

# 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. 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.

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## Theme 1: Markets, consumers and firms

Students will develop an understanding of:

- scarcity, choice and potential conflicts
- enterprise, business and the economy
- introducing the market
- the role of credit in the economy
- market failure and government intervention
- revenue, costs, profits and cash.

## Theme 2: The wider economic environment

Students will develop an understanding of:

- business growth and competitive advantage
- firms, consumers and elasticities of demand
- productive efficiency
- life in a global economy
- the economic cycle
- introduction to macroeconomic policy.

## Theme 3: The global economy

This theme develops the concepts introduced in Theme 2. Students will develop an understanding of:

- globalisation
- economic factors in business expansion
- impact of globalisation on global companies
- impact of globalisation on local and national economies
- global labour markets
- inequality and redistribution.

## Theme 4: Making markets work

This theme develops the concepts introduced in Theme 1. Students will develop an understanding of:

- competition and market power
- market power and market failure
- market failure across the economy
- macroeconomic policies and impact on firms and individuals
- risk and the financial sector.

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.

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Year	Term	Content
		<b>Teacher 1 3 hours</b>
		<b>Teacher 2 2 hours</b>
12	Autumn	1
		<p><b>Introduction to macroeconomics and macroeconomic objectives.</b>  This is the starting point so that students get an early introduction to macroeconomics and usually have some basic knowledge of some of these concepts from popular news, if nothing else. This gets students quickly enthused by the subject as they can see its relevance as a real subject as well as an academic study.</p> <p>The main macroeconomic objectives:  Economic growth  Stable inflation  Low unemployment  Balance of payments – reduce deficit  Reduce income inequality</p> <p>Understanding of the economic cycle</p> <p>What GDP is.  How it is measured.  Why it is the main measure of a successful economy. Touch on idea of inequality.</p> <p>Which markets are firms in that thrive/suffer at different stages of the economic cycle?</p> <p>Understand UK GDP compared to other economies, developed, and developing.</p> <p>Characteristics of a boom  Characteristics of a recession  Implications for firms of fluctuations in economic activity  The multiplier effect</p> <p><b>It is deliberate that much time is spent on the above learning as it is essential that students have time to understand these concepts; they are reactivated over and over as the economics course builds, particularly</b></p>
		<p><b>The economic problem</b>  This is the fundamental starting point for any economics course to understand the ‘economic problem’ of scarcity and allocating finite resources; this underpins so many following concepts.</p> <p>a) The problem of scarcity (where there are unlimited wants and finite resources)</p> <p>b) Choices and potential trade-offs</p> <p>c) The importance of opportunity costs to consumers, producers and government, PPF curve.</p> <ul style="list-style-type: none"> <li>• Role of an entrepreneur in the economy</li> <li>• Creative destruction (organising factors of production to create and set up an enterprise)</li> <li>• Making decisions to operate, expand and develop a business</li> <li>• Selling the output for more than the cost of the inputs (adding value)</li> <li>• Entrepreneurial motives</li> <li>• Profit as an incentive</li> <li>• Non-financial motives: ethical stance, social entrepreneurship, independence, home working.</li> </ul> <p>Limited versus unlimited liability  Business Objectives-</p> <p>a) Different business objectives and reasons for them:</p> <ul style="list-style-type: none"> <li>• profit maximisation</li> <li>• sales maximisation</li> <li>• satisficing</li> </ul> <p>b) Other objectives:</p> <ul style="list-style-type: none"> <li>• survival</li> <li>• market share</li> <li>• cost efficiency</li> <li>• return on investment</li> </ul>

