be used to help make informed personal consumer and financial choices (ACHEK003) Elaboration: Exploring the strategies that can be used when making consumer and financial decisions, for example, finding more information, comparing prices, keeping a record of money spent, saving for the future.

**Information:**

It's your birthday and you are planning on having a party to celebrate. Your parents have given you a budget of \$100 to spend on the party and any money that is left over

is yours to keep! In order to stay as close to your budget as possible, you have decided to invite only 10 friends and have the party at your house. You already have an outfit to wear, have organised music and have sent the invitations out by email. The only things left to buy include food, drinks, a cake, candles and decorations.

**Answers:**

Answers will vary.

**Page 39: Budgeting For A Birthday Party 2**

Curriculum Link: Influences on consumer choices and methods that can be used to help make informed personal consumer and financial choices (ACHEK003) Elaboration: Exploring the strategies that can be used when making consumer and financial decisions, for example, finding more information, comparing prices, keeping a record of money spent, saving for the future.

**Answers:**

Answers will vary.

**Page 40: Payment Methods**

Curriculum Link: Influences on consumer choices and methods that can be used to help make informed personal consumer and financial choices (ACHEK003) Elaboration: Recognising that financial transactions can include the use of notes, coins, credit and debit cards, and how these may influence the way people purchase items.

**Information:**

Consumers can select from a variety of payment methods when purchasing goods and services. The most common forms of exchange in Australia are made via cash, debit and credit cards.

**Paying with Cash**

Cash refers to money in the form of notes and coins. Many consumers prefer to use cash because all retailers accept this payment method and transactions take place instantly. Another advantage of using cash is that it is relatively easy to keep track of personal spending because people generally know

## Section 1

## Resources And Choices

**Answers:**

2) Suggestions: the race to buy New Year's bargains in department stores; droughts that cause certain crop failures; limited edition products.

**Page 10: Limited Resources 2**

Curriculum Link: How the concept of opportunity cost involves choices about the alternative use of resources and the need to consider trade-offs (ACHEK009)

Elaboration: Explaining why choices have to be made when faced with unlimited wants and limited resources, for example by compiling a list of personal needs and wants, determining priorities (including sustainability of natural environments), and identifying the needs and wants that can be satisfied with the resources available

**Answers:**

1A) Public transport is limited. More public transport would reduce crowding so that people would not have to stand. 1B) Bananas are limited. The shortage is maybe due to a natural disaster.

**Page 11: Limited Resources 3**

Curriculum Link: How the concept of opportunity cost involves choices about the alternative use of resources and the need to consider trade-offs (ACHEK009)

Elaboration: Explaining why choices have to be made when faced with unlimited wants and limited resources, for example by compiling a list of personal needs and wants, determining priorities (including sustainability of natural environments), and identifying the needs and wants that can be satisfied with the resources available

**Information:**

The study of economics helps consumers make informed decisions about what goods and services they want most and what resources are available to meet those wants. Most resources are limited or scarce. While sunshine and wind are limitless, we can't say the same for clean drinking water, land to build houses on or our income. Scarcity of a good or service can make you go without, pay a lot more to have it or go to different places to find it.

**Answers:**


1. There are not enough glue sticks to meet the needs of all the students at the table; some students will have to wait or go elsewhere to find glue.
3. Sample answers: Potable water – people might have to pay considerably more to obtain safe drinking water and be forced to recycle water for home use. Old growth forests – the price of obtaining certain types of wood for furniture and construction would skyrocket, people would have to wait generations for trees in these forests to grow and reach maturity.

**Page 12: Prioritising 1**


Curriculum Link: How the concept of opportunity cost involves choices about the alternative use of resources and the need to consider trade-offs (ACHEK009)

Elaboration: Explaining why choices have to be made when faced with unlimited wants and limited resources, for example by compiling a list of personal needs and wants, determining priorities (including sustainability of natural environments), and identifying the needs and wants that can be satisfied with the resources available

**Information:**




# Tnjui 't!Tdi ppm!Tvqqijft




calculator (large display)	\$12.95	sharpener with waste box	\$2.18
jumbo markers (pk of 10)	\$6.30	USB flash drive (8G)	\$11.50
HB pencil (pk of 6)	\$2.50	magnifying glass	\$4.90
coloured gel pens (pk of 24)	\$10.25	A4 exercise book (64pg)	1.36
long life eraser	\$1.45	A4 plastic cover	.42
correction tape	\$3.35	A4 3-ring folder	\$1.65
highlighters (pk of 8)	\$10.50	stapler	\$4.80
bookmarks (pk of 4)	\$1.85	pencil case (assorted)	\$5.50
ballpoint pens (pk of 6)	\$3.80	glue stick (20g)	\$2.35
ruler (wood)	\$1.50	glitter glue stick (5 colours)	\$1.75
ruler (foldable)	\$3.35	student diary	\$4.98
scissors	\$2.90	geometry set (7 pieces)	\$6.99
scissors (left-handed)	\$4.00		

**Answers:**

Students should compare stationery lists and help each other with their budgets.

