



### Why is the study of Economics important?

Economics is a very topical qualification that is always evolving and present in the news. It is about people and their economic choices. This course enables you to appreciate we are all part of the economy and that economics relates to every aspect of our lives – from the decisions of individuals or families to the structures created by governments and firms. It raises awareness of how economic issues affect choices about resources and markets and vice versa.

### What skills will the study of Economics teach you?

- Thinking logically and critically - using knowledge and economic theory and applying it to real world situations
- The ability to simplify complex issues and extract the relevant pieces of information
- Data analysis and calculations
- Written and spoken communication - providing an economic argument with research and application

### What will you know and understand from your study of Economics?

- How markets operate and the roles of consumers, producers or workers within markets
- How the economy works nationally and globally and the levers employed by governments to reach desired social and economic objectives
- Understand and apply their economic knowledge and skills to investigate current and historical economic situations and issues in a range of national and global contexts
- Understand the perspectives of different economic agents, including consumers, producers and government in relation to economic activity
- Consider moral, ethical and sustainability issues that arise as a result of the impact of economic activity.

#### 1.1 Main economic groups and factors of production

- explain the role of the main economic groups: consumers, producers and the government, including their interdependence
- explain the factors of production: land, labour, capital and enterprise, including how they might be combined

#### 1.2 The basic economic problem

- explain what is meant by scarce resources and unlimited wants
- explain the economic problem, including the questions of how resources should be allocated, what, for whom and how goods and services should be produced
- explain what is meant by opportunity cost
- evaluate the costs and benefits of economic choices, including the impact on economic, social and environmental sustainability.

#### 2.1 The role of markets

- explain what is meant by a market
- explain the features of the primary, secondary and tertiary sectors, including the difference between the production of goods and services
- explain the difference between factor and product markets, including their interdependence
- evaluate the costs and benefits of specialisation and exchange in markets including for producers, workers, regions and countries

#### 2.2 Demand

- explain what is meant by demand
- draw and explain a demand curve using data, including individual and market demand
- draw shifts of, and movements along, the demand curve
- analyse the causes and consequences for consumers and producers, of shifts of, and movements along, the demand curve
- explain price elasticity of demand
- draw demand curves of different elasticity
- evaluate the importance of price elasticity of demand for consumers and producers

#### 2.3 Supply

- explain what is meant by supply
- draw and explain a supply curve using data, including individual and market supply
- draw shifts of, and movements along, the supply curve
- analyse the causes and consequences for consumers and producers, of shifts of, and movements along, the supply curve
- explain price elasticity of supply
- draw supply curves of different elasticity
- evaluate the importance of price elasticity of supply for consumers and producers

## 2.4 Price

- explain price as a reflection of worth and its role in determining an efficient distribution of resources
- explain what is meant by equilibrium price and quantity
- draw and analyse the interaction of demand and supply
- explain the role of markets in the determination of price and the allocation of resources
- analyse how the market forces of demand and supply affect equilibrium price and quantity

## 2.5 Competition

- explain competition between producers in a market economy, including the reasons why producers compete
- analyse how competition affects price
- evaluate the economic impact of competition on producers and consumers
- explain the meaning of monopoly and oligopoly and how they differ from competitive markets

## 2.6 Production

- explain the role of producers, including individuals, firms and the government
- evaluate the importance of production and productivity for the economy
- calculate and explain total cost, average cost, total revenue, average revenue, profit and loss
- evaluate the importance of cost, revenue, profit and loss for producers, including how costs and revenues affect profit and supply
- explain what is meant by economies of scale

## 2.7 The labour market

- explain the role and operation of the labour market, including the interaction between workers and employers
- analyse the determination of wages through supply and demand, including factors affecting the supply and demand of labour
- explain and calculate gross and net pay, including deductions through income tax, national insurance and pension contributions

## 2.8 The role of money and financial markets

- explain the role of money as a medium of exchange
- explain the role of the financial sector for the economy, including financial institutions such as banks, building societies and insurance companies
- evaluate the importance of the financial sector for consumers, producers and government
- analyse how different interest rates affect the levels of saving, borrowing and investment
- calculate the effect on savings and borrowings of changes in the rate of interest.