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		<p>when studying policy again in year 13.</p> <p>After the overview of the macroeconomy, students are now ready to learn more about the individual objectives and their accompanying theories. Interest rates are taught here as their understanding underpins much subsequent learning.</p> <p><b>Implications for firms of changes in: interest rates</b></p> <p>How they are set and their significance</p> <p><b>exchange rates/Balance of payments</b></p> <p>Understand the implications of a strong and weak currency on importers and exporters</p> <p>Inflation provides an opportunity to learn why numerical values may be presented in index form, which appears throughout the course.</p> <p><b>Inflation</b></p> <p>Inflation, what it is and the two types. How it is measured using the CPI. Show how an index is used</p> <p>Conversion of nominal to real values</p> <p>The concept of nominal v real values crops up often in data in questions so is taught early in the course.</p> <p><b>Calculating and interpreting index numbers</b></p> <p>consumers purchasing power</p> <p>Introduction to supply and demand side policy to support understanding of how macroeconomic objectives may be achieved.</p>	<ul style="list-style-type: none"> <li>● employee welfare</li> <li>● customer satisfaction</li> </ul> <p>social objectives</p> <p>Stakeholders (economic agents) and their objectives</p> <ol style="list-style-type: none"> <li>a) Stakeholders (economic agents)</li> <li>b) Stakeholder objectives</li> <li>c) Stakeholder conflicts</li> <li>d) Corporate social responsibility</li> </ol> <p>Students now have the basic knowledge of business forms and the different objectives they may pursue so now learn the fundamentals of supply and demand, which are essential concepts which are reactivated many times over the course.</p> <p>Markets- how they differ</p> <ul style="list-style-type: none"> <li>● Demand- The distinction between movements along a demand curve and shifts of a demand curve</li> <li>● The factors that may cause a shift in the demand curve (non-price determinants)</li> </ul>
Autumn	2	<p><b>Taxation</b></p> <p>Taxation - direct/indirect, income, corporate, VAT. Be aware of UK levels compared to other countries and impact on firms if they change.</p>	<p>Supply</p> <ul style="list-style-type: none"> <li>● The distinction between movements along a supply curve and shifts of a supply curve</li> </ul>

