



**Republic of Namibia**

**MINISTRY OF EDUCATION, ARTS AND CULTURE**

**NAMIBIA SENIOR SECONDARY CERTIFICATE (NSSC)**

**ECONOMICS SYLLABUS**

**ORDINARY LEVEL**

**SYLLABUS CODE: 6145**

**GRADES 10 - 11**

**FOR IMPLEMENTATION IN 2019  
FOR FIRST EXAMINATION IN 2020**

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*Economics Syllabus Ordinary Level Grades 10 - 11*

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## 1. INTRODUCTION

The Namibia Senior Secondary Certificate (NSSC) Ordinary Level is designed as a two-year course for examination after completion of the Junior Secondary Certificate. The syllabus is designed to meet the requirements of the *National Curriculum for Basic Education (NCBE)* and has been approved by the National Examination, Assessment and Certification Board (NEACB).

The National Curriculum Guidelines, applicable at the stage of Senior Secondary Education (Grades 10-12) and at equivalent stages of non-formal education, as a part of life-long learning, recognise the uniqueness of the learner and adhere to the philosophy of learner-centred education.

The Namibia National Curriculum Guidelines:

- recognise that learning involves developing values and attitudes as well as knowledge and skills
- promotes self-awareness and an understanding of the attitudes, values and beliefs of others in a multilingual and a multicultural society
- encourage respect for human rights and freedom of speech
- provide insight and understanding of crucial “global” issues in a rapidly changing world which affect quality of life: the AIDS pandemic, global warming, environmental degradation, maldistribution of wealth, expanding and increasing conflicts, the technological explosion and increased connectivity
- recognise that, as information in its various forms becomes more accessible, learners need to develop higher cognitive skills of analysis, interpretation and evaluation to use information effectively
- seek to challenge and to motivate learners to reach their full potential and to contribute positively to the environment, economy and society

Thus the Namibia National Curriculum Guidelines provide opportunities for developing essential, key skills across the various fields of study. Such skills cannot be developed in isolation and may differ from context to context according to the field of study.

Economics contributes directly to the development of the 8 skills marked\*:

- Communication skills\*
- Numeracy skills\*
- Information skills\*
- Problem-solving skills\*
- Self-management and Competitive skills\*
- Social and Co-operative skills\*
- Physical skills
- Work and study skills\*
- Critical and creative thinking skills\*

## 2. RATIONALE

Economics is the participation in the social, civic, political, economic, cultural and natural environment and is central to this area of learning. It includes understanding and interpreting past and present human behaviour and experience; and how they influence events, circumstances and the environment.

### **3. AIMS**

The aims of the syllabus are the same for all learners. These are set out below and describe the educational purposes of a course in Economics for the NSSCO examinations. They are not listed in order of priority.

The aims are to enable learners to:

- develop a sound knowledge and understanding of economic terminology and principles and elementary economic theory
- develop basic economic numeracy and literacy and the ability to handle simple data including graphs and diagrams
- use the tools of economic analysis in particular situations
- identify and discriminate between differing sources of information; and to distinguish between facts and value judgements in economic issues
- employ economic skills, with reference to individuals, groups and organisations in order to better understand the world in which they live
- participate more fully in decision-making processes, as consumers and producers and as citizens of the local, national and international community
- develop an understanding of the economies of developed and developing nations and of the relationships between them; and to appreciate these relationships from the perspective of both developed and developing nations
- acquire knowledge and understanding of how different economic systems affect natural resources and environmental quality; the need for government control on the use of natural resources; and the economic implication of HIV and AIDS

### **4. ADDITIONAL INFORMATION**

#### **4.1 Guided learning hours**

The NSSCO level syllabuses are designed on the assumption that learners have about 130 guided learning hours per subject over the duration of two years, but this is for guidance only. The number of hours required to gain the qualification may vary according to local conditions and the learners' prior experience of the subject. *The National Curriculum for Basic Education (NCBE)* indicates that this subject will be taught for 8 periods of 40 minutes each per 7-day cycle, or 6 periods of 40 minutes each per 5-day cycle, over two years.

