

# Scheme of work

Cambridge IGCSE®  
Economics  
0455

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## Scheme of work – Cambridge IGCSE<sup>®</sup> Economics (0455)

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## Scheme of work – Cambridge IGCSE<sup>®</sup> Economics (0455)

### Overview

This scheme of work provides ideas about how to construct and deliver a course. The 2014 syllabuses have been broken down into teaching units with suggested teaching activities and learning resources to use in the classroom.

Whole class (**W**), group work (**G**) and individual activities (**I**) are indicated throughout this scheme of work. The activities in the scheme of work are only suggestions and there are many other useful activities to be found in the materials referred to in the learning resources column.

Opportunities for differentiation are indicated as **basic** and **challenging**; there is the potential for differentiation by resource, length, grouping, expected level of outcome, and degree of support by teacher, throughout the scheme of work. Timings for activities and feedback are left to the judgement of the teacher, according to the level of the learners and size of the class. Length of time allocated to a task is another possible area for differentiation.

**Formative assessment** opportunities are also indicated throughout the scheme of work.

### Recommended prior knowledge

This syllabus can be studied without any prior knowledge of the subject, but it would be useful if learners have:

- an interest in national and global economic issues
- good writing skills
- good numeracy skills.

Economics is an ever-changing subject. For instance, economic activity, government policies and the performance of different industries may vary from month to month. Throughout the course, learners need to keep up to date with important changes, in both their own country and in the wider international economy, by regular reading of appropriate newspaper and magazine articles and internet sites.

### Outline

The units within this scheme of work are as follows:

Unit 1: Basic economic problem: choice and the allocation of resources

Unit 2: The allocation of resources: how the market works; market failure

Unit 3: The individual as producer, consumer and borrower

Unit 4: The private firm as producer and employer

Unit 5: Role of government in an economy

Unit 6: Economic indicators

Unit 7: Developed and developing economies: trends in production, population and living standards

Unit 8: International aspects

## 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 seventh part of Unit 3 (the benefits and disadvantages of specialisation for the individual) and the first part of Unit 8 (the benefits and disadvantages of specialisation at regional and national levels). There is also a very close link between the last part of Unit 6 and the first part of Unit 7.

The units, however, do not necessarily have to be taught in this order. Each of the units in the scheme of work corresponds to the eight sections of the syllabus, but the teaching order and the order in the syllabus could be quite different. For example, the teaching order might be strongly influenced by whether the learners 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 could help learners to understand the relevance of particular parts of the course. There might also be various cross-curricular initiatives in certain centres at particular times, such as 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 be needed to be allocated to each of the units.

## Teacher support

Teacher Support is a secure online resource bank and community forum for Cambridge teachers at <http://teachers.cie.org.uk> where you can download specimen and past question papers, mark schemes and other resources. We also offer online and face-to-face training; details of forthcoming training opportunities are posted online.

An editable version of this scheme of work is available on Teacher Support at <http://teachers.cie.org.uk> in Word format. If you are unable to use Word, you can download Open Office for free at [www.openoffice.org](http://www.openoffice.org)

## Resources

Dransfield, R, Cook, T and King, J. *Economics for IGCSE*, Nelson Thornes, 2010. ISBN: 9781408506578  
Grant, S. *IGCSE and O Level Economics*, Cambridge University Press India, 2008. ISBN: 9780521720038  
Grant, S. *IGCSE and O Level Economics Workbook*, Cambridge University Press India, 2010. ISBN: 9780 521144148  
Moynihan, D and Tittley, B. *Complete Economics for Cambridge IGCSE and O Level*, Oxford University Press, 2012. ISBN: 9780199129584  
Tittley, B. *Economics IGCSE Revision Guide*, Oxford University Press, 2009. ISBN: 9780199154869  
Wall, N. *A-Z Economics Handbook*, Philip Allan ISBN: 9780340991015  
*Routledge Dictionary of Economics* ISBN: 0415250900  
*Pocket World in Figures, 2012* Economist Books. ISBN: 9781846684739

There are a number of useful websites. Three that learners are likely to find particularly helpful are:

[www.bized.co.uk](http://www.bized.co.uk)  
[www.tutor2u.net](http://www.tutor2u.net)  
<http://s-cool.co.uk>

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## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 1: Basic economic problem: choice and the allocation of resources

#### Recommended prior knowledge

This unit can be studied without any prior knowledge, but learners will, hopefully, have some idea of what Economics is about and the skills they will use and develop over the course.

#### Context

This first unit introduces some important economic concepts that underpin the course. The economic problem results in choices having to be made by households, firms and the government. Factors of production are used in the production of goods and services and receive income (factor payments). Opportunity cost is a key economic concept which will be used throughout the course. Production possibility curves can be used to illustrate choice and the allocation of resources.

#### Outline

The unit starts by exploring the nature of the economic problem in terms of finite resources and unlimited wants. It then considers resources by defining the four factors of production – land, labour, capital and enterprise. It then examines the meaning of opportunity cost and how particular circumstances can be used to illustrate the concept. Production possibility curves are then used to illustrate the ideas of choice and the allocation of resources and, finally, the implications of particular courses of action are evaluated in terms of opportunity cost.

