

# Key Stage 5 Curriculum Pages

## A Level Economics Edexcel Specification B

### Curriculum Intent:

Do the following questions fascinate you? Why were politicians so keen to open up the economy post Covid? Why did the global economy crash in 2008? Were bankers to blame? Why was there such strong feeling on both sides of the Brexit argument? What does the EU even do? Does it matter that most of the stuff we buy is not made in the UK? Why is it big news if the Bank of England changes base interest rates? I could go on.....An A level in Economics will answer all this and much more. Never has Economics been more relevant to study than now. Rarely a day goes by without the economy being mentioned in the news and the importance of an economic recovery, post Covid. The main political parties had economic growth as a central feature of their manifestos in the 2024 General Election. An A level in Economics will help you to make sense of the current economic situation by understanding the relevant theories and concepts which underpin much of this story. Economic thinking has been critical to the recovery of nations after seismic events such as world wars, stock market crashes, natural disasters and more. Economics is a subject that we study as an academic subject, but which we can contextualise into our lives today and in the recent past.

The aims and objectives of the Pearson Edexcel Level 3 Advanced GCE in Economics B which we follow enables you to:

- develop an interest in, and enthusiasm for, the subject
- appreciate the contribution of economics to the understanding of the wider economic and social environment
- develop an understanding of a range of concepts and an ability to use those concepts in a variety of different contexts
- use an enquiring, critical and thoughtful approach to the study of economics and develop an ability to think as an economist
- understand that economic behaviour can be studied from a range of perspectives
- develop analytical and quantitative skills, together with qualities and attitudes that will equip them for the challenges, opportunities and responsibilities of adult and working life.

### There are four themes that students will study during the year:

Students are introduced to economics through building knowledge of core microeconomic and macroeconomic concepts, and by investigating economic theory through real-world businesses and the environments in which they operate. Breadth and depth of knowledge and understanding with applications to more complex concepts throughout the course of study.

Students will need to apply their knowledge and understanding to both familiar and unfamiliar contexts in the assessment and demonstrate an awareness of current economic events and policies.

## Key Stage 5 Curriculum Pages

<b>Theme 1: Markets, consumers and firms</b>	<b>Theme 2: The wider economic environment</b>
<p>Students will develop an understanding of:</p> <ul style="list-style-type: none"> <li>• scarcity, choice and potential conflicts</li> <li>• enterprise, business and the economy</li> <li>• introducing the market</li> <li>• the role of credit in the economy</li> <li>• market failure and government intervention</li> <li>• revenue, costs, profits and cash.</li> </ul>	<p>Students will develop an understanding of:</p> <ul style="list-style-type: none"> <li>• business growth and competitive advantage</li> <li>• firms, consumers and elasticities of demand</li> <li>• productive efficiency</li> <li>• life in a global economy</li> <li>• the economic cycle</li> <li>• introduction to macroeconomic policy.</li> </ul>
<b>Theme 3: The global economy</b>	<b>Theme 4: Making markets work</b>
<p>This theme develops the concepts introduced in Theme 2. Students will develop an understanding of:</p> <ul style="list-style-type: none"> <li>• globalisation</li> <li>• economic factors in business expansion</li> <li>• impact of globalisation on global companies</li> <li>• impact of globalisation on local and national economies</li> <li>• global labour markets</li> <li>• inequality and redistribution.</li> </ul>	<p>This theme develops the concepts introduced in Theme 1. Students will develop an understanding of:</p> <ul style="list-style-type: none"> <li>• competition and market power</li> <li>• market power and market failure</li> <li>• market failure across the economy</li> <li>• macroeconomic policies and impact on firms and individuals</li> <li>• risk and the financial sector.</li> </ul>

We do not enter students for an AS examination at the end of the first year of study so there is no necessity to teach all of theme 1 and theme 2 in the first year. This means that the way that we have organised the teaching of the course follows a logical order rather than shoehorning the teaching into a constrained time. This sequence of topics is our current approach but as with all the best teaching schemes, it can and is reviewed in order that the subject makes the most sense to students. We don't simply plough through theme by theme but follow a logic that enables deep learning and understanding to take place. The nature of economics also means that real life events may mean that we may take a minor detour to another topic if a logical opportunity to activate some prior learning or learn something new in a topical context.