#### **4.2 Prior learning**

Learners beginning this course are not expected to have studied Economics previously.

#### **4.3 Progression**

NSSCO levels are general qualifications that enable learners to progress either directly to employment, or to proceed to further qualifications. Learners who are awarded grades C to A\* in NSSCO are well prepared to follow courses leading to Namibia Senior Secondary Certificate Advanced Subsidiary (NSCCAS) level Economics.

#### **4.4 Support materials and approved textbooks**

NSSCO syllabuses, question papers, examiner reports and assessment manuals in subjects, where applicable, are sent to all schools. Approved learning support materials are available on the *Senior Secondary Textbook Catalogue for Schools*.

### **5. LEARNING CONTENT**

The content is divided into nine themes and these are:

1. What is Economics?
2. Nature and functions of organisations and financial institutions
3. The market
4. Occupation, income and expenditure of individuals
5. Production
6. Role of Government in an economy
7. Main economic indicators
8. Developed and developing economies
9. Conflicts of interest

THEME 1: WHAT IS ECONOMICS?		
TOPIC	GENERAL OBJECTIVES <i>Learners will:</i>	SPECIFIC OBJECTIVES <i>Learners should be able to:</i>
<b>1.1 Basic economic problem: scarcity and exercise of choice</b>	<ul style="list-style-type: none"> <li>understand the nature of the economic problem</li> </ul>	<ul style="list-style-type: none"> <li>describe the nature of the economic problem (limited resources and unlimited wants)</li> <li>explain and illustrate opportunity cost</li> <li>evaluate the implications of specific courses of action in terms of opportunity cost</li> </ul>
<b>1.2 Types of economic systems and economic resources</b>	<ul style="list-style-type: none"> <li>demonstrate understanding of economic resources in different economic systems</li> </ul>	<ul style="list-style-type: none"> <li>describe the factors of production (land, labour, capital, entrepreneurship)</li> <li>explain allocation of resources in market, planned and mixed economic systems</li> <li>evaluate the merits and effectiveness of different economic systems</li> </ul>
<b>1.3 Specialisation and division of labour</b>	<ul style="list-style-type: none"> <li>appreciate the importance of specialisation and the division of labour</li> </ul>	<ul style="list-style-type: none"> <li>explain the meaning of specialisation and the division of labour</li> <li>analyse the advantages and disadvantages of specialisation and the division of labour</li> <li>discuss the various levels of specialisation (individual, regional, national)</li> </ul>



<b>THEME 2: NATURE AND FUNCTIONS OF ORGANISATIONS AND FINANCIAL INSTITUTIONS</b>		
<b>TOPIC</b>	<b>GENERAL OBJECTIVES</b> <i>Learners will:</i>	<b>SPECIFIC OBJECTIVES</b> <i>Learners should be able to:</i>
<b>2.1 Business organisations</b>	<ul style="list-style-type: none"> <li>understand the different forms of business organisations in the public and private sector</li> </ul>	<ul style="list-style-type: none"> <li>explain the differences between the private and public sector</li> <li>describe the different forms of business organisations: sole proprietors, partnerships, private companies, public companies, multi-nationals, co-operatives, close corporations, public corporations</li> <li>compare and choose the most appropriate form of business</li> </ul>
<b>2.2 Trade unions and employer association</b>	<ul style="list-style-type: none"> <li>know and understand the role of trade unions in business organisations and the economy</li> </ul>	<ul style="list-style-type: none"> <li>define a trade union</li> <li>identify the aims of trade unions</li> <li>describe the advantages of joining a trade union</li> <li>describe the types of trade unions in Namibia (e.g. white collar, blue collar, craft unions)</li> <li>discuss the factors affecting trade union activities in Namibia</li> <li>explain and evaluate the role of trade unions</li> <li>explain the role of employer association</li> </ul>
<b>2.3 Financial institutions</b>	<ul style="list-style-type: none"> <li>demonstrate an understanding of the importance and activities of financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>explain the need for exchange</li> <li>explain the functions, quality and types of money</li> <li>define and calculate exchange rate</li> <li>discuss the effects of fluctuating exchange rates on the economy</li> <li>describe and evaluate the functions of central banks, stock exchanges and commercial banks</li> </ul>