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				<p><b>Unemployment</b> Unemployment, types/causes and touch on solutions as it depends on cause</p> <p><b>Introduction to Policy</b></p> <p>Aggregate demand and aggregate supply.</p> <p>How these two sides of the economy can be affected by changes in levels of tax and interest.</p> <p>Look in depth at the specific components of aggregate demand.</p> <p>Supply side policy Demand side policy fiscal, monetary, exchange rate policy</p> <p style="color: red;">This work is reactivated again in Year 13; policy is an essential topic to understand so it is revisited and retrieved many times.</p> <p style="color: red;">Supply and demand need deep understanding before students can learn and understand the various elasticities, which now follow.</p> <p>PED</p> <ul style="list-style-type: none"> <li>• The factors that may cause a shift in the supply curve (the conditions of supply)</li> </ul> <p>Producer Surplus</p> <p>The Equilibrium</p> <ul style="list-style-type: none"> <li>• Equilibrium price and quantity and how they are determined</li> <li>• The use of supply and demand diagrams to depict excess supply and excess demand</li> <li>• The operation of market forces to eliminate excess demand and excess supply</li> </ul> <p>The use of supply and demand diagrams to show how shifts in demand and supply curves cause the equilibrium price and quantity to change in real-world situations</p> <p>Price Mechanism</p> <ul style="list-style-type: none"> <li>• Functions of the price mechanism to allocate resources:</li> <li>• rationing</li> <li>• incentive</li> <li>• signalling</li> </ul> <ul style="list-style-type: none"> <li>• Understanding of price elasticity of demand</li> <li>• Use formulae to calculate PED</li> <li>• Interpret numerical values of PED (Elastic, inelastic and unitary)</li> <li>• The factors influencing elasticities of demand</li> <li>• The significance of elasticities of demand to firms and government in terms of:</li> <li>• the imposition of indirect taxes</li> <li>• The relationship between price elasticity of demand and total revenue (including calculation)</li> </ul>
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Spring	3	<p><b>Policy is reactivated again next year. Students are now ready to consider economic activity in a global context.</b></p> <p><b>The Characteristics of globalisation:</b></p> <ul style="list-style-type: none"> <li>• increased investment flows</li> <li>• world trade rising as a proportion of world Gross Domestic Product (GDP)</li> <li>• increased migration</li> </ul> <p>Factors contributing to globalisation in the last 50 years:</p> <ul style="list-style-type: none"> <li>• trade liberalisation</li> <li>• capital market liberalisation</li> <li>• political change resulting in the opening up of China and the former Soviet Union</li> <li>• reduced cost of transport and communications</li> <li>• increased significance of global (transnational) companies</li> </ul> <p><b>Indicators of growth:</b></p> <ul style="list-style-type: none"> <li>• GDP per capita</li> <li>• literacy</li> <li>• health</li> <li>• Human Development Index (HDI)</li> </ul> <p><b>Characteristics of developed (mature), emerging and developing economies</b></p> <p><b>Mean and median incomes</b>  <b>This gives another opportunity to reactivate learning on index numbers and nominal v real.</b></p> <p>Growth rate of the UK and BRIC (Brazil, Russia, India and China) economies since 2000</p> <p>Growing economic power of:</p> <ul style="list-style-type: none"> <li>o Asia (China and India)</li> <li>o Africa</li> <li>o other emerging markets</li> </ul> <p>Implications of economic growth for individuals and</p>	<p>YED</p> <ul style="list-style-type: none"> <li>• Understanding of income elasticity of demand</li> <li>• Use formula to calculate YED</li> <li>• Interpret numerical values of YED</li> <li>• Factors influencing YED</li> <li>• The significance of the values</li> </ul> <p>Changes in real income          Competition and market research</p> <p><b>Having studied the impact of price on demand, this knowledge can be used when learning about the different pricing strategies a firm may use.</b></p> <p><b>Competing on price</b>  <b>-Pricing strategies:</b></p> <ul style="list-style-type: none"> <li>• cost plus (calculating mark up on unit cost)</li> <li>• price skimming</li> <li>• penetration</li> <li>• predatory</li> <li>• competitive</li> <li>• psychological</li> </ul> <p><b>Factors that determine the most appropriate pricing strategy for a particular situation:</b></p> <ul style="list-style-type: none"> <li>• number of USPs/amount of differentiation</li> <li>• price elasticity of demand</li> <li>• amount of competition</li> <li>• strength of brand</li> <li>• stage in the product life cycle</li> <li>• costs and the need to make a profit</li> <li>• Changes in pricing to reflect social trends (online sales and price comparison sites)</li> </ul> <ul style="list-style-type: none"> <li>• <b>Types of non-price competition</b>              product differentiation              advertising and other promotional methods              distribution methods              Devising appropriate marketing approaches</li> </ul>
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		<p>firms:</p> <ul style="list-style-type: none"> <li>o trade and rationalisation opportunities for firms</li> <li>o shifting employment patterns</li> <li>c) Rising incomes</li> </ul>	<p>All of the above learning is an opportunity to reactivate learning on the impact that price has on demand.</p> <p><b>How small firms compete</b></p> <ul style="list-style-type: none"> <li>-product differentiation and unique selling points (USPs)</li> <li>-flexibility in responding to customer needs</li> <li>-customer service</li> <li>-targeting niche markets</li> <li>-achieving competitive advantage through relationships with stakeholders</li> </ul>
Spring	4	<p><b>Trade and growth</b></p> <p>Imports and exports: visibles and invisibles</p> <p>Impact of cheap imports on standards of living</p> <p>Learning on economic growth [RGDP], employment, keeping inflation low and disposable incomes can be reactivated here.</p> <p>Specialisation and international trade:</p> <p>Increasing trade liberalisation</p> <p>The role of specialisation and increasing specialisation by country</p> <p>Trade liberalisation and economic growth <b>reactivate RGDP knowledge</b></p> <p>Foreign direct investment (FDI) and link to growth</p> <p>Reactivate knowledge of the circular flow of income.</p> <p>Trade creation and trade diversion</p> <p><b>Expansion of trading blocs:</b></p> <ul style="list-style-type: none"> <li>o EU and the single market</li> <li>o ASEAN</li> <li>o NAFTA</li> </ul> <p>Impact on firms of trading blocs</p>	<p><b>Research and development (R&amp;D) and innovation</b></p> <ul style="list-style-type: none"> <li>-Competitive advantage through innovation</li> <li>-Incentive to increase market power</li> <li>-Product and process innovation</li> <li>-Role of state funding</li> <li>-Product life cycle and extension strategies</li> </ul> <p><b>Productivity</b></p> <p>This is a concept that appears throughout economics at both micro and macro levels. It reactivates learning on the PPF curve and is now introduced as a crucial factor in a firm being competitive and being able to profit maximise.</p> <ul style="list-style-type: none"> <li>-Productivity (output per unit of input in a given time period):             <ul style="list-style-type: none"> <li>● factors influencing productivity</li> <li>● link between productivity and competitiveness</li> <li>● productivity and wages</li> <li>● productivity and economic growth</li> </ul> </li> </ul> <p><b>Distinction between labour and capital intensive production</b></p> <p><b>Capacity utilisation</b></p> <ul style="list-style-type: none"> <li>-Full capacity and spare capacity</li> <li>-Capacity utilisation:</li> </ul>

