

DSE Economics

- **Objectives**
- **Curriculum (F.4-F.6)**
- **Public examination**

Objectives of Economics Curriculum

Teach students basic economics **knowledge**;

Cultivate their ability to apply knowledge in **real life** situations;

Enable students to make rational judgement and wise choices in their own life and **social issues**.

Economics Curriculum

1. Basic concepts (12 hrs)
2. Firms & Production (30 hrs)
3. Market & Price (32 hrs)
4. Competition & Market Structure (8 hrs)
5. Efficiency, Equity & the Role of Government (18 hrs)
6. Measurement of Economic performance (12 hrs)

Economics Curriculum

7. National Income Determination & Price Level (16 hrs)
8. Money & Banking (18 hrs)
9. Macroeconomic Problems & Policies (30 hrs)
10. International Trade & Finance (18 hrs)
11. Monopoly Pricing, Anti-competitive Behaviours & Competition Policies (22 hrs)

Public Examination (3 Hr 15 Min)

- Paper 1 MC Questions **1 Hr**

(Weighting 30%,)
- Paper 2 Short Questions **2 Hr 15 Min**
& Structured Questions.

(Weighting 70%,)

Questions are based on Current World News

- **Business cycle (Depression, recovery, etc.)**
- **Fiscal deficit (U.S.) Vs fiscal surplus (H.K.)**
- **Linked exchange rate system (Switzerland)**
- **Euro debt crisis**
- **International trade (export, import)**
- **Quantitative easing (QE in Japan)**
- **Overheated property market (stamp duty)**
- **Inflation problem**
- **Unemployment problem**

Necessary Mathematical Skills

- Interpret statistical data (table-form)
- Analyse charts (graph)
- Draw diagrams (demand-supply)
- Calculate

E.g. Apply formulas

Handle percentages (GDP growth rate)

Ratio (Income distribution)

Convert data to diagram and vice versa

Frequently asked questions

- Interpret data
- Interpret chart
- Analyse trend
- Apply formulas to calculate answers
- Explain phenomenon with economic theories
- Predict effects of certain actions or policies
- Draw diagrams to support arguments

National Income Statistics

GDP by expenditure component	2007	2011	2012
Expenditure components at current market prices (HK\$ billion)			
Private consumption expenditure	982.4	1,240.80	1,325.70
Government consumption expenditure	139	168.5	185.4
Gross domestic fixed capital formation	340.4	455	537.4
Changes in inventories	12.8	11.7	-9.3
Exports of goods (f.o.b.)	2,698.90	3,411.40	3,580.80
Exports of services	664.1	936.5	985.8
Less : Imports of goods (f.o.b.)	2,852.50	3,848.20	4,116.40
Imports of services	334.2	439.7	449.4
GDP	1,650.80	1,936.10	2,040.10