It is suggested that approximately 8% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
1a	Learners should be able to define the nature of the economic problem in terms of finite (limited) resources and infinite (unlimited) wants.	<p>An effective start is to ask learners what they think Economics is about. You might want to write up their suggestions on a flip chart. <b>(W) (Basic)</b></p> <p>Arrange the learners in groups and ask them to discuss what is likely to happen to the quantity of goods and services, such as cars, computers and computer accessories, food, clothing and financial services, that people will want in the future and whether it will be possible to meet these wants. <b>(G) (Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/micro/problem/index.htm">http://www.bized.co.uk/learn/economics/micro/problem/index.htm</a></p> <p><a href="http://www.tutor2u.net/economics/content/topics/introduction/scarcity.htm">http://www.tutor2u.net/economics/content/topics/introduction/scarcity.htm</a></p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Emphasise to the learners the importance of learning key definitions and you should then bring to their attention one particularly well known definition of Economics by Lionel Robbins (1935): 'Economics is the science which studies human behaviour as a relationship between ends and scarce resources which have alternative uses'. <b>(W) (Basic)</b></p> <p>Extend this by asking each learner to undertake a challenging research task of checking on different definitions of Economics and on the meaning of the economic problem by using the online resources listed. <b>(I) (Challenging)</b></p> <p>An important activity for learners should be to read Chapter 1 in Grant (pages 3–5) <b>(Basic)</b> and then extend this by more challenging work in answering Activity 1 and the two multiple choice questions. <b>(Basic and Challenging)</b></p> <p>There is an interesting case study relating to Tanzania in Dransfield, Cook and King in Section 1.1 (pages 2–3), with three basic questions relating to this; this could then be extended by an activity with learners answering the three summary questions and carrying out the activity which is related to the concept of scarcity. <b>(Challenging)</b></p> <p>Learners could also read the first part of Unit 1.1 of the Moynihan and Titley textbook (pages 3–4). <b>(Basic)</b></p> <p>With regard to revision, an activity would be for learners to read pages 6–7 of Titley. <b>(I) (Basic)</b></p>	<p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 2–3 Grant, pages 3–5 Moynihan and Titley, pages 3–4 Titley, pages 6–7</p> <p><b>Past Papers</b></p> <p>Paper 22, November 2010 Explain the nature of the economic problem. (4 marks)</p> <p>Paper 22, November 2011 Why do all countries face the basic economic problem? (4 marks)</p>
1b	Learners should be able to define the factors of production (land, labour, capital, enterprise).	<p>You might want to start this topic with a basic activity by getting the learners to consider what resources would be used in the production of certain items, e.g. houses and rice. The learners could then categorise the resources into different factors of production. <b>(W or G)</b></p> <p>There is a useful case study on combining the factors of production in Dransfield, Cook and King (page 5). There are also activities in Grant (page 13) and Moynihan and Titley (page 6). <b>(Basic)</b></p> <p>Learners then need to explore each of the four factors of production in more detail. For instance, as a basic activity, they could distinguish</p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/gcse/revision_notes/basics_factors_of_production.htm">http://www.tutor2u.net/economics/gcse/revision_notes/basics_factors_of_production.htm</a></p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 4–5 Grant, page 6–15</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>between capital and consumer goods in Grant (page 8) and then extend this through the more challenging activity of considering the difference between gross and net investment (Grant, page 9). <b>(Challenging)</b></p> <p>Learners could distinguish between renewable and non-renewable resources in connection with land and then work in groups to consider what could increase the geographical and occupational mobility of labour. <b>(G)</b> Answering the questions at the end of Unit 1 in Dransfield, Cook and King (pages 10–12) will be a useful activity. <b>(I) (Basic)</b></p> <p>Learners are likely to enjoy exploring the careers of entrepreneurs. They could be required individually, or in small groups, to research the career of a successful entrepreneur from their own country and compare that with the career of a successful entrepreneur from another country, e.g. Cheung Yan (also known as Zhang Yan), head of the Nine Dragons paper recycling and packaging firm, and James Dyson, industrial designer and inventor of the bagless vacuum cleaner. <b>(G or I) (Basic)</b></p> <p>As a more challenging activity, they could be asked to consider what are the essential qualities of a successful entrepreneur. <b>(G or I)</b> They could then give a presentation on their findings to the whole class. <b>(W) (Challenging)</b></p> <p>There is an interesting case study of an Indian entrepreneur, Lakshmi Mittal, in Dransfield, Cook and King (page 5); the two questions could be answered. <b>(I or G) (Basic)</b></p> <p>To sum up the topic of factors of production, the learners could be asked as a basic activity to answer the four multiple choice questions from Grant (pages 14–15) and multiple choice questions from past Cambridge examination papers. These are available on the Cambridge Teacher Support website. In terms of revision, a basic activity would be for learners to read pages 2–5 of Titley. <b>(Basic)</b></p>	<p>Moynihan and Titley, pages 4–6 Titley, pages 2–5</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010 What is meant by the term factors of production? (4 marks)</p> <p>Paper 22, June 2010 Explain three factors of production that are involved in the operation of an airport. (6 marks)</p> <p>Paper 22, November 2010 Giving an example of each, define the four factors of production. (4 marks)</p> <p>Paper 23, November 2010 Describe the role of entrepreneurs. (4 marks)</p> <p>Paper 22, June 2011 Explain what is meant by an entrepreneur. (2 marks)</p>