<b>THEME 3: THE MARKET</b>		
<b>TOPIC</b>	<b>GENERAL OBJECTIVES</b> <i>Learners will:</i>	<b>SPECIFIC OBJECTIVES</b> <i>Learners should be able to:</i>
<b>3.1 What is a market?</b>	<ul style="list-style-type: none"> <li>demonstrate an understanding of the role of a market</li> </ul>	<ul style="list-style-type: none"> <li>explain a market</li> <li>explain different types of markets</li> </ul>
<b>3.2 Market forces</b>	<ul style="list-style-type: none"> <li>understand the principles of demand and supply</li> </ul>	<ul style="list-style-type: none"> <li>define and illustrate demand and supply</li> <li>discuss and illustrate the principle of equilibrium price</li> <li>analyse simple market situations with changes in supply and demand</li> <li>discuss the causes of changes in demand and supply conditions</li> <li>analyse such changes to show effects on price</li> </ul>
<b>3.3 Price elasticity</b>	<ul style="list-style-type: none"> <li>understand the concept of price elasticity</li> </ul>	<ul style="list-style-type: none"> <li>define price elasticity of demand and supply</li> <li>discuss and apply price elasticity of demand and supply</li> <li>perform simple calculations of elasticity and inelasticity of demand and supply</li> </ul>
<b>3.4 Advertising</b>	<ul style="list-style-type: none"> <li>demonstrate an understanding of the role of advertising</li> </ul>	<ul style="list-style-type: none"> <li>define advertising</li> <li>describe the purpose and methods of advertising</li> </ul>
<b>3.5 Policies</b>	<ul style="list-style-type: none"> <li>understand the importance of pricing and output policies in business</li> </ul>	<ul style="list-style-type: none"> <li>discuss and evaluate pricing and output policies in perfect competition and monopoly</li> </ul>

<b>THEME 4: OCCUPATION, INCOME AND EXPENDITURE OF INDIVIDUALS</b>		
<b>TOPIC</b>	<b>GENERAL OBJECTIVES</b> <i>Learners will:</i>	<b>SPECIFIC OBJECTIVES</b> <i>Learners should be able to:</i>
<b>4.1 Occupational choices</b>	<ul style="list-style-type: none"> <li>• acquire knowledge of factors affecting choice of occupation</li> </ul>	<ul style="list-style-type: none"> <li>• differentiate between and discuss wage and non-wage factors affecting an individual's choice of occupation</li> </ul>
<b>4.2 Earnings</b>	<ul style="list-style-type: none"> <li>• demonstrate an understanding of the factors determining earnings</li> </ul>	<ul style="list-style-type: none"> <li>• identify and analyse the factors determining earnings</li> <li>• describe and explain the differences in earnings between different occupational groups and different economic sectors (male/female; skilled/unskilled; private/public; agricultural/manufacturing/ services)</li> <li>• analyse and discuss changes in earnings over time between occupations and between economic sectors</li> <li>• explain economic rent and transfer earnings</li> </ul>
<b>4.3 Expenditure</b>	<ul style="list-style-type: none"> <li>• acquire knowledge of spending, saving and borrowing</li> </ul>	<ul style="list-style-type: none"> <li>• describe how and why different income groups have different expenditure patterns (spending, saving, borrowing)</li> <li>• analyse the different motives for spending, saving and borrowing</li> <li>• analyse and discuss changes in patterns of expenditure between groups and over a period of time</li> </ul>

