

SING YIN SECONDARY SCHOOL
SYLLABUS FOR ECONOMICS – SEPTEMBER 2016 - JULY 2017

FORM FIVE

Textbooks Chan and Kwok, New Horizon Economics 4B, 5AB HKEP

Objectives:

- 1 To let students acquire the general economic principles and concepts
- 2 To develop students' interest in the subjects
- 3 To develop students the skills of applying economic principles to real world situations
- 4 To train students the economic ways of thinking
- 5 To help students to acquire the following values:
 - a. Being respectful of other people's point of views
 - b. Being critical and objective towards social issues
 - c. Being respectful of private property rights

Syllabus Topic	Specific Objective	Periods
1. Market intervention	<ul style="list-style-type: none"> • price ceiling and price floor • per unit sales tax and tax incidence • per unit business subsidies and shares of the benefit between consumers and suppliers • quotas 	15
2. Efficiency, equity and role of Government	<p>Students are expected to understand the following:</p> <ul style="list-style-type: none"> • Efficiency: maximization of total social surplus and equality between marginal benefit and marginal cost (2) • Impacts of government intervention: (6) <ul style="list-style-type: none"> • on efficiency • on income distribution (as indicated by changes in consumer and producer surplus) • Externalities (6) <ul style="list-style-type: none"> • Possible losses from externalities • Private contracting versus Government intervention • Income inequality and its measurement: Gini coefficient and Lorenx Curve (4) <ul style="list-style-type: none"> • Uses of the Gini coefficient and the Lorenx curve, and its limitations • Reasons for income inequality • Equality versus efficiency (2) <ul style="list-style-type: none"> • Equality in opportunity or in results • Role of the government to achieve a greater degree of income equality and the possible trade-off between equality and efficiency 	20
3. Macroeconomics Aggregates	<p>Students are expected to understand the following:</p> <ul style="list-style-type: none"> • National income and its measurement: GDP and GNP (10) <ul style="list-style-type: none"> • Production approach and Expenditure approach • GDP at factor cost versus market price • Nominal versus real measures of national income • Per capita measures of national income 	20

	<ul style="list-style-type: none"> • Uses of national income statistics • Limitations of national income statistics • Recent trend of national income of Hong Kong 	
(b) Unemployment	<ul style="list-style-type: none"> • Unemployment and its measurement • Unemployment rates and Underemployment rates • Costs of unemployment • Uses of unemployment statistics and its limitations • Recent trend of the unemployment rate of Hong Kong 	(5)
(c) The general price level	<ul style="list-style-type: none"> • The price level and its measurement: CPI and GDP deflator • Uses of the price index and its limitations • Recent trend of the price level of Hong Kong 	(5)
4. Money and banking	Students are expected to understand the following:	20
(a) Banks	<ul style="list-style-type: none"> • Commercial (or private) banks and the central bank and their functions 	(2)
(b) Money	<ul style="list-style-type: none"> • Money and its functions • Types of money in modern society 	(4)
(c) Money supply	<ul style="list-style-type: none"> • Money supply and its measurement 	(1)
(d) Hong Kong as a financial centre	<ul style="list-style-type: none"> • factors leading to this development • effects on Hong Kong's economy 	(1)
(e) Credit creation and Monetary policy	<ul style="list-style-type: none"> • The model of credit creation • Monetary policy <ul style="list-style-type: none"> • Types of monetary policy and monetary policy instruments • The reality of the monetary policy of Hong Kong 	(12)
5. Inflation, Interest and the money market	Students are expected to understand the following:	20
(a) Inflation	<ul style="list-style-type: none"> • Inflation (deflation) as a monetary phenomenon (illustrated with the classical quantity theory of money) 	(6)
(b) Inflation and interest	<ul style="list-style-type: none"> • Relationship between nominal interest and real interest (illustrated by the Fisher equation) • Measuring the realized real interest rate and real return of assets 	(4)
(c) Redistributive effects of inflation	<ul style="list-style-type: none"> • Redistributive effects under unanticipated inflation and (illustrated by examples) • No redistributive effects when inflation is fully anticipated • Indexation or Inflation correction 	(2)
(d) Money market	<ul style="list-style-type: none"> • Money demand: Transaction and asset demand for money • Determination of the interest rate by the money supply and the money demand 	(8)
6. Government budget	Students are expected to understand the following:	10
	<ul style="list-style-type: none"> • Composition and types of fiscal budget 	

	<ul style="list-style-type: none"> • Types of government expenditure • Types of government incomes: Taxes and other revenue • Taxation <ul style="list-style-type: none"> • Adam Smith's principles of taxation • Direct and indirect tax • Proportional, progressive and regressive tax • The income redistributive effect of taxation 	
7. Exchange rates and Balance of payments	Students are expected to understand the following:	10
(a) Exchange rates	<ul style="list-style-type: none"> • Exchange rates: Prices or exchange ratios among different currencies • Fixed versus flexible exchange rates • The linked exchange rate system and the currency board system in Hong Kong 	(2)
(b) Balance of payments	<ul style="list-style-type: none"> • The balance of payment accounts Details of the capital and financial accounts are NOT required • Balance of payment surplus versus balance of payment deficit • National income identity and the BoP accounts 	(8)
Total periods		115

Teaching Strategy:

1. Around 5 lessons will be left for revision and further training on the skills and technique in answering questions.
2. Current issues will be cited to illustrate the underlying principles.
3. Emphasizes should be put on the application of economic theory to the real world.
4. Group discussion and presentation will be used as the tools to facilitate cooperative learning and monitor students' understanding.

Signature of Teacher in charge

Checked by

Mr. Kwok Wai Keung

Mr. Li Chung Man