1c	Learners should be able to define opportunity cost and analyse particular circumstances to illustrate the	<p>A basic activity would be to get learners to work in groups to consider what the possible opportunity cost could be in a variety of situations. There are activities on opportunity cost in Moynihan and Titley (pages 11–12), Dransfield, Cook and King (pages 7–9) and Grant (page 18). <b>(G)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/notes/opportunity.htm">http://www.bized.co.uk/learn/economics/notes/opportunity.htm</a></p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
	concept.	<p>You could also use newspaper and magazine articles to consider the possible opportunity cost in relation to a local or national issue in your country, e.g. the building of a new airport or a country hosting a major sporting event. <b>(W, G or I) (Basic)</b></p> <p>More challenging activities could include answering the questions in Activity 1.8 of Moynihan and Titley (page 16) and in Activity 1 of Grant (page 18). In Dransfield, Cook and King, there is also more challenging work in the activities and summary questions (pages 7–9). For the purposes of revision, a basic activity would be to read pages 6–9 of Titley. <b>(I) (Challenging)</b></p>	<p>(Defines the term and gives a variety of applications.)</p> <p><b>Textbooks</b></p> <p>Moynihan and Titley, pages 10–17  Dransfield, Cook and King, pages 6–9  Grant, pages 16–26  Titley, pages 6–11</p> <p><b>Past Papers</b></p> <p>Paper 21, November 2010  Explain what is meant by opportunity cost. (2 marks)</p> <p>Paper 22, November 2011  Define opportunity cost and explain why it is an important concept for economists. (4 marks)</p>
1d	Learners should be able to demonstrate how production possibility curves can be used to illustrate choice and resource allocation.	<p>As a basic activity, learners to need understand two aspects of production possibility curves (PPCs) – firstly how they are drawn and secondly what they are trying to show. Both of these aspects are covered in Grant (page 19) and there is more challenging work in Activity 3 (page 20). <b>(Basic)</b></p> <p>As a basic activity, learners could read Moynihan and Titley (pages 12–14). <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/revision-notes/as-markets-production-possibility-frontier.html">http://www.tutor2u.net/economics/revision-notes/as-markets-production-possibility-frontier.html</a>  (Although mainly for AS Economics, a useful resource with some very clear diagrams.)</p> <p><a href="http://www.ehow.com/how_6026548_create-curve-using-microsoft-excel.html">http://www.ehow.com/how_6026548_create-curve-using-microsoft-excel.html</a></p> <p><a href="http://www.ehow.com/how_5796289_use-plot-production-possibilities-curve.html">http://www.ehow.com/how_5796289_use-plot-production-possibilities-curve.html</a>  (How to create a PPC curve in Excel.)</p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<b>Textbooks</b>  Grant, pages 19–21 and 25–26 Moynihan and Titley, pages 12–14
1e	Learners should be able to evaluate the implications of particular courses of action in terms of opportunity cost.	<p>As a basic activity, learners could be asked to consider whether an economy should devote more of its resources to producing consumer or capital goods <b>(W)</b>. Moynihan and Titley provide a number of examples of opportunity cost (pages 14–15). <b>(Basic)</b></p> <p>A more challenging activity would be to get the learners to answer the questions in Grant (pages 20–21) or in Moynihan and Titley (page 17). The summary questions in Dransfield, Cook and King (page 9) also provide more challenging work. <b>(Challenging)</b></p> <p>To increase the learners' overall grasp of the whole of Unit 1, and to provide material that could be used in formative assessment at the end of the Unit, the practice exam questions at the end of Unit 1 of Dransfield, Cook and King (pages 10–12) would provide challenging work, as would the examination practice in Grant (pages 25–26). <b>(Challenging)</b>  <b>(Formative assessment)</b></p> <p>The assessment exercises at the end of Unit 1 of Moynihan and Titley would also provide material for formative assessment (pages 19–20).  <b>(Formative assessment)</b></p> <p>There is also a crossword on page 18 of Moynihan and Titley which would be a challenging activity for learners. <b>(Challenging)</b>  Section 1 of Grant's IGCSE and O Level Economics Workbook would also provide a lot of useful material for formative assessment (pages 1–8).  <b>(Formative assessment)</b></p> <p>Pages 9–11 of Titley have some useful questions in terms of exam preparation.</p>	<b>Textbooks</b>  Dransfield, Cook and King, pages 8–9 and 10–12 Moynihan and Titley, pages 14–17 and 18–20 Titley, pages 9–11 Grant (Workbook), pages 1–8

## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 2: The allocation of resources: how the market works; market failure

#### Recommended prior knowledge

It would be useful for learners to have covered Unit 1 before starting this unit because consideration of the allocation of resources follows on logically from the economic problem, factors of production and opportunity cost.

#### Context

This unit links back to the previous one by considering how economies decide how to use their factors of production in tackling the economic problem and the opportunity cost involved in a number of decisions including what products to buy. It also links forward to Units 3 and 4 with demand and supply analysis helping to explain differences in earnings and the demand for factors of production. Market failure also has relevance to the disadvantages of monopoly in Unit 4, to the role of the government as a producer and employer and its influence on private producers in Unit 5, and to the causes of unemployment in Unit 6.

#### Outline

This is a relatively large unit. It starts by comparing how resources are allocated in market and mixed economic systems. It then concentrates on demand and supply analysis, including price elasticity of both demand and supply. The unit then moves on to consider the benefits of the market system and the concept of market failure. Finally, the difference between social costs and social benefits, and private costs and private benefits, is explored with reference to the issue of whether scarce resources should be conserved or used and in terms of the relative merits of public expenditure and private expenditure.

It is suggested that 20% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
2a	Learners should be able to describe the allocation of resources in market and mixed economic systems.	<p>Learners could be divided into groups and asked to study a particular country to discover how much government involvement there is in that economy. <b>(G)</b></p> <p>Grant has the basic information on pages 29–37 and more challenging activities on pages 33 and 36 and multiple-choice questions on page 37. <b>(I) (Basic and Challenging)</b></p> <p>Dransfield, Cook and King has a helpful table showing a range of countries with different degrees of government intervention (page 14) and a useful case study relating to the mixed economy in Mauritius (page 15). The case study has some challenging</p>	<p><b>Online</b></p> <p><a href="http://economics.about.com/od/howtheuseconomyworks/a/mixed_economy.htm">http://economics.about.com/od/howtheuseconomyworks/a/mixed_economy.htm</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/free-market-v-command-economies/revise-it/theoretical-economic-systems">http://www.s-cool.co.uk/a-level/economics/free-market-v-command-economies/revise-it/theoretical-economic-systems</a></p> <p>(This is an A Level resource, but will be useful for teachers of this syllabus.)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>questions. There is also an activity and some challenging summary questions (page 15). <b>(I) (Challenging)</b></p> <p>Moynihan and Titley cover the basic material on pages 22–38. <b>(I) (Basic)</b></p> <p>There are also some challenging activities on pages 23, 24, 27, 29, 30, 33 and 36. Learners may also find the crossword on page 38 a challenging task. <b>(I) (Challenging)</b></p> <p>This particular topic is very good in terms of learners giving presentations on the case for or against government intervention. Different groups of learners could be asked to prepare a case for a market economy and for a mixed economy. <b>(G)</b> The presentations could then be followed by a class discussion. <b>(W) (Basic)</b></p> <p>A more challenging activity would be to give the learners some information about a particular economy, ask them to work in groups to state the extent to which it is a mixed economy, and to consider what other information would have been useful to help them come to a decision. <b>(G) (Challenging)</b></p> <p>In addition, the learners could use the first website listed under online resources to consider whether the US is an example of a mixed economy. <b>(G or I)</b></p> <p>In terms of revision, a basic activity would be to read Titley (pages 12–15). <b>(Basic)</b></p>	<p><b>Textbooks</b></p> <p>Grant, pages 29–37 Dransfield, Cook and King, pages 14–15 Moynihan and Titley, pages 22–38 Titley, pages 12–15</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010 Analyse the differences between a market economy and a mixed economy. (6 marks)</p> <p>Paper 21, November 2010 Explain why most countries have mixed economies. (6 marks)</p> <p>Paper 22, November 2010 Compare how resources are allocated in market and mixed economic systems. (4 marks) Discuss whether people living in a country would benefit if their country's economic system changed from a mixed to a market economy. (8 marks)</p> <p>Paper 23, November 2010 Explain, with the aid of demand and supply diagrams, how resources are re-allocated in a market economy. (6 marks) Discuss whether it is a disadvantage to rely just on market forces to allocate resources. (6 marks)</p> <p>Paper 22, June 2011 Identify the three questions faced by every type of economic system. (3 marks)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			Discuss why virtually every country today has a mixed economy. (8 marks)
2b	Learners should be able to demonstrate the principle of equilibrium price and analyse simple market situations with changes in demand and supply.	<p>An activity to help learners understand the concept of demand would be to ask them how many items of particular products they would buy at different prices in a week, produce a demand schedule and then plot the figures for the whole class on a demand diagram. <b>(W) (Basic)</b></p> <p>The theory of demand is covered in Dransfield, Cook and King on pages 16–17, and there are some challenging questions linked to a case study on page 17. There is also some challenging work in the activity and the summary questions (page 17). Learners could also use the information in Grant (page 41) to plot a demand curve. More challenging work is involved in Activity 2 (page 42) where learners need to be able to distinguish between an extension and a contraction in demand. Moynihan and Titley cover demand on pages 39–48 and there are some activities which learners would find challenging on pages 40, 41 and 42–43. <b>(I) (Challenging)</b></p> <p>An activity to introduce the learners to the concept of supply would be to divide the class into groups, give them some hypothetical information on the cost of producing a particular product and then ask them, if they were running the firm, how much they would be prepared to sell at different prices in a week. <b>(G)</b> They could then present their findings to the whole class. <b>(W) (Basic)</b></p> <p>The theory of supply is covered in Dransfield, Cook and King on pages 17–18 and there are some challenging questions in the summary questions (page 19). Supply is covered in Grant on pages 42–44 and in Moynihan and Titley on pages 48–54. Activity 2.13 in Moynihan and Titley (page 50) should prove quite a challenging task. <b>(I) (Challenging)</b></p> <p>Learners could be shown a video of an auction or, alternatively, a simple auction could be held in the class to introduce the concept of equilibrium price to the learners. Local examples of shortages and</p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/markets/mechanism/interactive/part1.htm">http://www.bized.co.uk/learn/economics/markets/mechanism/interactive/part1.htm</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/supply-and-demand">http://www.s-cool.co.uk/a-level/economics/supply-and-demand</a> (This covers the theory of demand, movements along a demand curve. The theory of supply, movements along a supply curve and the price mechanism.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 16–21 Grant, pages 38–49 Moynihan and Titley, pages 39–59</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 (i) Using a demand diagram, show an increase in demand for a product. (2 marks) (ii) Identify two causes of such an increase in demand. (2 marks) Paper 22, June 2011 Describe the factors that can affect the demand for a product. (6 marks)</p> <p>Paper 23, November 2011 Explain, using a demand and supply diagram, how an increase in the demand for a good or service can affect its equilibrium price and equilibrium quantity in</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>surpluses could be used to discuss the concept of a disequilibrium price and why markets may eventually return to a position of equilibrium. <b>(W)</b></p> <p>There is a useful case study on equilibrium price in Dransfield, Cook and King (page 21) with some challenging questions linked to it. The activity and the summary questions on page 21 will be worthwhile challenging tasks. <b>(I) (Challenging)</b></p> <p>Activity 3 in Grant (page 48) and the multiple choice questions on pages 49–50 of Grant would also be challenging. Equilibrium price is covered in Moynihan and Titley on pages 55–59 and there are some challenging activities included here. <b>(I) (Challenging)</b></p> <p>Both the bized and the s–cool websites are particularly good on this topic. The s–cool website is designed primarily for A Level Economics, but much of the material could be used at this level.</p>	a market. (6 marks)