THEME 5: PRODUCTION		
TOPIC	GENERAL OBJECTIVES <i>Learners will:</i>	SPECIFIC OBJECTIVES <i>Learners should be able to:</i>
<b>5.1 The private firm as producer and employer</b>	<ul style="list-style-type: none"> <li>be familiar with the aims of firms</li> <li>demonstrate understanding of production</li> </ul>	<ul style="list-style-type: none"> <li>describe and analyse the principle of profit maximisation as a goal</li> <li>define production</li> <li>describe what determines the demand for factors of production</li> <li>analyse particular situations to show the effects of substituting one factor for another</li> </ul>
<b>5.2 Productivity</b>	<ul style="list-style-type: none"> <li>be familiar with the importance of productivity as a way of measuring performance</li> </ul>	<ul style="list-style-type: none"> <li>explain the meaning of productivity</li> <li>show how productivity is measured</li> <li>discuss how productivity can be improved</li> <li>explain the effect of Information Technology on productivity</li> <li>discuss the effects of HIV and AIDS on productivity</li> </ul>
<b>5.3 Production costs and revenue</b>	<ul style="list-style-type: none"> <li>acquire knowledge and skill in determining the costs of and revenue from production</li> </ul>	<ul style="list-style-type: none"> <li>define total, average, fixed and variable costs</li> <li>define total and average revenue</li> <li>discuss how costs and revenue might change as output changes</li> <li>explain the effect of changes in technology on production</li> </ul>
<b>5.4 Economies and diseconomies of scale</b>	<ul style="list-style-type: none"> <li>demonstrate an understanding of integration, economies and diseconomies of scale</li> </ul>	<ul style="list-style-type: none"> <li>define and identify the different types of integration</li> <li>explain and illustrate the various economies of scale</li> <li>explain and illustrate the various diseconomies of scale</li> <li>discuss how the economies and diseconomies of scale affect business costs</li> <li>discuss the main reasons for the different sizes of firms (size of market; capital; organisation), and the different factors that influence the size of a firm</li> </ul>

THEME 6: ROLE OF GOVERNMENT IN AN ECONOMY		
TOPIC	GENERAL OBJECTIVES <i>Learners will:</i>	SPECIFIC OBJECTIVES <i>Learners should be able to:</i>
<b>6.1 Government as producer and employer</b>	<ul style="list-style-type: none"> <li>understand the role of government in production</li> </ul>	<ul style="list-style-type: none"> <li>describe the government as a producer of goods and services and as an employer</li> </ul>
<b>6.2 Government economic policies</b>	<ul style="list-style-type: none"> <li>demonstrate an understanding of the economic policies of the government</li> </ul>	<ul style="list-style-type: none"> <li>define government economic policy</li> <li>discuss the aims of government policy and why they should be achieved               <ul style="list-style-type: none"> <li>full employment</li> <li>prevention of inflation</li> <li>economic growth</li> <li>redistribution of income</li> <li>balance of payments stability</li> </ul> </li> <li>explain fiscal and monetary policies of the government</li> <li>describe the different types of taxes</li> <li>discuss how taxes are used by the government to influence business activities and the role of the budget</li> <li>describe how the government can use the interest rate to influence business activity</li> </ul>
<b>6.3 Government control</b>	<ul style="list-style-type: none"> <li>acquire knowledge and understanding of the need for the control of business activity by the government</li> </ul>	<ul style="list-style-type: none"> <li>explain the reasons for government's intervention in business</li> <li>explain how the government controls production of goods and services</li> <li>discuss how consumers are protected in Namibia</li> <li>discuss how employees are protected by the State</li> <li>discuss how the government can protect people with HIV and AIDS at the workplace</li> </ul>

