



## Course Outline

# IGCSE Economics

## Year 11

*Inspiring excellence, empowering global minds*

### Syllabus overview Aims

The aims are to enable students to know and understand economic terminology, concepts and theories using basic economic numeracy and interpret economic data with the tools of economic analysis. Students should be able to express economic ideas logically and clearly in a written form and apply economic understanding to current economic issues. IGCSE Economics equips students with an understanding of economic principles, enabling them to analyze and assess various economic situations and issues. It is valuable for careers in economics, finance, business, public policy, and various fields where a strong understanding of economic concepts is essential.

### Learning Outcomes

IGCSE Economics is a subject that provides students with an understanding of fundamental economic concepts, principles, and issues. It focuses on both microeconomics (individual economic decisions and behavior) and macroeconomics (the broader economy and government policies).

the IGCSE Economics syllabus:

- The basic economic problem
- The allocation of resources
- Microeconomic decision makers
- Government and the macroeconomy
- Economic development
- International trade and globalisation

### Ongoing Objectives

- The first section of the syllabus introduces the fundamental ideas and concepts that underpin the study of economics including the basic economic problem, factors of production, opportunity cost and production possibility curves.
- The fundamental principles of resource allocation are considered through the price mechanism in a market economy. The market forces of demand and supply, market equilibrium and disequilibrium, and elasticity form the core of this section.
- Microeconomy is an important area of study, and the approach to learning taken here is through the role of the major decision makers: banks, households, workers, trade unions and firms.

- Governments have different macroeconomic aims, and conflicts often arise between the choice of measures used to achieve them. Variables must be measured to consider the causes and consequences of change, and appropriate policies applied.
- As an economy develops there will be changes in population, living standards, poverty, and income redistribution. Therefore, the effects of changes in the size and structure of population and of other influences on development in a variety of countries are explored.
- The importance of trade between countries and the growth of globalisation is explored. Principles such as specialisation, the role of free trade, the role of multinational companies, foreign exchange

## Unit Overview

### Term 1

#### **Unit 1 - 1 The nature of the economic problem**

**Approximate length: 4 weeks.**

The nature of the economic problem revolves around the fundamental issue of scarcity and the choices societies make to allocate their limited resources. This understanding forms the foundation for much of what's studied in economics, including demand and supply, market structures, and economic policies.

#### **Specific National Curriculum Objectives Covered:**

- Definition and examples of the economic problem in the contexts of consumers, workers; producers; and governments.
- The difference between economic goods and free goods.

#### **Unit 2 - The factors of production**

**Approximate length: 4 weeks**

Understanding the factors of production is fundamental in economics, as they form the basis for the supply side of the economy. How these resources are organized, allocated, and rewarded shapes economic outcomes and the well-being of societies.

#### **Specific National Curriculum Objectives Covered:**

- Definitions and examples of land, labour, capital and enterprise. Examples of the nature of each factor of production.
- The influences on the mobility of the various factors.
- The causes of changes in the quantity and quality of the various factors.

**Unit 3 – Opportunity cost and Production possibility curve (PPC) diagrams****Approximate length: 4 weeks**

Opportunity cost is a fundamental concept in economics, emphasizing that resources are limited and making choices requires considering not just the obvious costs but also the benefits of alternatives that are forgone.

**Specific National Curriculum Objectives Covered:**

- Definition and examples of opportunity cost in different contexts.
- Decisions made by consumers, workers, producers, and governments when allocating their resources.
- Definition, drawing and interpretation of appropriate diagrams.
- The significance of the location of production points.
- Movements along a PPC and opportunity cost.
- The causes and consequences of shifts in a PPC in terms of an economy's growth.

**Unit 4 – Microeconomics and macroeconomics****Approximate length:****4 weeks**

While microeconomics zooms in on individual pieces of the economy, macroeconomics zooms out to provide a broad overview. Both areas are integral to a comprehensive understanding of economics and how policy decisions can influence economic outcomes.

**Specific National Curriculum Objectives Covered:**

- The difference between microeconomics and
- Macroeconomics and the decision makers involved in each.

**Unit 5 – The role of markets in allocating resources****Approximate length: 4 weeks**

In essence, markets play a pivotal role in determining what, how, and for whom to produce in a market economy. Prices act as signals and incentives, guiding producers, and consumers in their decision-making, thereby allocating resources based on demand and supply. However, for various reasons, markets might not always achieve an optimal or fair distribution of resources, necessitating interventions.

**Specific National Curriculum Objectives Covered:**

- How a market system works, including buyers, sellers, allocation of scarce resources, market equilibrium, and market disequilibrium.
- Establishing that the economic problem creates three key questions about determining resource allocation what to produce, how, and for whom.
- How the price mechanism provides answers to these key allocation questions

**Unit 6 - Demand****Approximate length: 4 weeks**

demand represents the consumer side in the market, showing how much of product consumers are willing to purchase at various prices. Several factors can influence demand, and understanding these can help predict how market dynamics might change in different scenarios.

**Specific National Curriculum Objectives Covered:**

- Definition, drawing and interpretation of appropriate diagrams.
- A demand curve to be drawn and used to illustrate movements along a demand curve with appropriate terminology, for example extensions and contractions in demand.
- The link between individual and market demand in terms of aggregation.
- The causes of shifts in a demand curve with appropriate terminology, for example increase and decrease in demand.

**Term 2****Unit 7 - Supply****Approximate length: 4 weeks**

Supply represents the producer's perspective in the market, indicating how much of a product they're prepared to produce and sell at various prices. Various factors can affect supply, and recognizing these aids in anticipating how market dynamics might shift under diverse circumstances.