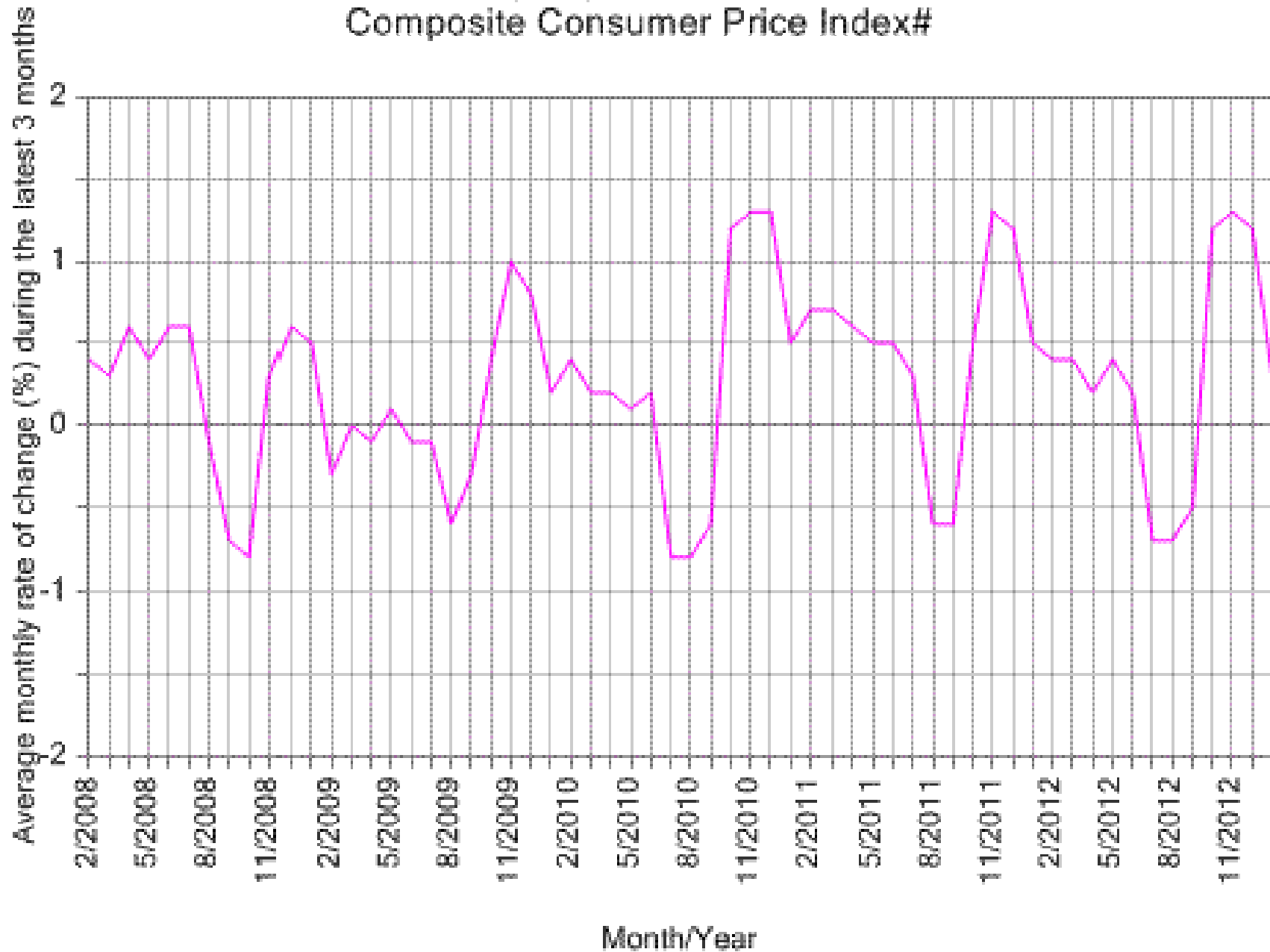
Aggregate merchandise trade (HK\$ billion)

Type of trade	2007	2011	2012
Imports	2,868.0	3,764.6	3,912.20
Domestic exports	109.1	65.7	58.8
Re-exports	2,578.40	3,271.60	3,375.50
Total exports	2,687.50	3,337.30	3,434.30
Total trade	5,555.50	7,101.80	7,346.50
Merchandise trade balance	-180.5	-427.3	-477.8
As percentage of imports (%)	6.3	11.4	12.2

Year-on-year rates of change in the Consumer Price Indices (%)

