



The curriculum for this stage of a students' education has been designed to develop their understanding of economic theory so that they are able to apply theory to support analysis of current economic problems and issues. Students develop the knowledge and skills needed to understand and analyse data, think critically about issues and make informed decisions. The course will begin with microeconomics and a study of markets. Microeconomic models such as demand and supply, the operation of the price mechanism and causes of market failure are central to this course. Students will then examine macroeconomic theory. Macroeconomics is an area of Economics that studies how an overall economy (the market systems that operate on a large scale) behaves. Students will study economic phenomena such as inflation, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.

<p><b>HALF TERM 1: ECONOMIC METHODOLOGY AND THE ECONOMIC PROBLEM</b>  <b>STUDENTS MUST KNOW:</b>                  The difference between positive and normative statements                  How value judgements influence economic decision making                  The fundamental economic problem is scarcity and that it results from limited resources and unlimited wants                  How to use production possibility diagrams to illustrate different features of the fundamental economic problem, such as: resource allocation, opportunity cost and trade-offs, unemployment of economic resources, economic growth                  The concept of a competitive market</p> <p><b>HOW THIS WILL BE ASSESSED:</b> Case study questions in lesson, multiple choice questions, end of topic test, external examination in June 2022.</p>	<p><b>HALF TERM 2: PRICE DETERMINATION IN A COMPETITIVE MARKET</b>  <b>STUDENTS MUST KNOW:</b>                  The factors which determine the demand for a good or service                  How to calculate price, income and cross elasticities of demand                  The factors which determine the supply of a good or service                  How the interaction of demand and supply determines equilibrium prices in a market economy                  Why excess demand and excess supply lead to changes in price                  The meaning of productivity, including labour productivity.                  The benefits of specialisation and division of labour</p> <p><b>HOW THIS WILL BE ASSESSED:</b> Case study questions in lesson, multiple choice questions, end of topic test, external examination in June 2022.</p>	<p><b>HALF TERM 3: MARKET STRUCTURE AND MARKET FAILURE</b>  <b>STUDENTS MUST KNOW:</b>                  Different market structures: perfect competition and monopoly                  Objectives of firms: profit, survival, growth and increasing market share.                  The difference between complete market failure (resulting in a missing market) and partial market failure (where a market exists but contributes to resource misallocation)                  Governments influences on the allocation of resources: indirect taxation, subsidies, price controls, state provision and regulation to correct market failure</p> <p><b>HOW THIS WILL BE ASSESSED:</b> Case study questions in lesson, multiple choice questions, end of topic test, external examination in June 2022.</p>
<p><b>HALF TERM 4: MACROECONOMIC PERFORMANCE</b>  <b>STUDENTS MUST KNOW:</b>                  The main objectives of government macroeconomic policy: economic growth, price stability, minimising unemployment and a stable balance of payments on current account                  Data that is commonly used to measure the performance of an economy, such as: real GDP, real GDP per capita, Consumer Prices and Retail Prices Indices (CPI/RPI), measures of unemployment, productivity and the balance of payments                  How index numbers are calculated and interpreted                  What national income measures: the difference between nominal and real income</p> <p><b>HOW THIS WILL BE ASSESSED:</b> Case study questions in lesson, multiple choice questions, end of topic test, external examination in June 2022.</p>	<p><b>HALF TERM 5: HOW THE MACROECONOMY WORKS</b>  <b>STUDENTS MUST KNOW:</b>                  The various factors that shift the AD curve and the short-run and long-run AS curve                  The concept of the economic cycle and the use of a range of economic indicators, such as real GDP, the rate of inflation, unemployment and investment, to identify the various phases of the economic cycle                  How employment and unemployment may be determined by both demand-side and supply-side factors                  The concepts of inflation and deflation                  The importance of international trade for an economy</p> <p><b>HOW THIS WILL BE ASSESSED:</b> Case study questions in lesson, multiple choice questions, end of topic test, external examination in June 2022.</p>	<p><b>HALF TERM 6: MACROECONOMIC POLICY</b>  <b>STUDENTS MUST KNOW:</b>                  The current objectives of monetary policy                  How fiscal policy can be used to influence aggregate demand and supply                  The difference between supply-side policies and supply-side improvements in the economy                  How supply-side policies, such as tax changes designed to change personal incentives, may increase the potential output of the economy and improve the underlying trend rate of economic growth</p> <p><b>HOW THIS WILL BE ASSESSED:</b> Case study questions in lesson, multiple choice questions, end of topic test, mock exam and external examination in June 2022.</p>

Embedding this knowledge can be supported at home by having an interest in current affairs and developments in the UK economy. This can be developed by reading news websites ([www.bbc.co.uk](http://www.bbc.co.uk), [www.guardian.co.uk](http://www.guardian.co.uk), [www.thetimes.co.uk](http://www.thetimes.co.uk)) or watching current affairs programmes such as Newsnight and Question Time. An appreciation of the usefulness of economic theory can be developed by watching videos on Economics YouTube channels such as Economics Explained, EconplusDal and Jacob Clifford. The specifications for examinations units can be found on Sharepoint or from the AQA web site (<https://www.aqa.org.uk/subjects/economics/as-and-a-level/economics-7135-7136>).