2c	Learners should be able to describe the causes of changes in demand and supply conditions and analyse such changes to show effects in the market.	<p>The learners could be divided into groups and asked to consider the possible influences on changes in demand and supply. Some of the groups could focus on demand and some on supply. <b>(G)</b> They could then present their findings to the class. There could then be a discussion as to which of the influences were most likely to have a significant effect in a market. <b>(W) (Basic)</b></p> <p>Dransfield, Cook and King covers these changes on pages 22–25. The activities and summary questions on pages 23 and 25 provide opportunities for extension work.</p> <p>The changes in demand and supply are covered in Grant (pages 51–70) and there are a number of challenging activities and multiple choice questions throughout the two units of the book that deal with this topic. <b>(I)</b></p> <p>Moynihan and Titley cover this topic on pages 47–48 and 51–59; these pages include a number of challenging activities. <b>(Challenging)</b></p>	<p><b>Online</b></p> <p>See the two resources listed in 2b.</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 22–25  Grant, pages 51–70  Moynihan and Titley, pages 43–48 and 51–59  Titley, pages 18–23</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		In terms of revision of the second and third parts of this section of the syllabus, Titley (pages 18–23) would be a useful resource. <b>(I)</b>	
2d	Learners should be able to define price elasticity of demand and supply and perform simple calculations.	<p>Learners often tend to find this one of the more difficult topics on the syllabus. Grant covers PED on pages 71–81 with four challenging activities and multiple choice questions within this unit of the book. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King cover PED on pages 26–27. There is a useful case study, relating to the prices charged on Indian Railways, and this includes some challenging questions. The summary questions on page 27 should also prove challenging. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers PED on pages 59–66 and there are a number of challenging questions within these pages. The activities and questions in each of these three books will give the learners the opportunity to practise making PED calculations. <b>(I) (Challenging)</b></p> <p>Grant covers PES on pages 82–89 with three challenging activities and four useful multiple choice questions. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King cover PES on pages 28–29 and there are some challenging summary questions on page 29. <b>(I)</b></p> <p>Moynihan and Titley covers PES on pages 66–70 with a challenging activity on page 69. Again, the learners need a lot of practice in calculating PES and in categorising different degrees of PES. They also need to have a sound understanding of the factors influencing PES. <b>(I)</b></p> <p>It might be useful if teachers asked learners to construct a number of MCQs on both PED and PES; this activity should help the learners to clarify their understanding of the concepts. It would also assist in helping them to improve their understanding of, and their ability to answer MCQs. <b>(I or G)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/markets/mechanism/interactive/part1.htm">www.bized.co.uk/learn/economics/markets/mechanism/interactive/part1.htm</a> (This provides exercises which involve the calculation of PED and the relationship between changes in price and changes in revenue.)</p> <p><a href="http://www.s-cool.co.uk/a-level/economics/supply-and-demand">http://www.s-cool.co.uk/a-level/economics/supply-and-demand</a> (This is good on PED and PES.)</p> <p><a href="http://www.s-cool.co.uk/a-level/economics/elasticities/">www.s-cool.co.uk/a-level/economics/elasticities/</a> (This has a useful diagram and is good on the determinants of PES.)</p> <p><a href="http://www.tutor2u.net/economics/content/topics/elasticity/elastic.htm">www.tutor2u.net/economics/content/topics/elasticity/elastic.htm</a> (This is good on the determinants and on the degrees of PED.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 26–29 Grant, pages 71–89 Moynihan and Titley, pages 59–70</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2011 Explain what is meant by price elasticity of demand. (6 marks)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
2e	Learners should be able to demonstrate the usefulness of price elasticity in particular situations such as revenue changes, consumer expenditure.	<p>A basic class activity would be to give the learners data on the demand for, and changes in prices of, two products. In the case of one, total revenue could fall when price rises, but total revenue for the other product could rise when there is an increase in price. <b>(W) (Basic)</b></p> <p>The learners could be divided into groups to consider why this might be the case and then report their findings back to the whole class. <b>(G) (W)</b> This should help them to appreciate that it is not sufficient for firms to know that a rise in price would cause a fall in demand; it is necessary for firms to know by how much demand would fall.</p> <p>The usefulness of price elasticity in particular situations is covered in Dransfield, Cook and King on pages 30–31. There is an interesting activity and some challenging summary questions on page 31. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the link between elasticity and revenue on pages 62–63 and there is a challenging activity on page 63. <b>(I) (Challenging)</b></p> <p>In terms of revision, a basic activity would be to look at Titley (pages 24–27). <b>(Basic)</b></p>	<p><b>Online</b></p> <p>See the four resources listed in 2d.</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 30–31 Moynihan and Titley, pages 62–63 Titley, pages 24–27</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 Why is the concept of price elasticity of demand potentially very useful to a business? (4 marks)</p> <p>Paper 22, June 2011 Discuss how knowledge of the price elasticity of demand for magazines may be used by a firm which produces and sells magazines. (8 marks)</p>