**Specific National Curriculum Objectives Covered:**

- Definition, drawing and interpretation of appropriate diagrams.
- A supply curve to be drawn and used to illustrate movements along a supply curve with appropriate terminology, for example extensions and contractions in supply.
- The link between individual and market supply in terms of aggregation.
- The causes of shifts in a supply curve with appropriate terminology, for example increase and decrease in supply.

**Unit 8 - Price determination****Approximate length: 4 weeks**

Price determination in a free market is a dynamic process influenced by changes in demand and supply. The equilibrium price is where the two forces balance, ensuring that what consumers want to buy matches what producers want to sell.

**Specific National Curriculum Objectives Covered:**

- Definition, drawing and interpretation of demand and supply schedules and curves used to establish equilibrium price and sales in a market.
- Definition, drawing and interpretation of demand and supply schedules and curves used to identify disequilibrium prices and shortages (demand exceeding supply) and surpluses (supply exceeding demand).

**Unit 9 - Price changes****Approximate length: 4 weeks**

Price changes can be the result of shifts in demand and supply. The subsequent effects on quantity demanded or supplied depend on the elasticities. Understanding these effects is vital for businesses in making pricing decisions and predicting revenue outcomes.

**Specific National Curriculum Objectives Covered:**

- Changing market conditions as causes of price changes.
- Demand and supply diagrams to be used to illustrate these changes in market conditions and their consequences for equilibrium price and sales.

**Unit 10 - Price elasticity of demand (PED)****Approximate length: 4 weeks**

PED provides insights into how consumers might react to price changes, which can influence a firm's pricing strategies and anticipated revenue. Understanding PED can assist businesses and policymakers in making informed decisions.

**Specific National Curriculum Objectives Covered:**

- Calculation of PED using the formula and interpreting the significance of the result.
- Drawing and interpretation of demand curve diagrams to show different PED.
- The key influences on whether demand is elastic or inelastic.
- The relationship between PED and total spending on a product/revenue, both in a diagram and as a calculation.
- The implications for decision making by consumers, producers, and government.

**Unit 11 - Price elasticity of supply (PES)****Approximate length: 4 weeks**

PES gives insights into how producers might adjust their production levels in response to price changes. It's an essential concept for understanding market dynamics, production decisions, and the overall efficiency of resource allocation.

**Specific National Curriculum Objectives Covered:**

- Calculation of PES using the formula and interpreting the significance of the result.
- Drawing and interpretation of supply curve diagrams to show different PES.
- The key influences on whether supply is elastic or inelastic.
- The implications for decision making by consumers, producers, and government.

**Unit 12 - Market economic system****Approximate length: 4 weeks**

In summary, a market economic system, often termed capitalism, relies on the forces of supply and demand to allocate resources and determine prices. While it offers numerous benefits, including efficiency and innovation, it can also result in inequalities and might not always cater to the broader needs of society.

**Specific National Curriculum Objectives Covered:**

- Definition of market economic system
- Advantages and disadvantages of the market economic system
- Including examples of how it works in a variety of different countries.

**Unit 12 - Market failure****Approximate length: 4 weeks**

In summary, market failure refers to situations where the unregulated market does not result in an efficient or socially optimal outcome. In such cases, there's often a case for government intervention to correct the market's shortcomings and enhance overall societal welfare.

**Specific National Curriculum Objectives Covered:**

- The key terms associated with market failure: public good, merit good, demerit good, social benefits, external benefits, private benefits, social costs, external costs, private costs.
- With respect to public goods, merit and demerit goods, external costs and external benefits, abuse of monopoly power and factor immobility.
- Examples of market failure with respect to these areas only.
- The implications of misallocation of resources in respect of the over consumption of demerit goods
- and goods with external costs, and the under consumption of merit goods and goods with external benefits.
- Note: demand and supply diagrams relating to market failure are not required

**Unit 13 - Mixed economic system****Approximate length: 4 weeks**

In summary, market failure refers to situations where the unregulated market does not result in an efficient or socially optimal outcome. In such cases, there's often a case for government intervention to correct the market's shortcomings and enhance overall societal welfare.

**Specific National Curriculum Objectives Covered:**

- Definitions, drawing and interpretation of appropriate diagrams showing the effects of three government microeconomic policy measures: maximum and minimum prices in product, labour, and foreign exchange markets; indirect taxation; and subsidies.
- The implications of other government microeconomic policy measures: regulation; privatization and nationalization; and direct provision of goods.
- The effectiveness of government intervention in overcoming the drawbacks of a market economic system.

**Assessment**

**Formative:** Throughout each episode, lesson and within the IGCSE syllabus, feedback is maximized to focus children on exam technique and applying their learning coherently. Formative written feedback, in the copybooks and oral comments given immediately after learning, steer children to more formal examination-based answers and mark schemes. High quality peer feedback is scaffolded

and developed, so that children are analytical in their feedback. This can be further reflected on for self-assessment. Children are empowered to make decisions on the direction of their learning. They evaluate and analyse their performance in both practical and theory lessons and activities. The course also provides many opportunities to kinesthetically assess the theory work as well as the practical work. The standard of performance is assessed against the past paper mark schemes and success criteria from the IGCSE specification. This helps children improve their performance as they progress across the course. They are also given the opportunity to use mechanical and technological sports apparatus, which provide a constant stream of immediate feedback for the tracking of assessment. Alongside assessed pieces of work, teachers will carry out ongoing formative assessments and give children regular formative feedback to help them improve.

**Summative:** Due to the nature of the subject and course, feedback is given at the end of each chapter and unit. As the IGCSE in Accounting is split into theory (100 marks) and multiple-Choice questions (35 marks), the children are assessed on activities from the different categories in the syllabus guidelines. In Term 1, the department internally assesses using one test throughout the term and one as an end of year Mock Examination in November/December. In Term 2 progress will be measured as class tests.