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					<p>Growing interdependence</p> <p>The learning on trade and trade blocs gives many opportunities to reactivate learning on growth, real incomes, exchange rates and inflation, hence they are studied early in the course.</p> <p>- Current output (divided by) maximum possible output (as a percentage)</p> <p>-Implications of under- and over-utilisation of capacity</p> <p>-Ways of improving capacity utilisation</p> <p><b>Efficiency and competitiveness using lean production</b></p> <p>-Quality: control, assurance, Total Quality Management (TQM)</p> <p>-Continuous improvement (Kaizen)</p> <p>-Just in time (JIT) management of stock</p> <p>-Competitive advantage from lean production</p> <p>-Impact on costs and sales revenue</p> <p>-Impact on average costs</p> <p>-Minimising waste of resources</p> <p>-Competitive advantage of short product development lead times</p> <p>The following work reactivates learning on supply and demand in markets.</p> <p><b>How the digital economy affects markets and firms</b></p> <p>Market information in the digital economy:</p> <p>-price comparison sites</p> <p>-viral marketing</p> <p>-social media</p> <p><b>The supply-side:</b></p> <p>-micromarketing</p> <p>-online retailing and online distribution</p> <p>-recruiting and training staff with digital skills</p> <p><b>The demand-side:</b></p> <p>-satisfying consumers with the long tail</p> <p>-wider geographical markets</p> <p>-Impact on markets and firms:</p>
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			<p>-impact on costs, prices, profit and loss</p> <p>-firm creation and destruction in a new business environment</p>
Summer	5	<p><b>Understanding globalisation and trade blocs enables students to understand why some countries may pursue protectionist measures. This reactivates learning supply and demand for the tariff diagram.</b></p> <p><b>Trade policy and trade negotiations</b></p> <p>Protectionism:</p> <ul style="list-style-type: none"> <li>o tariffs and import quotas (with diagrammatic representation)</li> <li>o other trade barriers</li> <li>o government legislation and domestic subsidies</li> </ul> <p>International trade negotiations:</p> <ul style="list-style-type: none"> <li>o role of G20</li> <li>o role of international institutions (World Trade Organisation (WTO), International Monetary Fund (IMF), World Bank)</li> </ul> <p><b>Changes in exchange rates</b></p> <p><b>Exchange rates were studied earlier in the context of their impact on demand for imports and exports and therefore the balance of payments, so this learning is reactivated and built on by learning about the effective exchange rate.</b></p> <p>Impact of changing exchange rates on firms</p> <p>Interpretation of exchange rate data</p> <p>Interpretation of effective exchange rates</p> <p><b>The following reactivates learning from term one on the wider economic environment.</b></p> <p>Impact of changes in exchange rates and the possible effects on:</p> <ul style="list-style-type: none"> <li>o the current account and the balance of payments</li> <li>o economic growth; firms</li> </ul>	<p><b>Learning on the objectives of firms is reactivated here and the degree to which growth may further enable a firm to profit maximise.</b></p> <p><b>Methods of growth</b></p> <p>-Organic and inorganic growth</p> <p>-Horizontal, vertical and conglomerate integration</p> <p>2.1.1 – Growth</p> <p>a) Objectives of growth:</p> <ul style="list-style-type: none"> <li>● to achieve economies of scale (internal and external)</li> <li>● increased market power over consumers and suppliers</li> <li>● increased market share and brand recognition</li> <li>● increased profitability</li> </ul> <p><b>Reactivate learning on productivity when learning about diseconomies of scale.</b></p> <p><b>Problems arising from growth:</b></p> <p>-diseconomies of scale</p> <p>-internal communication</p> <p>-potential skills shortages</p> <p>What is finance and what do we need it for?</p> <ul style="list-style-type: none"> <li>- Types of credit- loans, overdrafts, trade credit.</li> <li>- Sources of credit- banks and other firms</li> <li>- Other types of finance- venture capital, share capital, leasing.</li> <li>- Other sources of finance- personal savings, retained profit, sale of assets, individual investors, online collaborative funding.</li> </ul> <p>Challenges in obtaining credit</p> <p><b>Growth may require finance, so it is logical to study this at this point in the course, as well as reactivating this</b></p>