2f	Learners should be able to describe the concept of market failure and explain the reasons for its occurrence.	<p>This can be quite a difficult topic for learners, but it is one which they can find interesting and have strong views on. It is, therefore, a very suitable topic for class discussion and debate.</p> <p>A good place to start might be to recap how a market should work well with demand equating supply, and firms responding quickly and fully to changes in consumer demand. The learners need to understand that there can be a number of possible reasons for the existence of market failure. This could be in relation to a failure to take into account all costs and benefits, information failure, the under-consumption of 'merit' goods, the over-consumption of 'demerit' goods, the failure to provide 'public' goods and the possible abuse of power by a monopoly.</p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/marketfailure/characteristics/index.htm">www.bized.co.uk/learn/economics/marketfailure/characteristics/index.htm</a> (This covers market failure in a virtual developing country.)</p> <p><b>Textbooks</b></p> <p>Grant, pages 100–112 Moynihan and Titley, pages 81–84 Dransfield, Cook and King, pages 34–35 Titley, pages 15–17</p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Newspaper articles can be used to illustrate market failure; the learners could be divided into groups and asked to discover any evidence of market failure in their own country's economy. <b>(W) (G)</b></p> <p>They could then present their findings to the whole class. The learners could be given particular issues to prepare presentations on, such as whether university education should be provided free or should high fat food be taxed? <b>(W)</b></p> <p>Dransfield, Cook and King covers the topic on pages 34–35 and has an interesting case study on the provision of vaccinations and family planning services with some challenging questions (page 35). The activity on page 35 involves the creation of a poster on market failure which the learners might enjoy doing. <b>(I or G) (Basic)</b></p> <p>There are also some challenging summary questions on the same page. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers market failure on pages 81–84 and Grant covers the topic on pages 100–112 with four challenging activities and multiple choice questions. <b>(I) (Challenging)</b></p> <p>In terms of revision Titley summarises the key points on pages 15–17.</p>	<p><b>Past Papers</b></p> <p>Paper 22, June 2010 Discuss why market failure could occur in an economy. (8 marks)</p> <p>Paper 21, June 2011 Explain what causes market failure. (6 marks) Discuss whether government intervention is always successful in correcting market failure. (8 marks)</p> <p>Paper 21, November 2011 Explain why markets often fail. (5 marks)</p>
2g	Learners should be able to evaluate the merits of the market system.	<p>Learners could research the advantages and disadvantages of the market system; this could be either an individual or a group activity. This could be followed by a presentation of the findings and a class debate or discussion. <b>(W)</b></p> <p>You could ask learners to research why some particular countries have chosen to move towards a market economy, the advantages and disadvantages of such a move and the extent to which such countries are now a market economy. <b>(I or G)</b></p> <p>You could also ask learners to examine the extent to which their own economy is a market economy or whether their economy would benefit from moving closer to a market economy. <b>(I or G)</b></p> <p>Both of these activities could then be followed by a class</p>	<p><b>Online</b></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/free-market-v-command-economies">http://www.s-cool.co.uk/a-level/economics/free-market-v-command-economies</a> (This deals with the advantages and disadvantages of a free market economy, which system is best, and the transitional economies.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 32–33 Grant, pages 30–33</p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>discussion. <b>(W) (Basic)</b></p> <p>The market system is covered in Moynihan and Titley on pages 26–31 and there are challenging activities within these pages. Grant deals with the market system on pages 30–33 and there are two useful activities on page 33. Dransfield, Cook and King deals with the merits of the market system on pages 32–33 and there are some challenging summary questions on page 33. <b>(Challenging)</b></p> <p>In terms of revision, a basic activity would be to look at Titley (pages 12–15). <b>(Basic)</b></p>	<p>Moynihan and Titley, pages 26–31 Titley, pages 12–15</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2011 Describe the advantages of a market system. (6 marks)</p> <p>Paper 23, November 2011 Discuss whether the advantages of the market system are greater than its disadvantages. (8 marks)</p>
2h	<p>Learners should be able to define private and social costs and benefits and discuss conflicts of interest in relation to these costs and benefits in the short-term and long-term through studies of the following issues:</p> <ul style="list-style-type: none"> <li>- conserving resources versus using resources</li> <li>- public expenditure versus private expenditure.</li> </ul>	<p>A basic starting point might be for the learners to first consider private costs and private benefits in the context of a particular project, such as the building of a road, an airport or a railway line. They could then be asked to go further and identify external costs and external benefits so that the full social costs and social benefits of such a project can be appreciated. This would work well as a group activity, with a presentation back to the whole class. <b>(W) (G)</b></p> <p>This topic would also be a useful context for a whole class discussion or debate. <b>(W) (Basic)</b></p> <p>The issue of the conservation of resources versus the use of resources is also likely to be a popular topic. The learners could work in groups to research examples of the use of resources in their own country and to consider whether this use is appropriate or whether there should be more conservation of the resources. This could then be followed by a class discussion or debate. <b>(G) (W)</b></p> <p>Similarly, with the other specified issue, the learners could be divided into groups and asked to discuss whether a new hospital or a new school should be financed through public expenditure or private expenditure. It would be excellent if the learners could be made aware of such possible issues in their own country. <b>(G)</b></p> <p>Dransfield, Cook and King covers this part of the syllabus on pages</p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/marketfail/characteristics/index.htm">http://www.bized.co.uk/learn/economics/marketfail/characteristics/index.htm</a> (This includes a presentation)</p> <p><a href="http://conserveafrica.org.uk/natural-resource.php">http://conserveafrica.org.uk/natural-resource.php</a> (At the time of writing this website is under reconstruction.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 36–39 and 40–42 Grant, pages 113–124 and 143–145 Moynihan and Titley, pages 95–100 Titley, pages 28–31 and 31–33 Grant (Workbook), pages 143–145</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 A proposal has been put forward to build a</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>36–39 and has an interesting consideration of the building of a new factory in Thailand as a case study on page 37. The three activities and six summary questions in these pages provide some useful challenging work for learners. <b>(Challenging)</b></p> <p>Grant covers the topic in pages 113–124 with some challenging tasks in the four activities and eight multiple choice questions. <b>(Challenging)</b></p> <p>In terms of revision, Titley summarises the key points on pages 28–31.</p> <p>To increase the learners' overall grasp of the whole of Unit 2, and to provide material that could be used in formative assessment at the end of the unit, the practice exam questions at the end of Unit 2 of Dransfield, Cook and King (pages 40–42) would provide challenging work, as would the examination practice in Grant (pages 143–146). <b>(Challenging)</b></p> <p>The assessment exercises at the end of Unit 2 of Moynihan and Titley would also provide material for formative assessment (pages 95–100). There are also crosswords on pages 74 and 94 of Moynihan and Titley which would be challenging activities for learners. <b>(Challenging)</b></p> <p>Section 2 of Grant's Workbook would also provide a lot of useful material for formative assessment (pages 9–23). <b>(Formative assessment)</b></p> <p>Pages 31–33 of Titley have some useful questions in terms of exam preparation.</p>	<p>new runway at an airport.</p> <p>Discuss the social costs and benefits of such a decision. (10 marks) Paper 21, November 2010 Explain what is meant by social benefit. (2 marks)</p> <p>Paper 22, November 2011 Explain what is meant by (i) a private cost, (ii) a private benefit, (iii) an external cost and (iv) an external benefit. (4 marks)</p>

## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 3: The individual as producer, consumer and borrower

#### Recommended prior knowledge

This unit can be studied without any prior knowledge, but it does build on some of the concepts covered in Units 1 and 2. The functions of financial institutions are influenced by the type of economic system, earnings are influenced by the demand and supply of labour and opportunity cost is relevant in analysing the different motives for spending, saving and borrowing. Learners may already have some awareness of the causes of differences in earnings and why people choose particular occupations. They may also have some knowledge of the benefits and disadvantages of specialisation.

#### Context

This unit links back to demand and supply and opportunity cost. It also links forward to the demand for factors of production in Unit 4, the changing patterns and levels of employment and indicators of comparative living standards in Unit 6 and the benefits and disadvantages of specialisation at the regional and national levels in Unit 8.

#### Outline

The unit starts by examining the functions of money and the need for exchange. It then follows on to consider the functions of central banks, stock exchanges and commercial banks. The focus then moves to the labour market with an analysis of an individual's choice of occupation, changes in earnings over time for an individual, differences in earnings of various groups of workers and the role of trade unions in an economy. Finally, the unit explores the different motives for spending, saving and borrowing and why different income groups have different expenditure patterns.

It is suggested that 10% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
3a	Learners should be able to describe the functions of money and the need for exchange.	You could start by asking learners whether they would be prepared to sell something that they owned, such as their mobile (cell) phone, for a given number of small stones. When they say no, you can explore the characteristics that money needs to possess in order to function as a means of exchange. You could then discuss the other functions of money. You could also examine why people might switch to alternative forms of money or barter during a situation of hyperinflation in a country. An interesting group activity would be to divide the class into groups to discuss how barter might work between them in certain situations, i.e. how easy would it be for each of them to arrive at a situation of a double coincidence of wants in a potential transaction?	<b>Online</b> <a href="http://www.bized.co.uk/virtual/bank/economics/money/worksheet.htm">http://www.bized.co.uk/virtual/bank/economics/money/worksheet.htm</a> (This provides a useful worksheet which gets learners to focus on the qualities needed of money to operate effectively in an economy.)