<b>THEME 7: MAIN ECONOMIC INDICATORS</b>		
<b>TOPIC</b>	<b>GENERAL OBJECTIVES</b> <i>Learners will:</i>	<b>SPECIFIC OBJECTIVES</b> <i>Learners should be able to:</i>
<b>7.1 Prices</b>	<ul style="list-style-type: none"> <li>acquire knowledge and understanding of the importance of economic indicators in an economy (recent changes and current trends)</li> </ul>	<ul style="list-style-type: none"> <li>define retail price index and show its simple calculation</li> <li>describe different types of inflation</li> <li>discuss the consequences of inflation</li> </ul>
<b>7.2 Employment</b>	<ul style="list-style-type: none"> <li>acquire knowledge of aspects relating to employment and unemployment</li> </ul>	<ul style="list-style-type: none"> <li>describe and discuss the changing patterns and levels of employment</li> <li>investigate the reasons for unemployment</li> <li>investigate the consequences of unemployment</li> <li>investigate remedies to unemployment</li> </ul>
<b>7.3 Output</b>	<ul style="list-style-type: none"> <li>acquire knowledge on how to measure output and the reasons for measuring output</li> </ul>	<ul style="list-style-type: none"> <li>define Gross Domestic Product, Gross National Product and National Income</li> <li>describe the different methods of calculating the national income</li> <li>explain reasons for measuring the national income</li> </ul>
<b>7.4 International trade</b>	<ul style="list-style-type: none"> <li>acquire knowledge of the importance of international trade</li> </ul>	<ul style="list-style-type: none"> <li>describe the changing patterns of exports and imports and the effects on the balance of payments</li> <li>discuss exchange rates and give reasons for their fluctuations</li> <li>demonstrate the simple application of absolute and comparative advantage in trade</li> </ul>

<b>THEME 8: DEVELOPED AND DEVELOPING ECONOMIES</b>		
<b>TOPIC</b>	<b>GENERAL OBJECTIVES</b> <i>Learners will:</i>	<b>SPECIFIC OBJECTIVES</b> <i>Learners should be able to:</i>
<b>8.1 Population</b>	<ul style="list-style-type: none"> <li>acquire knowledge and understanding relating to population</li> </ul>	<ul style="list-style-type: none"> <li>describe developed and developing economies and reasons for different stages of development</li> <li>discuss problems and consequences for developing countries as they develop</li> <li>describe the factors that affect population growth (birth rate, death rate, fertility rate, net migration) and reasons for rates of growth in Namibia and other countries</li> <li>discuss the effects of changing size and structure of population on an economy</li> </ul>
<b>8.2 Living standards</b>	<ul style="list-style-type: none"> <li>understand the effect of economic activity on living standards</li> </ul>	<ul style="list-style-type: none"> <li>describe simple measures and indicators of comparative living standards</li> <li>describe differences in living standards and discuss reasons for disparities within nations and between nations, both developed and developing countries</li> <li>explain the effect of Information Technology on living standards</li> </ul>

THEME 9: CONFLICTS OF INTEREST		
TOPIC	GENERAL OBJECTIVES <i>Learners will:</i>	SPECIFIC OBJECTIVES <i>Learners should be able to:</i>
9.1 Conflicts	<ul style="list-style-type: none"> <li>demonstrate an understanding of possible conflicts between the aims of individuals, firms and government</li> </ul>	<ul style="list-style-type: none"> <li>discuss conflicts of interest in relation to:               <ul style="list-style-type: none"> <li>- social costs* and benefits, private costs and benefits</li> <li>- short/long term costs and benefits</li> <li>- conserving resources versus exploiting resources</li> <li>- free trade versus protection</li> <li>- public expenditure versus private expenditure</li> </ul> </li> </ul>

\*Social costs are equal to the sum of private costs and external costs



## 6. ASSESSMENT OBJECTIVES

The three assessment objectives in Economics are:

- A Knowledge with understanding
- B Application and analysis
- C Evaluation and decision making

A description of each assessment objective follows:

### A Knowledge with understanding

Learners should be able to demonstrate their knowledge and understanding in relation to:

1. economic phenomena, facts, definitions, concepts principles and theories
2. economic vocabulary, terminology and conventions

*(Questions testing these objectives will often begin with command words such as: define, describe, list, outline, state, identify.)*

### B Application and analysis

Learners should be able to:

1. use economic data, to recognise patterns in such data, and to deduce relationships
2. select, organise and interpret data
3. analyse economic knowledge and understanding in verbal, numerical, diagrammatic, pictorial and graphical form
4. recognise that economic theory is subject to various limitations and uncertainties

*(Questions testing these objectives will often contain command words such as: analyse, calculate, comment, compare, contrast, explain.)*

### C Evaluation and decision making

Learners should be able to:

1. distinguish between evidence and opinion, make reasoned judgements and communicate them in an accurate and logical manner
2. evaluate the social and environmental implications of particular courses of economic action
3. make decisions and suggest proposals based on novel data that will be provided

*(Questions testing these objectives will often contain command words such as: assess, discuss, evaluate, justify.)*

## 7. SCHEME OF ASSESSMENT

All learners will take Paper 1 and Paper 2.

### Description of papers

<b>Paper 1</b>	<b>2 hours 30 minutes</b>	<b>80 marks</b>	<b>Weighting 50%</b>
<p>A paper containing short-answer questions and novel data for interpretation and questions testing enquiry skills, divided into two sections. Learners will be required to answer <u>all</u> questions in <u>both</u> sections.</p> <p><b>Section A</b></p> <p>Short-answer questions. (40 marks) Questions in this section will be assessed by Assessment Objective A.</p> <p><b>Section B</b></p> <p>Learners will be asked to answer longer questions which will require interpretation and analysis of real economic situations. Questions in this section will be assessed by Assessment Objective B and C. (40 marks)</p> <p><b>Paper 2</b></p> <p><b>2 hours</b></p> <p><b>80 marks</b></p> <p><b>Weighting 50%</b></p> <p>A paper containing structured questions which will be presented for interpretation and analysis of real economic situations. Questions in this paper will seek to cover the assessment objectives A (Knowledge with understanding), B (Application and Analysis), and C (Evaluation and Decision Making).</p> <p>The paper is divided into two sections. Learners will be required to answer all questions in Section A. In Section B learners will choose three out of five questions available.</p> <p><b>Section A</b></p> <p>Structured questions (20 marks) Questions will include drawing and interpretation of diagrams.</p> <p><b>Section B (contains optional questions)</b></p> <p>Learners will be required to answer <u>three</u> structured essay questions (3 x 20 marks) from the five questions available. (60 marks)</p>			

## 8. SPECIFICATION GRID

The relationship between the assessment objectives and components of the scheme of assessment:

<b>Assessment Objectives</b>	<b>Paper 1</b>	<b>Paper 2</b>
A Knowledge with understanding	50 %	28 %
B Application and Analysis	16 %	35 %
C Evaluation and Decision Making	34 %	37 %
<b>Total marks</b>	<b>80</b>	<b>80</b>
Weighting	50 %	50 %

## 9. GRADE DESCRIPTIONS

Grade descriptions are provided to give a general indication of the standards of achievement likely to have been shown by learners awarded particular grades. The grade awarded will depend in practice upon the extent to which the learner has met the assessment objectives overall and it might conceal weakness in one aspect of the examination which is balanced by above average performance in some other. Learners will be graded on a scale of A\* - G. The descriptors for judgemental thresholds (A, C, E and G) are given below.

A **Grade A** learner should demonstrate:

**A** *Knowledge with understanding*

1. An excellent ability to identify detailed facts and principles in relation to the content of the syllabus.
2. An excellent ability to describe graphs, diagrams and tables.
3. An excellent ability to define the concepts of the syllabus.

**B** *Application and Analysis*

1. An excellent ability to apply and comment on economic information.
2. An excellent ability to apply this information in a logical and well-structured manner to illustrate the application of a piece of economic analysis to a particular situation.
3. A sound ability to apply this information in a logical and well-structured manner to illustrate the application of a piece of economic analysis to a particular situation.

**C** *Evaluation*

1. A sound ability to discriminate between more complex and varied information and to distinguish clearly between facts and opinions.
2. A sound ability to form conclusions from information and data.
3. A sound ability to make clear, reasoned judgements and communicate them in an accurate and logical manner.