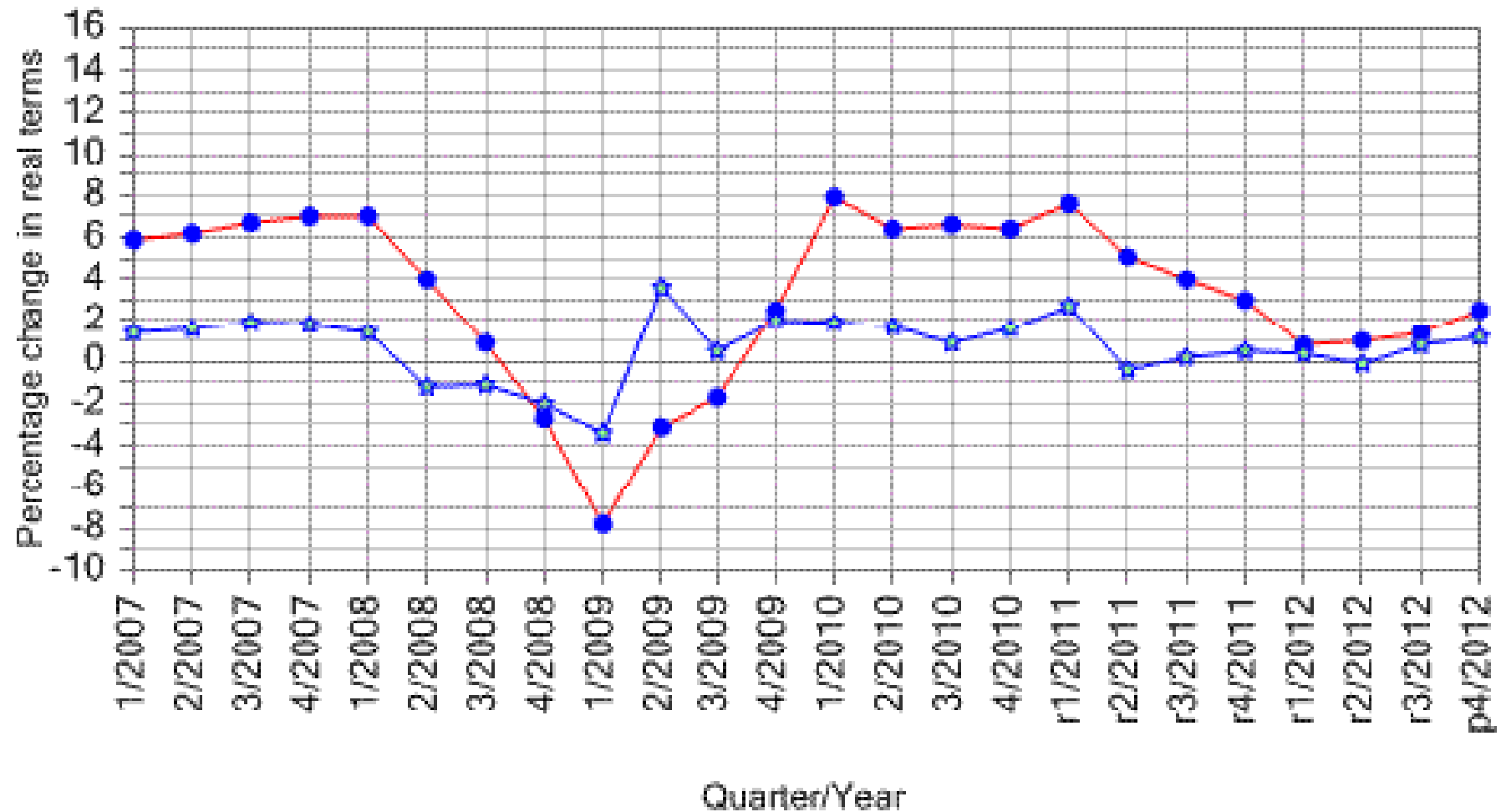
Types of CPI	2007	2011	2012
Composite Consumer Price Index	2	5.3	4.1
Consumer Price Index (A)	1.3	5.6	3.6
Consumer Price Index (B)	2.2	5.2	4.3
Consumer Price Index (C)	2.7	5.1	4.1

Seasonally Adjusted Composite Consumer Price Index#



The seasonally adjusted indices are subject to revision up to 3 years after original publication.