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				<p>o employment/unemployment</p> <p>o the rate of inflation</p> <p>o FDI flows</p> <p>Exchange rate understanding again is reactivated here as is the reason for and against membership of a trading bloc.</p> <p>The Eurozone</p> <p>Now students can appreciate the need for firms to pursue overseas markets and market products globally in an appropriate way.</p> <p><b>Conditions that prompt trade</b></p> <p>Push factors:</p> <ul style="list-style-type: none"> <li>• saturated markets</li> <li>• competition</li> </ul> <p>Pull factors:</p> <ul style="list-style-type: none"> <li>• economies of scale</li> <li>• risk spreading</li> <li>• Possibility of offshoring and outsourcing</li> <li>• Extending product life cycles by selling in multiple markets</li> </ul> <p>Reactivates learning from teacher two.</p> <ul style="list-style-type: none"> <li>• Raising capacity utilisation</li> </ul> <p><b>Assessing the potential of different economies</b></p> <p>Factors influencing expansion into a market:</p> <p>o levels and growth of disposable income</p> <p>o ease of doing business</p> <p>o infrastructure</p> <p>o political stability</p> <p>o exchange rate</p> <p>another opportunity to reactivate exchange rates which students find challenging.</p> <p><b>Factors influencing the location of production sites:</b></p> <p>o costs of production</p>	<p>when the role of banks and the financial sector is studied in Year 13.</p>
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- o skills and availability of labour force
- o infrastructure
- o location in trade bloc
- o government incentives
- o ease of doing business
- o political stability
- o natural resources
- o likely return on investment

### **Responding to**

### **global demand**

Globalisation vs glocalisation

Different approaches to global markets:

- domestic/ethnocentric
- mixed/geocentric
- international/polycentric

Price and non-price competition in global markets

- o adapting marketing strategies for global markets

Branding and differentiation in global markets

Demand-side factors in global markets

Cultural/social factors:

- o cultural differences
- o different tastes

Information and communication factors:

- o language, unintended meanings, inappropriate/inaccurate translations

How firms respond to these demand-side factors

- o adapting marketing strategies for niche and mass markets

Links with work on markets with teacher two; reactivate learning on niche and mass market and pricing.

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Summer	6	<p>After the 'big picture' of globalisation, we focus now on the impact of MNCs. Prior learning about the impact of injections into the economy, job creation, membership of trade blocs can all be reactivated here.</p> <p><b>The impact of multinational corporations (MNCs)</b></p> <p><b>Impact of MNCs on the local economy:</b></p> <ul style="list-style-type: none"> <li>o local labour, wages, working conditions and job creation</li> <li>o local firms</li> <li>o the local community and the environment</li> </ul> <p><b>Impact of MNCs on the national economy:</b></p> <ul style="list-style-type: none"> <li>o economic growth</li> <li>o FDI flows</li> <li>o balance of payments</li> <li>o technology and skills transfer</li> <li>o consumers</li> <li>o business culture</li> <li>o tax revenues and transfer pricing</li> </ul> <p><b>Ethical issues</b></p> <p><b>Stakeholder conflicts</b></p> <p>Pay and working conditions</p> <p>Environmental considerations:</p> <ul style="list-style-type: none"> <li>o emissions</li> <li>o waste disposal</li> </ul> <p>Supply chain considerations:</p> <ul style="list-style-type: none"> <li>o exploitation of labour</li> <li>o child labour</li> </ul> <p>Marketing considerations:</p> <ul style="list-style-type: none"> <li>o misleading product labelling</li> <li>o inappropriate promotional activities</li> </ul> <p>Controlling MNCs</p> <ul style="list-style-type: none"> <li>• Factors to consider:</li> <li>• political influence</li> <li>• legal control</li> <li>• pressure groups</li> <li>• social media</li> </ul>	<p>The following learning continues to focus on the microeconomic issues in the course. This enables students to see the concept of profit maximisation in the context of reported financial information from firms.</p> <p>a) Profit as an incentive in a competitive market: market entry and exit.</p> <p>b) How firms calculate:</p> <ul style="list-style-type: none"> <li>-Gross Profit.</li> <li>-Operating Profit</li> <li>- Profit for the year (net profit)</li> </ul> <p>c) Statement of comprehensive income (profit and loss account)</p> <p>d) How firms measure profitability:</p> <ul style="list-style-type: none"> <li>- Gross Profit margin</li> <li>- Operating profit margin</li> <li>- Profit for the year (net profit margin).</li> </ul> <p>Learning the structure of the income statement enables students to see how costs impact profits and how profits determine the amount of corporate tax a firm pays. This complements the learning with teacher one on tax avoidance, which some MNCs pursue with their location or transfer pricing policies.</p> <p>e) How firms increase profit</p> <p>Business survival and cash flow</p> <ul style="list-style-type: none"> <li>- Distinction between cash and profit.</li> <li>- Importance of cash flow for business survival.</li> <li>- Forecasting and Interpreting cash flow</li> </ul> <p>Use of a cash flow forecast to identify credit requirements and minimise risk.</p>
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			<ul style="list-style-type: none"><li>• Self-regulation</li></ul>	
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## Key Stage 5 Curriculum Pages