A **Grade C** learner should demonstrate:

**A** *Knowledge with understanding*

1. A good ability to identify detailed facts and principles in relation to the content of the syllabus.
2. A good ability to clearly describe graphs, diagrams, tables.
3. A good ability to define the concepts and ideas of the syllabus.

**B** *Application and Analysis*

1. An ability to apply and comment on information presented in non-verbal form.
2. An ability to apply this information to illustrate economic analysis to particular situations.

**C** *Evaluation*

1. An ability to discriminate between complex information and to distinguish clearly between facts and opinions.
2. An ability to draw conclusions and present these in a clear manner.
3. An ability to examine information in a logical manner.

A **Grade E** learner should demonstrate:

*A Knowledge with understanding*

1. Some ability to identify specific facts or principles in relation to the content of the syllabus.
2. Some ability to describe graphs, diagrams, tables.
3. Some familiarity with the central concepts and ideas of the syllabus.

*B Application and Analysis*

1. Some ability to apply data in a simple way and to select relevant information from a set of data.
2. Some ability to apply the tools of economic analysis to particular situations.

*C Evaluation*

1. Some ability to discriminate between different sources of information and to describe the difference between facts and opinions.
2. Some ability to use given information to form conclusions.

A **Grade G** learner should demonstrate:

*A Knowledge with understanding*

1. A limited ability to identify specific facts or principles in relation to the content of the syllabus.
2. A limited ability to describe graphs, diagrams, tables.
3. A limited familiarity with the central concepts and ideas of the syllabus.

*B Application and Analysis*

1. A limited ability to apply data in a simple way.
2. A rudimentary ability to apply and use the tools of economic analysis.

*C Evaluation*

1. A limited ability to discriminate and recognise the differences between facts and opinions.
2. A rudimentary ability to use information to draw some basic conclusions.

## 10. COMMAND WORDS

<b>Command</b>	<b>General definition</b>
Analyse	examine in detail to show meaning, identify elements and the relationship between them
Calculate	work out from given facts, figures or information
Define	give precise meaning
Describe	state the points of a topic / give characteristics and main features
Discuss	write about issue(s) or topic(s) in depth in a structured way
Evaluate	judge or calculate the quality, importance, amount, or value of something
Explain	set out purposes or reasons / make the relationships between things evident / provide why and/or how, and support with relevant evidence
Give	produce an answer from a given source or recall/memory
Identify	name/select/recognise
Justify	support a case with evidence/argument
Outline	set out main points
State	express in clear terms
Suggest	apply knowledge and understanding to situations where there are a range of valid responses in order to make proposals / put forward considerations

## 11. GLOSSARY

<b>Abnormal profits</b>	These profits are earned when a firm earns profits greater than the profits which could be earned in the best alternative business.
<b>Analyse</b>	Examine in detail to show meaning, identify elements and the relationship between them
<b>Average cost (AC)</b>	The total costs (TC) divided by the total number of units produced (Q). The formula is: $AC = TC \div Q$
<b>Average revenue (AR)</b>	The revenue per unit sold. The formula is: $AR = TR \div Q$ of units
<b>Calculate</b>	Work out from given facts, figures or information.
<b>Complementary good</b>	A good that is usually used together with another good.
<b>Cross elasticity</b>	The responsiveness of the change in the <i>demand</i> for X to a change in the <i>price</i> of Y.
<b>Define</b>	Give precise meaning.
<b>Demand</b>	How much of a good will be bought at a particular price. As the price of a good rises, the quantity demanded will fall. As the price of a good falls, the quantity demanded will rise.
<b>Describe</b>	State the points of a topic / give characteristics and main features
<b>Discuss</b>	Write about issue(s) or topic(s) in depth in a structured way.
<b>Diseconomies of scale</b>	Increase of production/output leads to increase in average cost of production.
<b>Disposable income</b>	The amount which household has available for spending and saving after tax and other contributions subtracted/after deductions.
<b>Division of labour</b>	Large tasks split into different tasks and each worker/employee performs one specific task/dividing the production process into different stages and each worker focus on a specific task.
<b>Economies of scale</b>	Large-scale of production which lead to lower average cost.
<b>Elasticity</b>	How much the quantity demanded or supplied will change when another factor, such as price or income, changes.