## Section 2


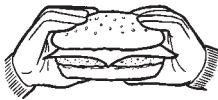










## Consumer And Financial Decisions

## Page 21: Family Spending 1

## Information:




Study the data in this infographic about the Average Australian Weekly Household Costs.

(Source: ABS Household Expenditure Survey 2009-10)

<b>BAKERY PRODUCTS</b>  <b>\$20</b>	<b>EATING OUT AND TAKE-AWAYS</b>  <b>\$32</b>	<b>SHOES</b>  <b>\$7</b>	<b>HOUSEHOLD APPLIANCES</b>  <b>\$13</b>
<b>MOBILE PHONE</b>  <b>\$12</b>	<b>CHILD CARE</b>  <b>\$9</b>	<b>AUDIO VISUAL EQUIPMENT</b>  <b>\$14</b>	<b>NEWSPAPERS AND BOOKS</b>  <b>\$9</b>
<b>HOLIDAYS</b>  <b>\$52</b>	<b>PET CARE</b>  <b>\$11</b>	<b>PERSONAL CARE</b>  <b>\$11</b>	<b>HEALTH SERVICES</b>  <b>\$20</b>

Study this table comparing the weekly spending of a family (aged under 35 years) with no children to a family with children (ages 5-14 years).

(Source: ABS Household Expenditure Survey 2009-10)

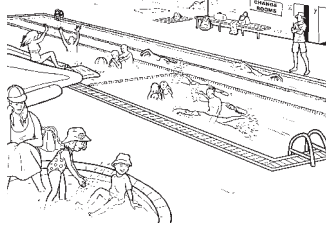
<b>Goods and services</b> 	<b>Couple with no children (aged under 35)</b> 	<b>Couple with children (ages 5-14)</b> 
Housing	\$360	\$325
Fuel and power	\$26	\$43
Food and drinks	\$207	\$279
Alcohol	\$41	\$31
Clothing and footwear	\$52	\$64
Medical and health expenses	\$58	\$77
Transport	\$224	\$254
Recreation	\$182	\$204
Total weekly expenditure	\$1429	\$1670



## Section 3

## Business And Industry

## SPLASH SWIMMING POOLS LTD



- This business has shareholders (an owner or owners that share in the profits if the business performs well).
- The objective of this for-profit business is to make money.
- For-profit businesses can support a good cause, but this is also linked to getting positive publicity that can help improve profits.
- The owners of this for-profit business can decide to change to a new business if building swimming pools is not profitable. After all, the mission is to make a profit.
- This for-profit business has legal obligations to pay tax.
- This business competes for sales with other similar businesses. It needs to be innovative and up-to-date in new technological know-how.

## FERNTREE VALLEY DOG, CAT AND BIRD SHELTER



- This business has members. Any surplus must be held for the next year or reinvested in the business. Members do not receive money for their work.
- The objective of this not-for-profit business is to help others, in this case, homeless animals.
- Even if this shelter's members invest their own money in projects, they do not "own" the business and cannot receive money from it.
- This business could receive tax breaks from the Government to help it continue its good work.
- The shelter competes with other not-for-profit businesses for members, volunteers and funds. It has to justify its decisions to a large group of members about how funds are spent.

## Page 40: Not-For-Profit Businesses

Curriculum Link: The reasons businesses exist and the different ways they provide goods and services (ACHEK011)

Elaboration: Explaining the difference between not-for-profit and for-profit businesses

## Information:

There are over 600,000 registered not-for-profit charities providing community support in Australia and overseas in diverse areas such as wildlife conservation, aged care services and humanitarian aid.

Read the fact file below on a charity called the Northern Region Westpac Life Saver Rescue Helicopter Service that provides free helicopter transport in medical emergencies in the Lismore / Byron Bay area of New South Wales.

## FACT FILE:

## Northern Region Westpac Life Saver Rescue Helicopter Service

**BUSINESS OBJECTIVE:** To deliver emergency medical and rescue helicopter services 24 hours a day, every day of the year, free of charge, whenever life is threatened.