Gross Domestic Product (GDP) In chained (2010) dollars



● Year-on-year % change
in the original GDP series

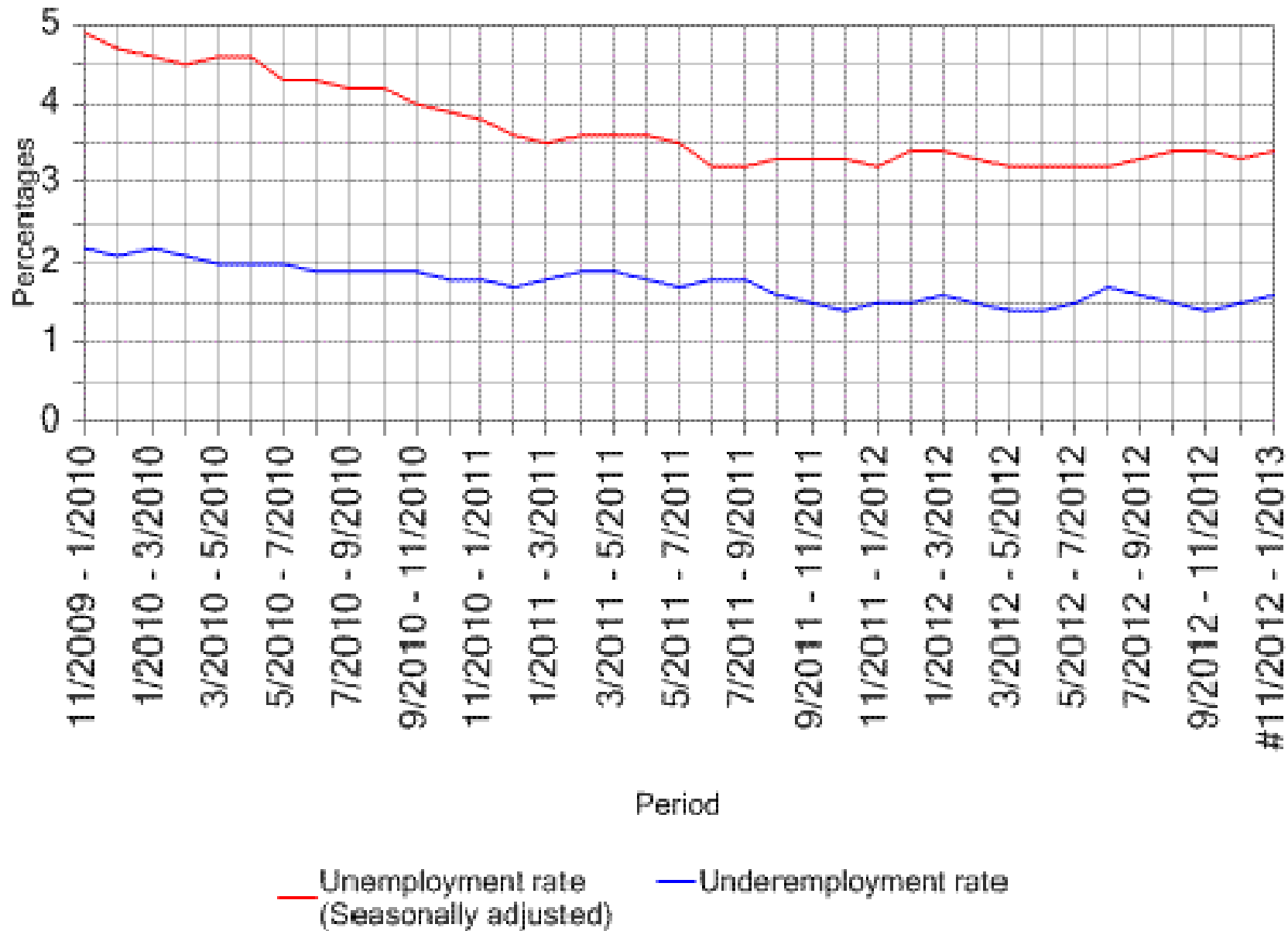
◆ Quarter-to-quarter % change
in the seasonally adjusted GDP series

r Revised figures.

p Preliminary figures.