<b>Evaluate</b>	Judge or calculate the quality, importance, amount, or value of something.
<b>Explain</b>	Set out purposes or reasons / make the relationships between things evident / provide why and/or how, and support with relevant evidence.
<b>Equilibrium</b>	Where supply is equal to demand.
<b>Factors of production</b>	Land, labour, capital and enterprise.
<b>Fixed costs</b>	Costs that remain the same no matter how much is produced.
<b>Give</b>	Produce an answer from a given source or recall/memory.
<b>Identify</b>	Name/select/recognise
<b>Implicit costs</b>	The non-monetary costs of production.
<b>Income elasticity of demand</b>	The sensitivity of the quantity of a good demanded to changes in income.
<b>Justify</b>	Support a case with evidence/argument.
<b>Law of comparative advantage</b>	People should specialize in the production of goods in which their opportunity cost is the lowest, and trade these for other goods.
<b>Law of diminishing returns</b>	When more of a variable factor of production is added to fixed factors, the rate at which output increases will eventually slow down.
<b>Law of increasing opportunity cost</b>	As more of a particular factor of production is used, the opportunity cost of that factor increases.
<b>Long-run</b>	The period in which the firm can alter all its costs – both its fixed costs and its variable costs.
<b>Margin</b>	The imaginary line between the last unit produced or consumed and the next unit which will be produced or consumed.
<b>Marginal benefit</b>	The benefit gained from the next unit produced or consumed.
<b>Marginal costs (MC)</b>	The additional costs incurred by producing each additional unit of output.
<b>Marginal revenue (MR)</b>	The revenue earned by selling an additional unit of output.
<b>Marginal revenue product (MRP)</b>	The extra output produced by a labourer multiplied by the marginal revenue.



<b>Normal profits</b>	The minimum profits an entrepreneur must earn in order to keep him or her in the business instead of some other business and is included in the total cost.
<b>Opportunity cost</b>	A benefit, profit, or value of something that must be given up to acquire or achieve something else.
<b>Outline</b>	Set out main points.
<b>Piece rate</b>	Wage system in which the worker/employee is paid for each unit of production/per output at a fixed rate
<b>Price elasticity of demand</b>	The sensitivity of the quantity of a good demanded to changes in its price.
<b>Price elasticity of supply</b>	The sensitivity of the quantity of output supplied by firms to changes in the price of the product.
<b>Production possibility frontier (PPF)</b>	Opportunity costs are often described using a PPF. A PPF shows the total output of an economy if all resources are fully used.
<b>Profit</b>	$\text{Profit} = \text{total revenue (TR)} - \text{total costs (TC)}$
<b>Profit maximisation</b>	Achieving the highest possible when the business produces an output where marginal cost is equal to marginal revenue
<b>Short-run</b>	A period of time that a firm operates during which some of its costs are fixed and others can be varied.
<b>State</b>	Express in clear terms.
<b>Substitute goods</b>	Good that can be used in the place of another goods.
<b>Suggest</b>	Apply knowledge and understanding to situations where there are a range of valid responses in order to make proposals / put forward considerations.
<b>Supply</b>	The amount of a good which firms will be willing to produce at a particular price in a given period of time. The Law of Supply states that: As the price of a good rises, the quantity supplied will rise. As the price of a good falls, the quantity supplied will fall.
<b>Stock exchange</b>	A market place for the buying and selling of shares, debentures and government securities.

**Total revenue (TR)**

The quantity of total sales (Q) multiplied by the price (P) at which its goods or services are sold.

**Trade union**

Association of workers formed for the purpose of improving the pay and working conditions of their members through collective bargaining with employers

**Variable costs**

These are costs which will change as output changes.





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