

## Syllabus 2281 Economics

**Recommended Prior Knowledge** O Level Economics can be studied without any prior knowledge but it would be helpful if students had a general interest in economic issues in their own country and abroad. They should also be expected to keep up to date with economic developments through a regular reading of newspapers and appropriate magazines.

**General Resources** There are four books available which cover the syllabus very thoroughly. Alain Anderton, *Economics for GCSE*, divides the content into 87 units and each of these contains study points and check points which help students check if they have understood the material; they also contain definitions of the key terms. There are also a number of data response questions throughout the book. Barry Harrison and Robert Nutter, *Longman Study Guide for GCSE Economics*, has 17 chapters and at the end of these are typical exam questions with outline answers, tutor answers and student answers with examiner comments. There are also 20 question review sheets at the end of most chapters and a list of useful sources of information. Dan Moynihan and Brian Titley, *Economics A Complete Course*, is the most recent textbook and this divides the content into 20 chapters. Each of these is clearly sub-divided into a number of sections and there are many exercises which help students to apply the concepts covered in the different chapters. There are crosswords and wordsearches in some chapters which students should find enjoyable to do. Each chapter starts with the aims and ends with a list of the key words. Robert Paisley and John Quillfeldt, *GCSE Economics*, is divided into 8 parts and each of these is sub-divided into a number of units. They have a very useful database and a number of data response questions but the data is now in need of an update. There are also two books which have been written for the HIGCSE Economics syllabus: one has been written by Jason Probert and covers modules 1 and 2 and the other is by Matthew Andrews and covers modules 3 and 4. These books have been designed for a higher level examination taken in southern

African countries but they contain much material that would be helpful for the O Level course. There are other books which teachers and students might like to look at. These include two books by George Stanlake, *Starting Economics* and *First Economics*, one by John Pratten and Nigel Proctor, *GCSE Economics*, and *Examining Economics* by Andrew Tibbit. There are also a number of good dictionaries of Economics, such as the *Penguin Dictionary of Economics* by Graham Bannock et al, although these tend to be aimed more at A Level. It would also be useful to obtain a copy of the CD of past Economics O Level papers which also includes the markschemes; this CD is available from CIE Publications. The Subject Reports which are issued after every examination session are also very helpful in guiding students, especially in those areas of the syllabus which they find particularly difficult.

**Web Resources** There are a number of useful websites, although there is not one which is dedicated to O Level Economics. The Economics and Business Education Association is the main professional body for teachers of Economics and there will be helpful material and advice on their website, URL – <http://www.ebea.org.uk>. Two other very good sites are Bized, URL – <http://www.bized.ac.uk>, and Tutor2u, URL – <http://tutor2u.net>. There is now a new GCSE Economics site of Tutor2u which teachers and students should find very useful. The Bized site is particularly interesting as it offers a discussion forum. The s-cool site, URL – <http://s-cool.co.uk>, is a very useful site but is actually designed for A Level Economics; much of the material, however, will be relevant to the O Level course. There is a specialist BBC site for GCSE courses, GCSE Bitesize, URL – <http://www.bbc.co.uk/schools/bitesize>, but it does not, unfortunately, include Economics; however, some of the material on the Business Studies site will be relevant to Economics, especially Units 2, 4, 5 and 7.

## UNITS

1	<p>Basic economic problem: scarcity and exercise of choice.</p> <ul style="list-style-type: none"> <li>- the nature of the economic problem.</li> <li>- the factors of production.</li> <li>- opportunity cost.</li> <li>- specialisation and exchange.</li> <li>- the functions and types of money.</li> <li>- the allocation of resources in market, planned and mixed economies.</li> <li>- the relative merits of each of these systems.</li> </ul> <p>Approximately 8% of the time for the O Level course should be allocated to this Unit.</p>
2	<p>Nature and functions of organisations and institutions in an economy or economies studied.</p> <ul style="list-style-type: none"> <li>- the different types of business organisation in the public and private sectors, including sole proprietors, partnerships, private companies, public companies, multi-nationals, co-operatives and public corporations.</li> <li>- the effects of changes in the structure of business organisations.</li> <li>- trade unions and their role in the economy.</li> <li>- the functions of central banks, stock exchanges and commercial banks.</li> </ul> <p>Approximately 7% of the time for the O Level course should be allocated to this Unit.</p>
3	<p>How the market works.</p> <ul style="list-style-type: none"> <li>- changes in demand and supply and the effect on equilibrium price.</li> <li>- price elasticity of demand and supply and the usefulness of elasticity in particular situations.</li> <li>- the purposes and methods of advertising.</li> <li>- a comparison of pricing and output policies in perfect competition and monopoly.</li> </ul> <p>Approximately 15% of the time for the O Level course should be allocated to this Unit.</p>
4	<p>The individual as producer, consumer and borrower.</p> <ul style="list-style-type: none"> <li>- the factors affecting an individual's choice of occupation, including both wage and non-wage factors.</li> <li>- changes in earnings over time between occupations and economic sectors.</li> <li>- the differences in earnings between different occupational groups and economic sectors, such as male/female, skilled/unskilled, private/public and agricultural/manufacturing/services.</li> <li>- changes in the patterns of expenditure between groups and over time.</li> <li>- the different motives for spending, saving and borrowing.</li> <li>- a description of why different income groups have different expenditure patterns.</li> </ul> <p>Approximately 8% of the time for the O Level course should be allocated to this Unit.</p>
5	<p>The private firm as producer and employer.</p> <ul style="list-style-type: none"> <li>- the principle of profit maximisation as a goal.</li> </ul>