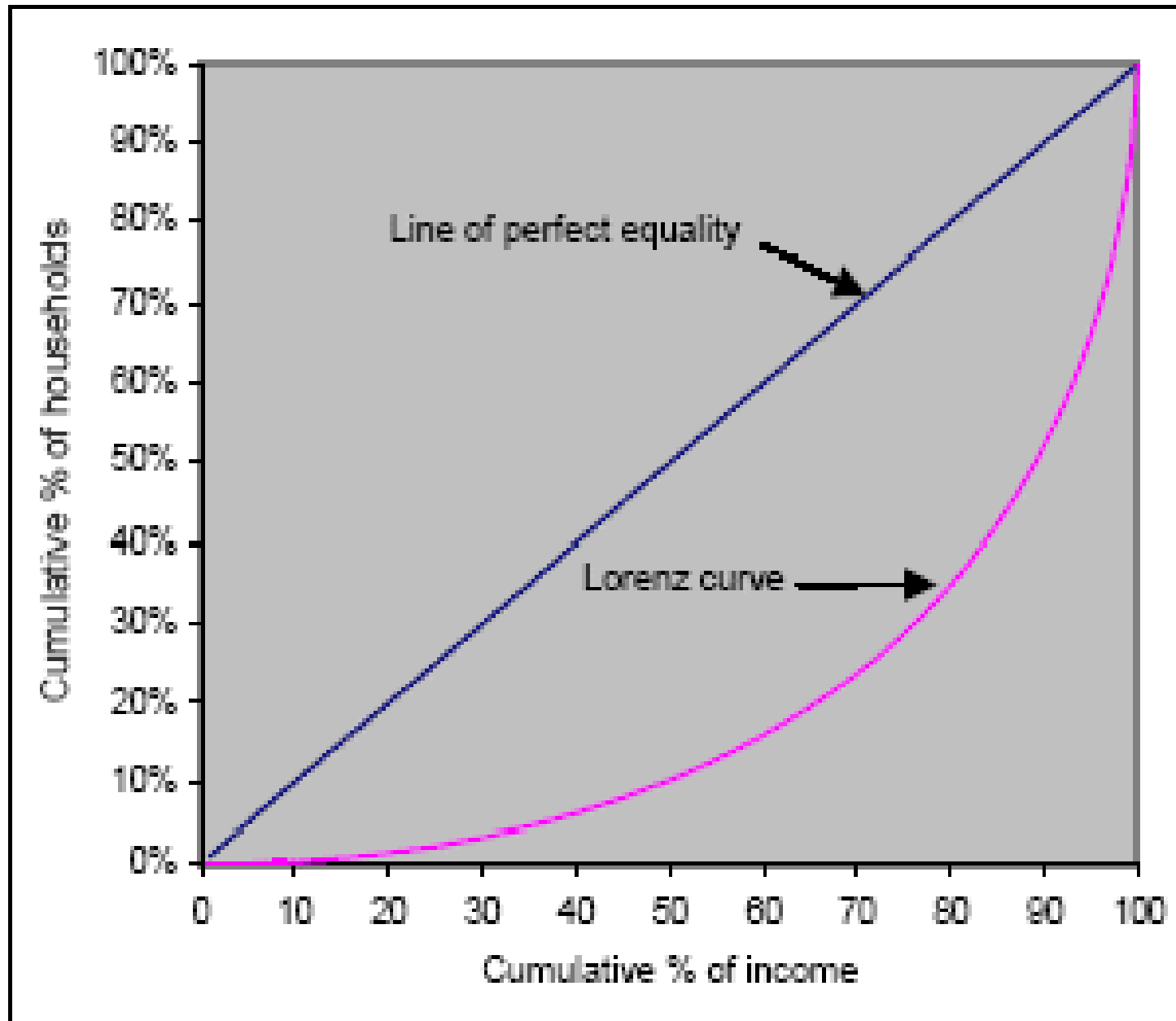
Figures are the latest data released on 27 February 2013.

