

LESSON PLAN

Economics

Level: S5

Topic: Measurement of economic performance (I)- GDP and GNP

In Economics, there are three approaches compiling Gross Domestic Product (GDP). Students are required to learn expenditure approach and production approach. In this lesson plan, production approach would be covered.

1. Students' prior knowledge

Students have learnt

- the definition of GDP;
- the definition of resident producing units (firms maintaining economic interest in the economy; and
- the compilation of GDP by expenditure approach (C+I+G+X-M).

2. Specific objectives of the lesson:

After the lesson, the students are able to:

- a. explain the meaning of “value-added”;
- b. identify the resident producing units in a production chain;
- c. calculate the contribution of each resident producing units in an economy;
- d. calculate the GDP of an economy by production approach without indirect taxes and subsidies; and
- e. calculate the GDP at market price and factor cost with direct taxes and subsidies.

3. Instructional sequence

MACRO-TEACHING AND LEARNING CYCLE		
Setting the context	<ul style="list-style-type: none"> ● checking prior knowledge by questioning, like: <ul style="list-style-type: none"> ✧ what GDP is; ✧ what resident producing units are and examples of them; ✧ what expenditure approach is; and ✧ how to calculate GDP by expenditure approach ● stating the aim of this lesson: calculating GDP by production approach 	Est.time 5 mins

MINI-CYCLE 1 Setting the context	<ul style="list-style-type: none"> ● showing a simple production chain regarding a food stall ● learning the meaning of value-added and value of intermediate consumption ● learning how to calculate the contribution 	2 mins
Modelling & Deconstruction	<ul style="list-style-type: none"> ● explaining the meaning of the value of output and value of intermediate consumption (payment to other firms to buy inputs) ● showing how to calculate the value-added of the snack shop <p>(deconstruction: value added is not the same as sales revenue, wages to the labour is not the payment to other firms so it is not counted as value of intermediate consumption)</p>	5 mins
Guided construction	<ul style="list-style-type: none"> ● doing 1 question together <p>Guided questions:</p> <ul style="list-style-type: none"> ✧ What is the chart called? (a production chain) ✧ How much can the firm receive? ✧ How much did the firm pay? What is it for? ✧ What is the contribution of the firm? <ul style="list-style-type: none"> ● introducing the term “intermediate consumption” after doing the guided question 	5 mins
Independent construction	<ul style="list-style-type: none"> ● asking students to do another similar question individually ● assigning one student explain the question to the whole class afterwards 	4 mins
MINI-CYCLE 2	<ul style="list-style-type: none"> ● adding more firms to the production chain (zooming out) ● calculating the contribution of the whole production chain to the economy’s GDP 	2 mins
Modelling & Deconstruction	<ul style="list-style-type: none"> ● demonstrating one example by the teacher <ul style="list-style-type: none"> ➤ identifying resident producing units of the economy and putting ticks ➤ calculating the contribution of each RPU and writing it down ➤ adding up the contribution of each RPU and getting the answer 	5 mins

	<ul style="list-style-type: none"> ➤ checking the answer by expenditure approach (deconstruction: not adding up the contribution of every firm in the production chain) 	
Guided construction	<ul style="list-style-type: none"> ● doing 1 question together <p>GUIDED QUESTIONS:</p> <ul style="list-style-type: none"> ● Which are firms operating in Hong Kong? What are they called? ● What is the contribution of each RPU? ● How to calculate? ● What is it called? ● What is the contribution of the production chain to the GDP of Hong Kong? ● Can you get the same number with expenditure approach? <p>introducing the term “GDP at factor cost”</p>	5 mins
Independent construction	<ul style="list-style-type: none"> ● asking students to do another similar question individually ● assigning one student explain the question to the whole class afterwards 	5 mins
MINI-CYCLE 3	The most advanced type of question regarding production approach: with indirect tax (like sales tax) and subsidies	2 mins
Modelling & Deconstruction	<ul style="list-style-type: none"> ● demonstrating one example by the teacher with a per-unit tax ● telling that the factory owner cannot receive the per unit tax so it should be deducted before calculating the value-added ● demonstrating one example by the teacher with a per unit subsidy ● telling that the factory owner can receive more than what the consumers pay so we should add the amount of subsidies before calculating value-added 	5 mins
Guided construction	<ul style="list-style-type: none"> ● doing 1 question together <p>GUIDED QUESTIONS:</p>	5 mins

	<ul style="list-style-type: none"> ● Is there any per unit tax/ subsidy? ● Can factory owners receive these amounts? ● If yes, what should we do? ● If no, what should we do? ● What is the GDP at factor cost? 	
Independent construction	<ul style="list-style-type: none"> ● asking students to do another similar question individually ● asking students to check answers and explain to their peers 	5 mins
Summary	<ul style="list-style-type: none"> ● summarizing the calculation of GDP by production approach ● assigning post-lesson task (past paper questions) to consolidate learning 	5 mins