### Curriculum implementation

There are two teachers teaching A level economics and they have their own topics that have been planned to follow a logical sequence and across the two year some of the content covered by one teacher is reactivated in the second year, for example macroeconomic policy, as this is a difficult concept that needs revisiting more than once to ensure deep understanding.

## Key Stage 5 Curriculum Pages

Year	Term		Content
			<div>Teacher 1 2 hours</div> <div>Teacher 2 3 hours</div>
13	Autumn	1	<p><b>In year 12, some work is done on costs and revenue and the link with objectives. This is now reactivated and built on so that students can understand this as applied to different market structures and how pricing decisions enable firms to meet their objectives.</b></p> <p><b>Business objectives and pricing decisions</b></p> <p>a) Calculate average cost, average revenue and profit</p> <p>b) Calculate marginal cost and marginal revenue</p> <p>c) Link between marginal cost and revenue and contribution</p> <p>d) The impact of objectives on pricing strategies</p> <p>Revenue and Costs.</p> <ul style="list-style-type: none"> <li>- Calculation of sales volume and sales revenue.</li> <li>- Calculation of average, fixed, variable and total costs.</li> </ul> <p>Calculation of % change</p> <p>The relationship between revenue and costs.</p> <p>a) Contribution selling price-variable cost per unit.</p> <p>b) Break-even point: total fixed costs + total variable costs= total sales revenue.</p> <p>c) Using contribution to calculate the break-even point.</p> <p>d) Margin of safety.</p> <p>Limitations of break-even analysis.</p> <p><b>Reactivate learning from year 12 on pricing strategies and the concepts of price elasticity of demand.</b></p> <p><b>Productive and allocative efficiency</b></p> <p><b>Market Power and Market Failure:</b></p> <p><b>Market failure and Externalities</b></p> <p>a) Private costs, external costs and social costs</p> <p>b) Private benefits, external benefits and social benefits</p> <p>c) Costs and benefits from the production and consumption of goods and services</p> <p>d) Strength of the market economy: markets work well , when the private and social benefits exceed (or are equal to) the private and social costs</p> <p>e) Weaknesses of the market economy: some markets fail because of the existence of external costs, leading to under/over production or consumption</p> <p><b>Government intervention and Failure</b></p> <p>a) , Purpose of intervention with reference to market failure in various contexts</p> <p>b) , Methods of government intervention:</p> <ul style="list-style-type: none"> <li>o regulation</li> <li>o legislation</li> <li>o indirect taxation</li> <li>o grants and subsidies</li> <li>o voluntary agreements</li> </ul> <p>c) , Causes of government failure: ,</p> <ul style="list-style-type: none"> <li>o distortion of price signals ,</li> <li>o unintended consequences</li> <li>o excessive administrative costs</li> <li>o information gaps</li> </ul> <p>d) Government failure in various markets</p>