			<b>Teacher 1 three hours</b>	<b>Teacher 2 two hours</b>
13	Autumn	1	<p>In year 12, a lot of work was 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.</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>Reactivate learning from year 12 on pricing strategies and the concepts of price elasticity of demand.</p> <p><b>Productive and allocative efficiency</b></p> <p>a) The distinction between allocative efficiency and productive efficiency</p> <p>b) The significance of the margin; opportunity costs, trade-</p>	<p><b>Market Failure:</b></p> <p>Students find this a difficult topic, so it is taught in Year 13 after students have had a great deal of exposure to the concept of supply and demand, the price mechanism and the concepts of a market. Secure understanding of this is needed before the following concepts can be understood. This also links with the work on markets with teacher 1.</p> <p><b>Market Failure</b></p> <p>a) social costs Private benefits, external benefits</p> <p>b) and social benefits Costs and benefits from the</p> <p>c) production and consumption of goods and services Strength of the market economy:</p> <p>d) markets work well when the private and social benefits exceed (or are equal to) the private and social costs Weaknesses of the market</p> <p>e) economy: some markets fail because of the existence of external costs, leading to under/over production or consumption</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 information</p> <p>f) Consequences of environmental change</p>

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		<p>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>c) Tacit agreement</p> <p>d) Price discrimination</p>	<p><b>Externalities:</b> a) Private, external and social costs and benefits</p> <p>b) The impact on society of charging prices that do not reflect total internal and external costs</p> <p>c) Environmental externalities</p> <p><b>Government Intervention &amp; Failure:</b></p> <p>Purpose of intervention with</p> <p>a) reference to market failure in various contexts Methods of government</p> <p>b) 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>Causes of government</p> <p>c) 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>Government failure in various</p> <p>d) markets</p> <p><b>Policies to deal with market failure:</b></p> <p>a) The provision of public and merit goods, indirect taxation of demerit goods, tradable pollution permits, provision of information, legislation and regulation</p> <p>b) The impact of these policies on the economy and society, long- and short-term</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> </ul>
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			<ul style="list-style-type: none"> <li>o natural monopolies</li> <li>o power in the labour market</li> <li>b) The implications of market failure in the business world for economic agents and governments</li> </ul> <p><b>Business Regulation:</b></p> <ul style="list-style-type: none"> <li>a) Promoting competition through:             <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> </li> <li>b) Regulating natural monopolies</li> <li>c) Protecting consumers</li> <li>d) The work of the Competition and Markets Authority</li> <li>e) Impact of EU competition policy</li> <li>f) Employee protection</li> </ul> <p><b>Arguments for and against regulation:</b></p> <ul style="list-style-type: none"> <li>a) Benefits of regulation</li> <li>b) Costs of regulation</li> </ul>
Autumn	2	<p>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</p> <ul style="list-style-type: none"> <li>b) Measures of poverty:             <ul style="list-style-type: none"> <li>o national measures</li> </ul> </li> </ul>	<p>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></p> <ul style="list-style-type: none"> <li>a) Growth of the global labour force</li> <li>b) Structural change</li> <li>c) Interdependence of labour markets</li> </ul> <p><b>Wage rates</b></p>