Unemployment Rates (Seasonally Adjusted) and Underemployment Rates



Provisional figures

Lorenz curve/ Gini Index



Draw Graph

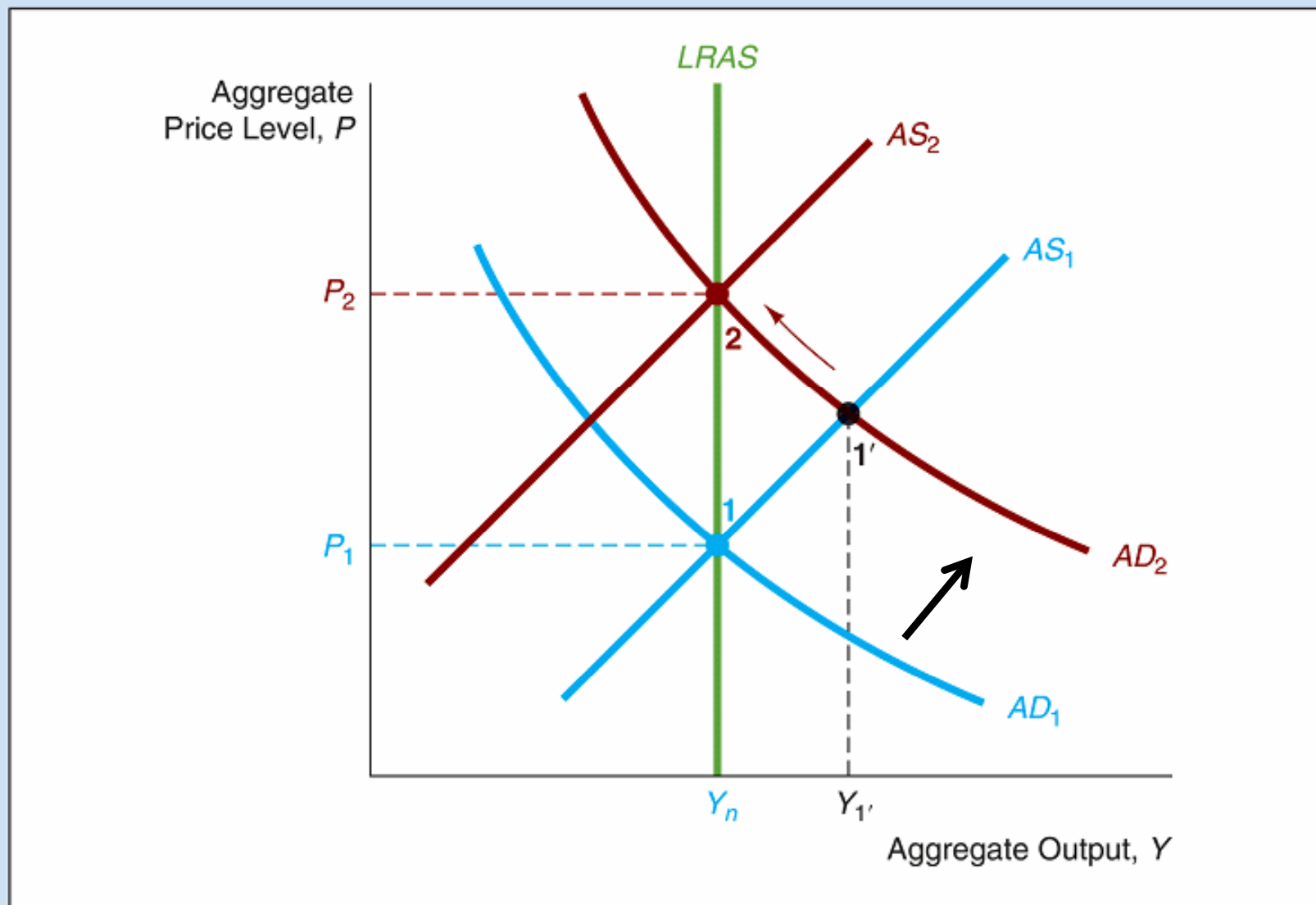
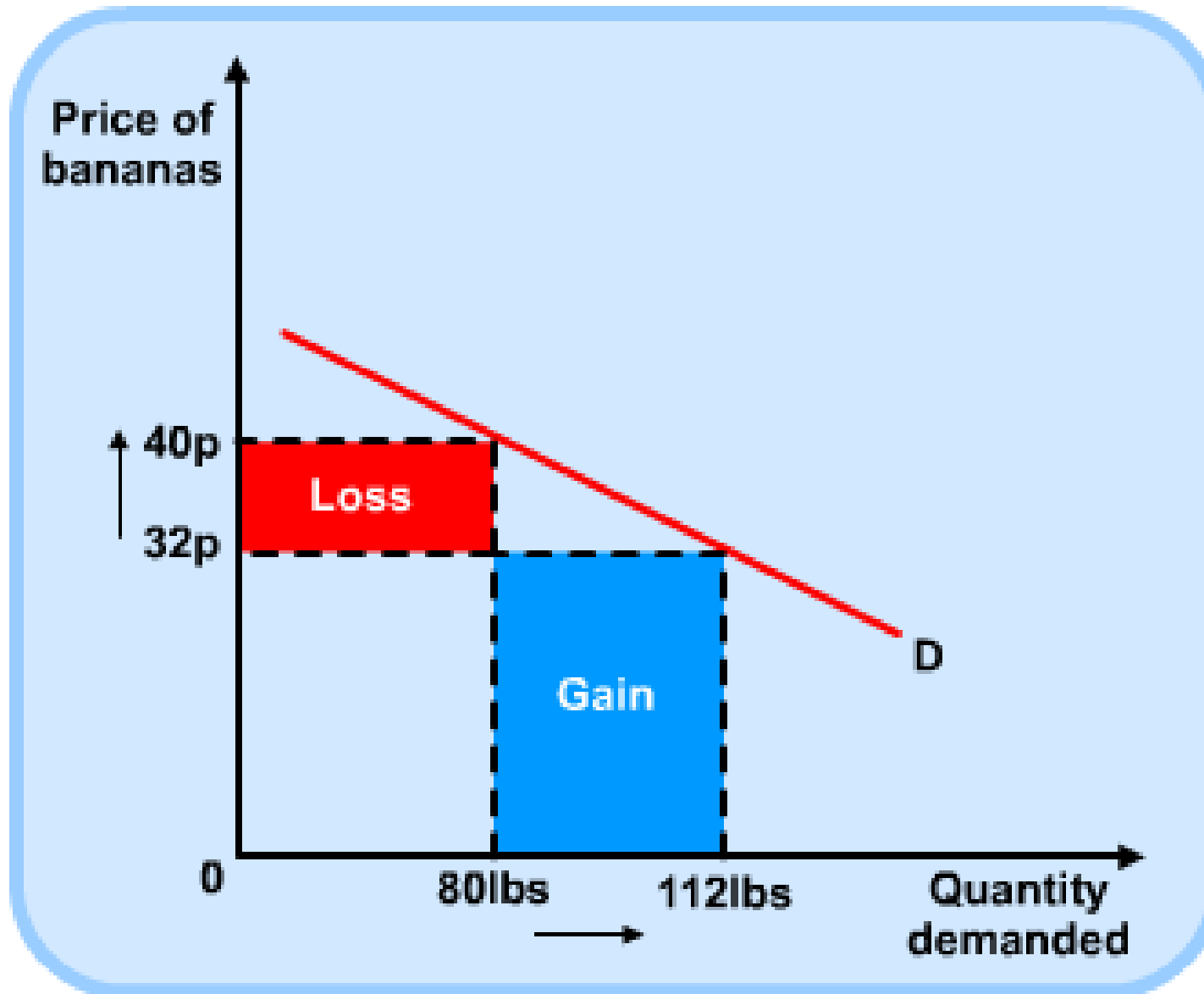