## Key Stage 5 Curriculum Pages

		<p>a) The distinction between allocative efficiency and productive efficiency</p> <p>b) The significance of the margin; opportunity costs, trade-offs and allocative efficiency</p> <p>c) Increasing productivity to reduce average cost through greater efficiency by improving:</p> <ul style="list-style-type: none"> <li>o technology</li> <li>o human capital (skills training and education)</li> <li>o the quality of management</li> </ul> <p>d) Matching the structure of production to the pattern of consumer preferences (market orientation)</p> <p>e) How markets interact with one another</p> <p style="color: red;">This is another opportunity to reactivate learning on supply and demand.</p> <p><b>Spectrum of Competition</b></p> <p style="color: red;">As each type of market is studied, we can apply the relevant prior learning on costs and revenue.</p> <p>a) Characteristics of monopoly, oligopoly, imperfect and perfect competition</p> <p>b) How the model of <b>perfect competition</b> helps to explain how markets work</p> <p>c) The impact of market structure on pricing strategies and consumers</p> <p>d) Non-price competition</p> <p>e) The limitations of the model of perfect competition</p> <p><b>Oligopoly</b></p> <p>a) Concentration ratios – <span style="color: red;">reactivate prior learning on market share</span></p> <p>b) Competition in an oligopoly; interdependence and price stability</p>	<p><b>Market Power and Market Failure:</b></p> <p>a) Significance of market power:</p> <ul style="list-style-type: none"> <li>o cartels, collusion, restrictive practices and tacit agreement</li> <li>o monopsony power</li> <li>o natural monopolies</li> <li>o power in the labour market</li> </ul> <p>b) The implications of market failure in the business world for economic agents and governments</p> <p><b>Business Regulation:</b></p> <p>a) Promoting competition through:</p> <ul style="list-style-type: none"> <li>o preventing anti-competitive practices</li> <li>o controlling mergers and takeovers</li> <li>o privatisation</li> </ul> <p>b) Regulating natural monopolies</p> <p>c) Protecting consumers</p> <p>d) The work of the Competition and Markets Authority</p> <p>e) Impact of EU competition policy</p> <p>f) Employee protection</p> <p><b>Arguments for and against regulation:</b></p> <p>a) Benefits of regulation</p> <p>b) Costs of regulation</p> <p><b>Market Failure in Society:</b></p> <p>a) The consequences of under-provision and under-consumption of merit and other goods and services</p> <p>b) Positive and negative externalities</p> <p>c) Over-consumption of demerit goods</p> <p>d) Factor immobility (occupational and geographical)</p> <p>e) Imperfect and asymmetric</p>
--	--	--	--

## Key Stage 5 Curriculum Pages

		c) Tacit agreement d) Price discrimination	information f) Consequences of environmental change  <b>Revisit externalities:</b>  <b>Policies to deal with market failure:</b> a) The provision of public and merit goods, indirect taxation of demerit goods, tradable pollution permits, provision of information, legislation and regulation b) The impact of these policies on the economy and society, long- and short-term
Autumn	2	<p style="color: red;">Year 12 work on globalisation and MNCs can be reactivated here as there is arguably a link between this and increasing inequality. This also reactivates learning on one of the macroeconomic objectives from year 12.</p> <p><b>Poverty and Inequality</b>            Absolute and relative poverty            b)            Measures of poverty:            o national measures            o international measures  <b>Reducing poverty</b>            a)            Economic development and economic growth            b)            International aid and improvements in welfare; non-governmental organisations (NGOs)            c)            Poverty reduction policies</p> <p><b>Measures of inequality:</b>            o Gini coefficient            o Lorenz curve (diagrammatic analysis)</p> <p><b>The impact of inequality on economic agents</b></p>	<p style="color: red;">The 'big picture' of globalisation continues here but we also reactivate learning on the basics of supply and demand and apply to labour markets.</p> <p><b>Employment Patterns</b>            a) Growth of the global labour force            b) Structural change            c) Interdependence of labour markets  <b>Wage rates</b>            a) Factors that influence the supply of and demand for labour            b) The importance of skills, training and education            c) Impact of global competition, recession and redundancies            d) Impact of trade unions and professional bodies  <b>Minimum wage Legislation</b>            a) Minimum wages in developing and developed countries            b) Skill shortages and their impact on international competitiveness            c) Migration:</p>

## Key Stage 5 Curriculum Pages

		<ul style="list-style-type: none"> <li>On individuals</li> <li>On firms: connections between low income and low productivity</li> <li>On the economy</li> </ul> <p>Reactivate learning on economic growth and measures of development.</p> <p><b>Re-distribution of income and wealth</b></p> <ol style="list-style-type: none"> <li>Distinction between income and wealth</li> <li>Incentives and the poverty trap</li> <li>Taxation and the provision of services</li> </ol> <p>This links well with the work later to review fiscal policy and prior learning from year 12 and taxation and work on labour markets.</p> <p>Revision for mocks</p> <p>Revision for mocks</p>	<p>This is an opportunity to reactivate learning on migration when studied as a characteristic of increased globalisation.</p> <ul style="list-style-type: none"> <li>within economies</li> <li>between economies</li> <li>d) Inequality and incentives</li> </ul> <p>The following reactivates the learning on macroeconomic objectives, AD, AS and the circular flow of income, from Year 12. These are fundamental concepts to the understanding of macroeconomics so teaching this in both Year 12 and Year 13 enables deep understanding.</p> <p><b>The AD/AS Model</b></p> <ol style="list-style-type: none"> <li>Changes in Aggregate Demand (AD)</li> <li>Changes in Aggregate Supply (AS)</li> <li>Full capacity output</li> <li>Impact of changes in AD and/or AS on inflation and unemployment</li> <li>The multiplier effect</li> <li>How the AS/AD model sheds light on the economy as a whole</li> </ol> <p><b>Demand Side Policies</b></p> <ol style="list-style-type: none"> <li>Distinction between monetary and fiscal policy <ul style="list-style-type: none"> <li>fiscal policy: government spending and taxation (direct and indirect)</li> <li>monetary policy: the role of the Bank of England and the Bank of England's Monetary Policy Committee</li> <li>interest rates</li> <li>asset purchases to increase the money supply (quantitative easing)</li> </ul> </li> </ol>
--	--	--	---