## 3.1 Economic growth

- explain what is meant by economic growth
- calculate and explain how economic growth is measured with reference to Gross Domestic Product (GDP) and GDP per capita
- analyse recent and historical GDP data
- analyse the determinants of economic growth, including investment, changes in technology, size of workforce, education and training, availability of natural resources and government policies
- evaluate the costs and benefits of economic growth, including the impact on economic, social and environmental sustainability

## 3.2 Low unemployment

- explain what is meant by employment and unemployment
- explain how unemployment is measured using the Claimant Count
- calculate the unemployment rate
- analyse recent and historical unemployment figures
- explain the types of unemployment, including cyclical, frictional, seasonal and structural unemployment
- evaluate the causes and consequences of unemployment for individuals, regions and the government

## 3.3 Fair distribution of income

- explain what is meant by the distribution of income, including different types of income and the difference between income and wealth
- calculate income and wealth
- evaluate the causes of differences in the distribution of income and wealth and the consequences for an economy

## 3.4 Price stability

- explain what is meant by price stability and inflation, including the difference between real and nominal values
- explain how inflation is measured using the Consumer Price Index (CPI)
- calculate the effect of inflation on prices
- analyse recent and historical inflation figures
- evaluate the causes of inflation and the consequences for consumers, producers, savers and the government

### 3.6 Monetary policy

- explain what is meant by monetary policy and how it can be used to achieve economic objectives
- analyse how monetary policy can affect growth, employment and price stability
- evaluate the effects of monetary policy on consumer spending, borrowing, saving and investment

### 3.7 Supply side policies

- explain what is meant by supply side policy and how it can be used to achieve economic objectives
- evaluate the costs, including opportunity cost, and the benefits of supply side policies for the economy

### 3.8 Limitations of markets

- explain what is meant by positive and negative externalities
- explain government policies to correct positive and negative externalities, including taxation and subsidies, state provision, legislation and regulation and information provision
- evaluate the use and impact of government policies to correct positive and negative externalities
- evaluate the costs, including opportunity cost, and the benefits of government policies to correct positive and negative externalities.

### 4.1 Importance of international trade

- explain why countries import and export goods and services and the benefits of this for consumers and producers
- explain free trade agreements including the European Union

### 4.2 Balance of payments

- explain the balance of payments on current account
- explain the meaning of a balanced current account, a current account surplus and current account deficit
- calculate deficits and surpluses
- analyse recent and historical data on exports and imports
- evaluate the importance of the balance of payments on current account to the UK economy
- evaluate the causes of surpluses and deficits of the balance of payments on current account

### 4.3 Exchange rates

- draw and analyse how exchange rates are determined through the interaction of supply and demand
- calculate currency conversion
- analyse recent and historical exchange rate data
- evaluate the effect of changes in the exchange rate on consumers and producers

### 4.4 Globalisation

- explain globalisation, including its driving factors
- explain how development is measured, including GDP per capita, life expectancy, access to health care, technology and education
- evaluate the costs and benefits of globalisation to producers, workers and consumers in developed countries, including the impact on economic, social and environmental sustainability
- evaluate the costs and benefits of globalisation to producers, workers and consumers in less developed countries, including the impact on economic, social and environmental sustainability.

## How can you deepen your understanding of Economics?

You should take a look at these websites:

- <https://www.tutor2u.net/economics>
- <https://www.economist.com/>
- <https://www.bbc.co.uk/news/business/economy>

## How are you assessed in Economics?

*There are 6 assessment points each year that we term Praising Stars®. We make an informed prediction from our holistic assessments based on our subject mapping of expectation across the GCSE (9-1) Economics curriculum.*

### Introduction to Economics (J205/01)\*

80 Marks | 1 hour 30 minute  
written paper

### National and International Economics (J205/02)\*

80 Marks | 1 hour 30 minute  
written paper

## Key Assessment Objectives

**AO1** - demonstrate knowledge and understanding of economic concepts and issues to a variety of contexts

**AO2** - apply knowledge and understanding of economic concepts and issues to a variety of contexts

**AO3** - analyse and evaluate economic evidence and issues to demonstrate an understanding of economic behaviour

## Study of Economics can lead to a wide range of careers:

- Economist
- Banker
- Financial risk analyst
- Data analyst
- Financial planner
- Accountant
- Teacher
- Lawyer

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