

PEARSON ECONOMICS 11

THE MARKET ECONOMY

2023

Sample pages

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Welcome

The Market Economy

You are standing on the starting block of your study of economics, about to dive into a world that uses special language, concepts and theories to build a complex understanding of how the economy works in the modern world. It's a daunting task, there is a lot to learn, and a fair bit of it does not come naturally. It is, however, very rewarding.

Understanding economics will help you to unlock many of the mysteries of the modern world. You will better understand the issues involved in making personal choices – what kind of job to choose, what course to study, what to spend money on, and whether to borrow or save. You will better understand the forces around you – what makes indicators such as interest rates, share prices, unemployment and the Australian dollar move up and down. And you will better understand the forces that shape our world today – making better sense of issues discussed in the media every day, and how Australia fits into what we describe as the global economy.

If it seems hard going at first, you should find that studying Economics gets easier as you go along. Initially, you need to understand the foundations and building blocks of modern economies – the technical aspects of how markets work, how consumers make decisions about what they want, and how businesses decide what to produce. This is the main focus of the Year 11 course and of this book. It is economics at the micro level (the level of individual agents and markets). The significance of what you learn here may not be immediately obvious, but once you have put these blocks together the bigger picture should become clear.

In the Year 12 course, the focus is on the big picture: how the global economy works and how governments manage the economy and choose between competing policy goals. This is economics at the macro level. But to understand the bigger picture of how economies function in the real world, you need a solid grasp of the foundations of economics. And that's what this book is about.

This is the twenty-second edition of *The Market Economy*, and we're as enthusiastic about this edition as we were for the first one back in 2001. This textbook is a collaborative effort of a whole team of economic researchers. Each year, the book is comprehensively revised and refined to reflect feedback from students and teachers, as well as changes in global and domestic economic conditions and developments in the economic policy environment. Our thanks to all of the team involved in the production of this textbook, both for this year and previous years.



*The textbook team (L-R): Zain Ahmed, Ben Lorschy, Tim Dixon, Natalie Baker, Michael Pabos, Joel Bank, Michelle Mountford, Luke Goldman, John O'Mahony.
Not pictured: Vanessa Li, Ben Robinson.*

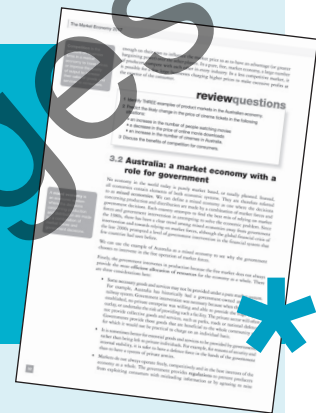
How to use this book

Congratulations on choosing *Pearson Economics 11: The Market Economy* as your Year 11 Economics text. Before you use this book, we'd like to highlight some of its key features.

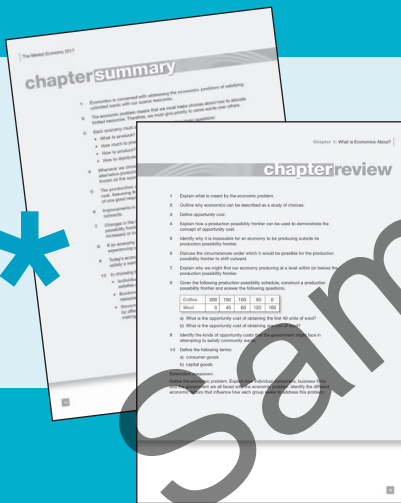


The text is divided into six Topics following the structure of the Year 11 Economics syllabus. Each Topic is introduced by a page that includes the relevant Focus, Issues and Skills for that Topic, reflecting the syllabus objectives. This is followed by an introduction to each chapter within the Topic.

As well as case studies, quotations and summaries of key information, the 2023 edition of *The Market Economy* includes regular **review questions** throughout the text and **margin definitions**.



Each Chapter concludes with a 10-point **Chapter Summary** and then **Chapter Review** questions. The Chapter Summary is a good starting point for your notes on each chapter, and the review questions are a great way to test your understanding of the chapter.

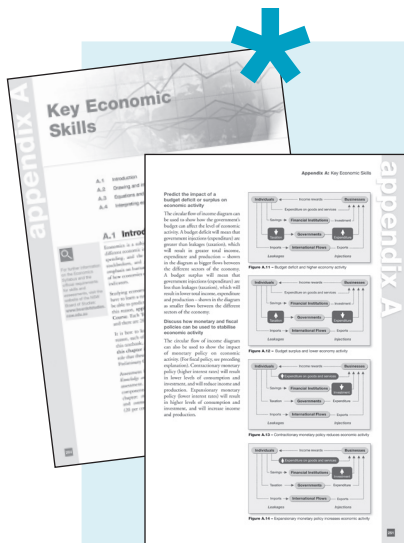


The comprehensive **Glossary** at the back of the text provides a ready reference for over 350 key economics terms and concepts.



Throughout the text you will find references to useful websites relevant to that area of study.





A unique feature of *The Market Economy* is the Appendix: **Key Economic Skills**, which gives you the opportunity to master the 26 skills of the Year 11 Economics syllabus. The Appendix covers three main areas: drawing and interpreting economic diagrams, equations and calculations, and interpreting economics data and information. By working through this material you will develop and reinforce the key economic skills.

The Market Economy Workbook Ninth Edition

The accompanying workbook *The Market Economy Workbook Ninth Edition* is a great resource to further help you in your study of the Year 11 Economics syllabus.

This year we have added enhanced answers to the workbook answers, including worked solutions for answers that require calculations and additional explanations for answers that require you to demonstrate a deeper understanding of key concepts and knowledge. These will allow you to not only confirm whether you arrived at the right or wrong answer, but to understand why.

How to access answers to the Workbook

You can download the answers to the multiple-choice and short-answer questions in the workbook by following these simple steps:

If you have *Pearson Economics 11: The Market Economy 2023 Edition* eBook:

After activating your code, you can find the workbook answers by clicking on the 'Explore resources' tab in your eBook.

If you don't have an eBook:

1. Go to: www.pearsonplaces.com.au
2. Login or sign-up (free)
3. Scroll down and click on 'Check out our library of free resources and click on 'Explore now'
4. Search for 'The Market Economy'
5. Click on 'Workbook answers' from the list.



We really hope that this text makes your study of Economics more enjoyable and rewarding. The book is revised and updated each year to make sure it stays sharp and contemporary.