## Key Stage 5 Curriculum Pages

			<ul style="list-style-type: none"> <li>b. The impact of changing the level of AD on the economy as a whole</li> <li>c. The use of AD/AS diagrams to illustrate demand-side policies</li> <li>d. How investment, job creation and economic growth can be encouraged</li> <li>e. How inflation and unemployment can be controlled</li> <li>f. Time lags involved</li> <li>g. Strengths and weaknesses of demand-side policies</li> </ul> <p>Potential policy conflicts and trade-offs facing policy-makers when applying policies</p>
			Revision for mocks
Spring	3	<p><b>This section of work complements the work on policy with teacher one, as the role of the central bank, the importance of strong institutions and the availability of credit, make the objective of economic growth more likely to be achieved.</b></p> <p><b>Risks &amp; Uncertainty</b></p> <ul style="list-style-type: none"> <li>a) difference between risk &amp; uncertainty</li> <li>b) The impact of shocks</li> <li>c) Exchange rate risks &amp; forward markets</li> <li>d) The role of insurance in business</li> </ul> <p><b>The role of the financial sector and The Role of Banks</b></p> <ul style="list-style-type: none"> <li>a) To mobilise savings for lending to firms and individuals</li> <li>b) To lend to business for investment in working capital</li> <li>c) To lend to individuals</li> <li>d) To facilitate the exchange of goods and services</li> <li>e) To assess creditor risk</li> <li>f) To provide forward markets in currencies and commodities</li> <li>g) To provide a market for equities</li> </ul> <p><b>The role of the</b></p>	<p><b>Reactivates learning on opportunity costs and trade-offs from Year 12.</b></p> <p><b>Supply Side Policies</b></p> <ul style="list-style-type: none"> <li>a. Distinction between market-based and interventionist methods</li> <li>b. Market-based and interventionist policies to:               <ul style="list-style-type: none"> <li>o increase incentives</li> <li>o promote competition</li> <li>o reform the labour market</li> <li>o improve the skills and quality of the labour force</li> <li>o improve the infrastructure</li> </ul> </li> <li>c. The use of AD/AS diagrams to illustrate supply-side policies</li> <li>d. Strengths and weaknesses of supply-side policies</li> </ul> <p>Potential policy conflicts and trade-offs facing policymakers when applying policies</p> <ul style="list-style-type: none"> <li>a. The possible impact of macroeconomic policies</li> <li>b. Comparing alternative approaches</li> </ul>

## Key Stage 5 Curriculum Pages

			<p><b>central bank</b></p> <p>a, b and d below are taught in more depth by teacher one during learning on policy and reactivates learning from year 12 on interest rates and policy. Teacher two focusses on the role regulating banking as this fits with subsequent work on the global financial crisis.</p> <p>a. The role of the Monetary Policy Committee in setting the official interest (base) rate  b. The implementation of monetary policy to control inflation  c. Regulation of the banking industry: the Bank of England's Financial Policy Committee  d. Banker to the banks – lender of last resort</p> <p><b>The Global Financial Crisis</b>  a)  Contributing factors:  o sub-prime mortgages  o moral hazard (too big to fail)  o collapse of lending to businesses  o speculation and market bubbles  o the role of organisational culture  b)  The role of banking regulation  c)  The impact of the financial sector on economic agents and governments</p> <p>Revisit Market failure- the collapse of banks is an example of market failure and raises the question of the degree to which regulation is the way to control their activities.</p> <p>Second mock paper</p>	<p><b>The impact of macroeconomic policies</b></p> <p>Identifying criteria for success and evaluating effectiveness.</p> <p>Second mock paper</p>
	Spring	4	<p>Contingency time</p> <p>Revision and preparation for paper 3 theme.</p>	<p>Contingency time</p> <p>Revision and preparation for paper 3 theme.</p>