**GOVERNANCE:** A board of eight directors, which meets six times a year. The Board brings aviation and business experience to the service.

**MAJOR SPONSORS:** Westpac, Surf Life Saving Australia, NSW Government, Lions International, Casino, CHT, Yellow Pages.

**CHARITABLE ACTIVITIES:** Surf rescues, attending road accidents, rescue missions at sea, transporting patients to other hospitals, searching for lost plane beacons.

**FUND-RAISING:** Community or individual fund-raising on the charity's behalf, volunteers to help in fund-raising events (raffles, Op Shop), sales from branded merchandise (key rings, caps, pens, stubby holders), business sponsorship.

**HOW DONATIONS ARE MADE:** Online, payroll deductions, phone or mail, bequests, in memoriam, donation gift card, apps for phones and tablets.

## Answers:

Teacher to check.

## Section 3

# Business And Industry

3. In very remote regions principally in the Northern Territory.
4. Suggestion: community shops were small, but modern and well-stocked.

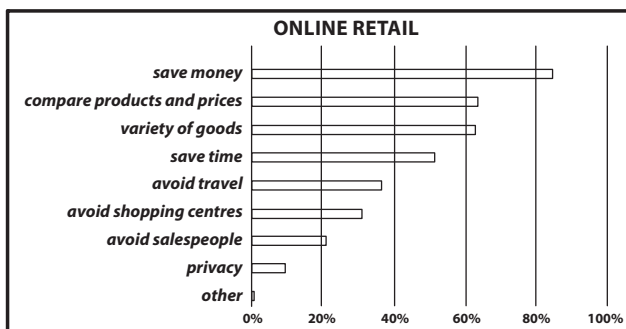
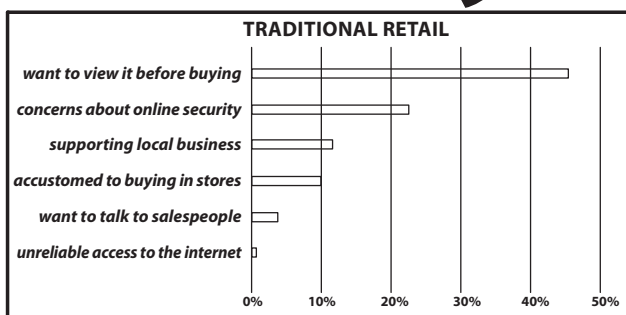
### Page 48: Online Shopping 1

Curriculum Link: The reasons businesses exist and the different ways they provide goods and services (ACHEK011)

Elaboration: Identifying why businesses exist and investigating the different ways that goods and services are provided to people, for example through shopping centres, local markets, online, small independent stores, remote community stores.

#### Information:

The retail industry in Australia has undergone important changes in the way it traditionally provides goods and services to consumers. The development of online shopping (or e-commerce) has taken retailers by storm. So much so that it is predicated that by 2021, 11% of retail sales will be online and 65% of those will be from overseas retailers. Consumers still see the need to buy via traditional retail outlets, but are also driven by the numerous advantages of buying online. The following graphs (Source: Australian Institute of Statistics (2011)) compare what motivates consumers to participate in traditional in-store retail and online retail.



### How do businesses sell online?

Consumers have the choice of thousands of e-commerce retailers. Ebay is the largest online marketplace in Australia with over 4.3 million people visiting its website (2014). Other top online shopping sites include: Amazon, Woolworths, Gumtree and GetPrice Network. These businesses use various ways to sell their goods online, for example, advertising on their websites, auction services and through social media. Small and medium businesses are also expanding their marketing strategies by developing their own online retail sites.

### Page 49: Online Shopping 2

Curriculum Link: The reasons businesses exist and the different ways they provide goods and services (ACHEK011) Elaboration: Identifying why businesses exist and investigating the different ways that goods and services are provided to people, for example through shopping centres, local markets, online, small independent stores, remote community stores.

#### Answers:

1. E-commerce is shopping conducted electronically on the Internet.
2. The data in the online retail graph suggests that people are quite motivated (62%); e-commerce sales are increasing annually.
3. About 46%. People could be afraid of being misled by the images of products on the web pages.
4. Shopping is literally at people's fingertips, people save time not having to travel and park at shopping centres.
5. Teacher to check.
6. If local small retailers have online sales, consumers can still support local businesses through e-commerce.
7. Suggestions: using high quality photography to maximise depiction of products; giving more assurances of consumer protection against fraud; keeping postage/shipping costs as low as possible.