	<ul style="list-style-type: none"> <li>- the determination of the demand for factors of production.</li> <li>- costs of production, including total, average, fixed and variable costs.</li> <li>- the substitution of one factor for another and the changes in total and average cost as output changes.</li> <li>- total and average revenue.</li> <li>- the main reasons for the different size of firms, such as the size of the market, the availability of capital and the nature of the organisation.</li> <li>- integration, including economies and diseconomies of scale.</li> </ul> <p>Approximately 7% of the time for the O Level course should be allocated to this Unit.</p>
6	<p>Role of government in an economy or economies studied.</p> <ul style="list-style-type: none"> <li>- the role of the government as a producer of goods and services and as an employer.</li> <li>- the aims of government policy, including full employment, price stability, economic growth, redistribution of income and balance of payments stability.</li> <li>- the different types of taxation, both national and local.</li> <li>- the government's influence on private producers, the possible conflicts between government aims and the impact and incidence of taxation.</li> </ul> <p>Approximately 10% of the time for the O Level course should be allocated to this Unit.</p>
7	<p>Main economic indicators: recent changes and current trends in an economy and their consequences.</p> <ul style="list-style-type: none"> <li>- the definition and calculation of a retail price index.</li> <li>- the causes and consequences of inflation.</li> <li>- the changing patterns and levels of employment.</li> <li>- the consequences of unemployment.</li> <li>- the definition of Gross Domestic Product as a measure of economic output.</li> <li>- the structure of the Balance of Payments.</li> <li>- the changing patterns of exports and imports and the effects of these on the Balance of Payments.</li> <li>- exchange rates and the reasons why exchange rates fluctuate.</li> </ul> <p>Approximately 25% of the time for the O Level course should be allocated to this Unit.</p>
8	<p>Developed and developing economies: trends in population and in living standards.</p> <ul style="list-style-type: none"> <li>- developed and developing economies and the reasons for the different stages of development.</li> <li>- trends in population, including the factors that affect population growth, such as birth rate, death rate, fertility rate and net migration, and the reasons for the rates of growth in different countries.</li> <li>- trends in living standards.</li> <li>- the effects of a changing size and structure of population on an economy and the problems and consequences of these changes for developed and developing countries.</li> <li>- the measures and indicators of comparative living standards.</li> <li>- the differences in living standards and the reasons for disparities within nations and between nations, including both developed and</li> </ul>

	<p>developing countries.</p> <p>Approximately 10% of the time for the O Level course should be allocated to this Unit.</p>
9	<p>International aspects of interdependence and possible conflicts between the aims of individuals, firms and governments.</p> <ul style="list-style-type: none"> <li>- the benefits and disadvantages of specialisation at individual, regional and national levels.</li> <li>- the simple application of absolute and comparative advantage in trade.</li> <li>- the possible conflicts of interest in relation to social costs and benefits, private costs and benefits and short-term/long-term costs and benefits through the study of such issues as conserving resources versus exploiting resources, free trade versus protection and public expenditure versus private expenditure.</li> </ul> <p>Approximately 10% of the time for the O Level course should be allocated to this Unit.</p>

### TEACHING ORDER

The Units may be taught in the order indicated above although it would be useful to be aware of the links between different parts of the course, such as the fourth part of Unit 3 on the usefulness of elasticity and the fourth part of Unit 6 on the impact and incidence of taxation. There is a very close link between the second part of Unit 6 on the aims of government policy and the whole of Unit 7.

However, the Units do not necessarily have to be taught in this order. Each of the Units in the Scheme of Work correspond to the nine sections of the syllabus but the teacher order and the order in the syllabus could be quite different. For example, the teaching order might be strongly influenced by whether the students had any prior knowledge of economics or by whether they had studied other particular subjects, such as business studies or geography. The teaching order might also be influenced by certain events or issues that were receiving a lot of publicity and which would help students to understand the relevance of particular parts of the course. There might also be various cross-curricular initiatives at particular times, such as problems of population growth, and in such cases it would be appropriate to adjust the teaching order to take account of such initiatives.

The time allocation is an approximate guide only but will help to give some indication of the time that will need to be allocated to each of the Units.