## Key Stage 5 Curriculum Pages

	Summer	5	Revision and mock for paper 3	Revision and mock for paper 3

# Key Stage 5 Curriculum Pages

## How you are assessed

There are three papers that students will be assessed on:

**Paper 1** – This will cover material from Themes 1 and 4 – contributes 35% towards final grade

**Paper 2**- This will cover material from Themes 2 and 3- contributes 35% towards final grade

**Paper 3**- This will cover material from themes 1, 2, 3 and 4 and is based on a pre-release stimuli material – contributes 30% towards final grade

In each paper the students are assessed using the following skills and weightings:

Skill	Exam Weighting (%)
AO1 Demonstrate knowledge of terms / concepts and theories / models to show an understanding of the behaviour of economic agents and are affected by and respond to economic issues	20-22
AO2 Apply knowledge and understanding to various economic contexts to show how economic agents are affected by and respond to economic issues	22-24
AO3 Analyse issues within economics, showing an understanding of the impact on economic agents.	28-30
AO4 Evaluate economic arguments and use qualitative and quantitative evidence to support informed judgements relating to economic issues.	26-28

## Enrichment – How can you deepen your understanding of Economics?

Economics is dynamic and reflects real life situations so there are plenty of opportunities to find out more. We suggest that you read or listen to the news frequently. The Financial Times offers free subscriptions to students using their school e mail address as The Ecclesbourne School is signed up for this. This is a fantastic opportunity to read articles by the best journalists in the field. I find the writing to be accessible whilst challenging. Other sources of economics news:

- The Times
- The Guardian
- BBC News
- Channel 4 News

Books relevant to the course

In addition, books that really bring economics to life:

- The Economics Book – Big Ideas Simply Explained, Niall Kishtainy
- Fifty things that made the modern economy, Tim Harford
- Undercover Economist, Tim Harford
- Undercover Economist Strikes Back, Tim Harford
- The Spirit Level, Pickett and Wilson
- Talking to My Daughter About the Economy: A Brief History of Capitalism – Yanis Varoufakis
- The Equality Effect, Dorling
- Freakonomics, Levitt and Dubner
- Grave New World, Stephen D King
- The Selfish Capitalist, Oliver James
- Affluenza, Oliver James

## Key Stage 5 Curriculum Pages

- The Almighty Dollar, Dharshini David
- Nudge, Richard Thaler
- Economics – The User's Guide – Ha-Joon Chang

Relevant websites

[www.tutor2u.net](http://www.tutor2u.net)

<http://news.sky.com/>

<https://www.theguardian.com/uk/business>

<https://www.thetimes.co.uk/#section-news>

<http://www.independent.co.uk/>

<https://www.bloomberg.com/businessweek>

<https://www.economist.com/>

### **Where next – how can Economics support your future?**

Many students continue to study Economics to degree level after A level and Economics degrees are currently at the top of the list of the most desirable from the point of view of an employer!

During your A level studies you will have improved your numerical, analytical and evaluative skills which are transferable to other courses of study as well as the workplace environment. More students are now considering apprenticeships after school and a knowledge of economics, and the business environment can be a big asset to your application.

Here are some of the jobs that people with economics degrees go into:

Jobs directly related to an Economics degree include:

- Actuarial Analyst
- Chartered Accountant
- Compliance Officer
- Data Analyst
- Economist
- External Auditor
- Financial Risk Analyst
- Investment Analyst
- Political Risk Analyst
- Risk Manager
- Statistician
- Stockbroker

Jobs where an Economics degree would be useful include:

- Business Development Manager
- Civil Service Fast Streamer

## Key Stage 5 Curriculum Pages

- Data Scientist
- Diplomatic Service Officer
- Local Government officer
- Management consultant
- Policy officer
- Quantity surveyor