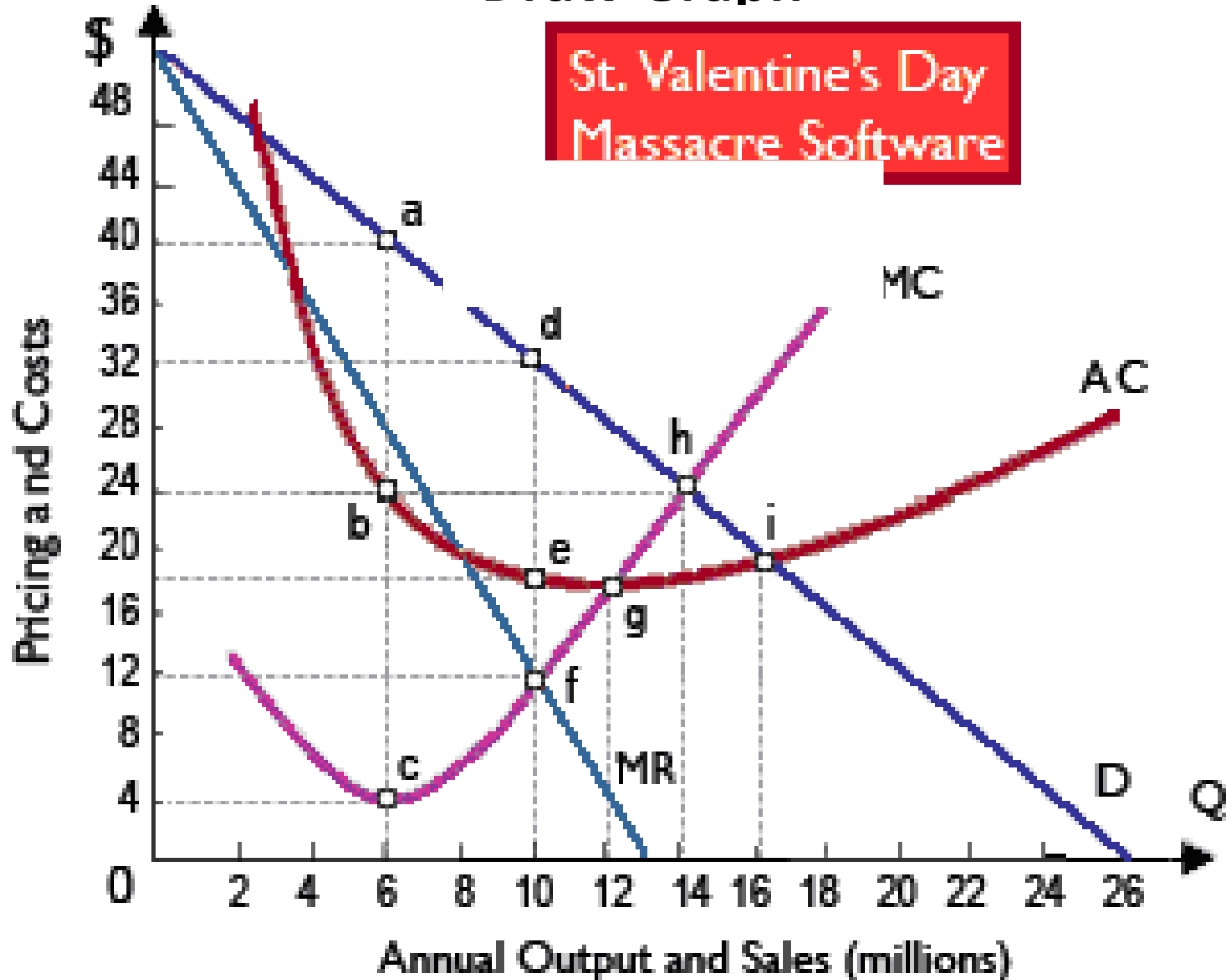
FIGURE 3 Response to a One-Shot Permanent Increase in Government Expenditure

Draw Graph



Draw Graph

St. Valentine's Day
Massacre Software



Pre-requisites (requirements)

- Strong interests in economic issues :
 - Habit of reading daily world news
- Strong mathematics skills :
 - Application of formulas
 - Accurate calculation
 - Graph-presentation
 - Conclusion /Explanation
- Continuous hard work :
 - Learning spreads over 3 years
 - Handle long syllabus

Parents' Role

- Discuss daily news together with student.
- Help students relate **knowledge** to **real world**.
- 2012 Examination Authority meeting:
Students are **lack of experience** of purchasing home. They **cannot comprehend** and handle exam question which is **beyond their own experiences**. In 2012 DSE exam paper, many students do not understand “**mortgage**” and so fail to answer the question.
- They need parents' support and guidance.

Thank You