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		<p>o international measures</p> <p><b>Reducing poverty</b></p> <p>a) Economic development and economic growth</p> <p>b) International aid and improvements in welfare; non-governmental organisations (NGOs)</p> <p>c) Poverty reduction policies</p> <p><b>Measures of inequality:</b></p> <p>o Gini coefficient</p> <p>o Lorenz curve (diagrammatic analysis)</p> <p><b>The impact of inequality on economic agents</b></p> <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 style="color: red;">Reactivate learning on economic growth and measures of development.</p> <p><b>Re-distribution of income and wealth</b></p> <p>a) Distinction between income and wealth</p> <p>b) Incentives and the poverty trap</p> <p>c) Taxation and the provision of services</p> <p style="color: red;">This links well with the work with teacher two will do on fiscal policy and prior learning from year 12 with teacher one on government spending and taxation and work on labour markets.</p>	<p>a) Factors that influence the supply of and demand for labour</p> <p>b) The importance of skills, training and education</p> <p>c) Impact of global competition, recession and redundancies</p> <p>d) Impact of trade unions and professional bodies</p> <p><b>Minimum wage Legislation</b></p> <p>a) Minimum wages in developing and developed countries</p> <p>b) Skill shortages and their impact on international competitiveness</p> <p>c) Migration:</p> <p style="color: red;">This is an opportunity to reactivate learning on migration when studied as a characteristic of increased globalisation.</p> <p>o within economies</p> <p>o between economies</p> <p>d) Inequality and incentives</p>
		<b>Revision/ Mock examination period</b>	
Spring	3	<p><b>Risks &amp; Uncertainty</b></p> <p>a) difference between risk &amp; uncertainty</p> <p>b) The impact of shocks</p> <p>c) Exchange rate risks &amp; forward markets</p> <p>d) The role of insurance in business</p>	<p><b>Macroeconomic objectives:</b></p> <p style="color: red;">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</p>

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		<p style="color: red;">Reactivate learning on the importance of obtaining credit from Year 12 work on sources of finance available to a firm.</p> <p>The role of the financial sector and The Role of Banks</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 style="color: red;"><b>understanding of macroeconomics so teaching this in both Year 12 and Year 13 enables deep understanding.</b></p> <p><b>The AD/AS Model</b></p> <ul style="list-style-type: none"> <li>a. Changes in Aggregate Demand (AD)</li> <li>b. Changes in Aggregate Supply (AS)</li> <li>c. Full capacity output</li> <li>d. Impact of changes in AD and/or AS on inflation and unemployment</li> <li>e. The multiplier effect</li> <li>f. How the AS/AD model sheds light on the economy as a whole</li> </ul> <p><b>Demand Side Policies</b></p> <ul style="list-style-type: none"> <li>a. Distinction between monetary and fiscal policy <ul style="list-style-type: none"> <li>o fiscal policy: government spending and taxation (direct and indirect)</li> <li>o monetary policy: the role of the Bank of England and the Bank of England's Monetary Policy Committee</li> <li>o interest rates</li> <li>o asset purchases to increase the money supply (quantitative easing)</li> </ul> </li> <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> <p style="color: red;">Reactivate learning on opportunity costs and trade-offs from Year 12.</p>
Spring	4	<b>The role of the</b>	<b>Supply Side Policies</b>

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		<p><b>central bank</b>  a, b and d below are taught in more depth by teacher two during learning on policy and reactivates learning from year 12 on interest rates and policy. Teacher one 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>a. Distinction between market-based and interventionist methods  b. Market-based and interventionist policies to:  o increase incentives  o promote competition  o reform the labour market  o improve the skills and quality of the labour force  o improve the infrastructure  c. The use of AD/AS diagrams to illustrate supply-side policies  d. Strengths and weaknesses of supply-side policies</p> <p>Potential policy conflicts and trade - offs facing policymakers when applying policies</p> <p>a. The possible impact of macroeconomic policies  b. Comparing alternative approaches</p> <p><b>The impact of macroeconomic policies</b>  Identifying criteria for success and evaluating effectiveness.</p>
Summer	5	Revision	Revision and examination practice and tasks based around the Paper 3 pre-release material.

# Key Stage 5 Curriculum Pages

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
- The Independent
- 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
- The Almighty Dollar, Dharshini David

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- 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
- Data Scientist

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