

Summary

3.3 Macroeconomic objectives - Economic Growth

Subject	Year	Start date	Duration
Economics	IB2	Week 4, September	1 week 3 hours

Course Part

Macroeconomics

Description

Economic growth:

- Define economic growth as an increase in real GDP.
- Calculate the rate of economic growth from a set of data.
- Explain, using a production possibilities curve (PPC), economic growth as an increase in actual output.
- Explain, using a PPC diagram, economic growth as an increase in production possibilities.
- Explain, using an AD diagram, economic growth as an increase in potential output.
- Explain, using a LRAS diagram, economic growth as an increase in potential output.
- Evaluate the view that increased investment is essential for achieving economic growth.
- Evaluate the view that improved productivity is essential for achieving economic growth.
- Explain the measurement of economic growth. Discuss the possible consequences of economic growth on living standards, the environment and income distribution.

Inquiry & Purpose

Inquiry / Higher Order Questions

Type

Inquiry Questions

Skills-based

What sustainable economic growth might look like and how it might be achieved

Curriculum

Objectives

Application and analysis (AO2)

Analyse how economic information is used effectively in particular contexts

Use and application of appropriate skills (AO4)

Interpret appropriate data sets

Syllabus Content

Unit 3: Macroeconomics

Real-world issue 1 - Why does economic activity vary over time and why does this matter?

3.3 Macroeconomic objectives

Economic growth

Short-term growth

Actual growth in the PPC model

Role of AD in the AD/AS model

Long-term growth

Shifts of the PPC (growth in production possibilities)

Role of LRAS in the AD/AS model

Measurement of economic growth

Consequences of economic growth, including:

impact on living standards

impact on the environment

impact on income distribution

Diagram: PPC model showing actual growth and growth in production possibilities

Diagram: AD increases showing increases in real output

Diagram: LRAS increases showing increases in full employment output

Calculation: the rate of economic growth from a set of data

Concepts

Change in the conditions of the demand and supply sides of the economy cause economic activity to vary over time.

- Fluctuations in economic activity impact the **economic well-being** of individuals and societies.

ATL Skills

Approaches to Learning

Thinking

- In this unit, we will

help students to make their thinking more visible (for example, by using a strategy such as a thinking routine)

IB DP IB Economics Group 3 (IB2)



Social

- In this unit, we will

have students discuss their understanding of a text or idea among themselves and come up with a shared understanding



Developing IB Learners

☆ **Learner Profile**



Knowledgeable



Principled



Reflective