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p><b>(W or G) (Basic)</b></p> <p>The bized website contains an interesting worksheet which asks learners to determine, out of a group of items, which type of money fulfils the functions of money best. The learners might like to research the history of money in their own country; this could be summarised in a poster. <b>(I or G) (Basic)</b></p> <p>Grant considers the functions, characteristics and types of money (pages 153–154) and there is an activity on page 154 and four challenging multiple choice questions on pages 155–156. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King covers the functions of money on pages 44–45 and there is an interesting case study on the Chinese yuan on page 45 with some challenging questions. The summary questions (page 45) also provide some challenging tasks. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley provides some basic information on the functions, characteristics and history of money and asks the fundamental question: what is money (pages 105–111). There are some challenging tasks in the activities on pages 104, 107 and 108. <b>(I) (Basic and Challenging)</b></p>	<p><b>Textbooks</b></p> <p>Grant, pages 153–154 Dransfield, Cook and King, pages 44–45 Moynihan and Titley, pages 105–111</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010 Describe the functions of money. (6 marks)</p> <p>Paper 21, June 2011 Describe the various functions that money performs in an economy. (4 marks)</p> <p>Paper 23, November 2011 Explain three of the functions of money. (6 marks)</p>
3b	Learners should be able to describe the functions of central banks, stock exchanges, commercial banks.	<p>Learners could be divided into groups and asked to carry out research on their own central bank and that of another country. <b>(G)</b> They could then give a presentation to the rest of the class, summarising their findings. <b>(W)</b> The websites of the central banks usually provide a great deal of relevant information (see the first website referred to in online resources).</p> <p>Learners could be asked to visit a branch of a commercial bank or, if that is not possible, to go on the website of a commercial bank, and find out as much as they can about the activities of the bank. A poster could be produced which summarises all of these financial activities. <b>(I or G).</b></p>	<p><b>Online</b></p> <p><a href="http://www.bis.org/cbanks.htm">www.bis.org/cbanks.htm</a> (This gives links for the sites of central banks alphabetically.)</p> <p><a href="http://www.bankofengland.co.uk">www.bankofengland.co.uk</a> (This provides detailed information about the UK's central bank, the Bank of England, such as its functions and its policies.)</p> <p><a href="http://www.centralbanksguide.com">www.centralbanksguide.com</a> (This gives details about the role of</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>It might be possible to arrange for the class to visit a bank or, if not, to arrange for a speaker from a bank to give a talk to the class. Many commercial banks (and central banks) produce videos and DVDs, summarising the work that they do, which could be shown to the whole class. The television programme 'The Ascent of Money: A Financial History of the World' is now available on DVD and selected parts of this could be shown to the class. <b>(W) (Basic)</b></p> <p>One challenging task would be to ask the learners to produce a chart which clearly shows the different functions and roles of a central bank and commercial banks in an economy (these roles and functions are often confused by candidates in the examination). <b>(I or G) (Challenging)</b></p> <p>A basic introductory lesson on the role of stock exchanges in an economy could be followed by inviting a financial consultant in to the class to explain the functions of stock exchanges. Again, as with banks, stock exchanges often produce very informative DVDs about their work and a variety of leaflets and booklets. The learners could be asked to research the role of stock exchanges in an economy. An interesting activity might be to ask the learners to select a particular company and then to follow the changes in the value of the shares of this company over a given period of time. <b>(I or G) (Basic)</b></p> <p>Dransfield, Cook and King covers this topic on pages 46–51. There are five activities and nine summary questions which provide the learners with a range of challenging tasks. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 114–127 and there are some challenging activities on pages 116, 121, 126 and 127. There is a challenging crossword on page 128. <b>(I) (Challenging)</b></p> <p>Grant covers the topic on pages 157–173 and there are five activities and eight multiple choice questions which will provide challenging tasks for the learners. <b>(I) (Challenging)</b></p> <p>In terms of revision, Titley summarises the key points of the first two parts of this section of the syllabus on pages 34–39. <b>(I)</b></p>	<p>central banks and provides access to a range of central banks' websites.)</p> <p><a href="http://www.sbp.org.pk/">http://www.sbp.org.pk/</a> (This is the website of the Central Bank of Pakistan and is just given as one example of a central bank.)</p> <p><a href="http://www.bized.co.uk/virtual/bank/index.htm">http://www.bized.co.uk/virtual/bank/index.htm</a> (This deals with the role of commercial banks and central banks.)</p> <p><a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> (This site provides information about the London Stock Exchange.)</p> <p><a href="http://www.world-stock-exchanges.net/">http://www.world-stock-exchanges.net/</a> (This provides a list of stock exchanges throughout the world and links to their websites.)</p> <p><b>DVD</b></p> <p>The Ascent of Money, ISBN 6867441028192</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 46–51 Grant, pages 157–173 Moynihan and Titley, pages 114–127 Titley, pages 34–39</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<p>Identify and explain three functions of a central bank which differ from the functions of a commercial bank. (6 marks)</p> <p>Paper 23, November 2010 Describe the functions of a commercial bank. (4 marks) Explain how a stock exchange can play a key role in an economy. (4 marks)</p> <p>Paper 21, June 2011 Explain the role of commercial banks. (4 marks)</p> <p>Paper 22, June 2011 Describe the role that a stock exchange can play in a country's economy. (4 marks)</p> <p>Paper 21, November 2011 Describe how lending by commercial banks can have a significant impact on an economy. (6 marks)</p> <p>Paper 23, November 2011 Describe the functions of a central bank. (6 marks)</p>
3c	Learners should be able to identify the factors affecting an individual's choice of occupation (wage factors and non-wage factors).	<p>A basic class activity would be to ask the learners which factors might be likely to affect an individual's choice of occupation, including both wage and non-wage factors. <b>(W)</b></p> <p>The class could then be divided into groups and given the task of prioritising these factors to indicate which are likely to be the most significant. <b>(G)</b></p> <p>The group then present their findings to the whole class. <b>(W)</b></p> <p>It might also be useful to summarise the factors in posters. <b>(G)</b></p> <p>An individual activity would be to ask each learner to think of a job that they might like to do and to consider the most important influences on</p>	<p><b>Textbooks</b></p> <p>Grant, pages 174–182 Moynihan and Titley, pages 130–134 Dransfield, Cook and King, pages 52–53</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>such a decision. <b>(I) (Basic)</b>  Dransfield, Cook and King covers the choice of occupation on pages 52–53 and have three challenging summary questions. <b>(I) (Challenging)</b></p> <p>Grant deals with the topic on pages 174–182 and there are two challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p> <p>Moynihhan and Titley covers this part of the syllabus on pages 130–134 with a challenging activity on page 130. <b>(I) (Challenging)</b></p>	<p>Sometimes it is said that a person chooses a job because of non-wage factors. Explain, using three examples, the meaning of non-wage factors. (4 marks)</p> <p>Paper 22, June 2010  Explain three possible reasons that could influence a worker's decision to move from one job to another. (3 marks)</p> <p>Paper 21, June 2011  Discuss whether wages are the most important factor influencing the choice of occupation for many individuals. (8 marks)</p> <p>Paper 22, June 2011  Describe the factors, other than possible membership of a trade union, which can affect an individual's choice of occupation. (6 marks)</p>
3d	Learners should be able to describe likely changes in earnings over time for an individual.	<p>A basic class activity would be to discuss the range of factors that could cause an individual's earnings to change over time. <b>(W)</b>  This might work better as a group activity and learners could consider such factors as changes in qualifications, training, skills, promotion and experience. <b>(G)</b>  The findings could then form the basis of a presentation to the whole class. <b>(W)</b></p> <p>The learners could research how earnings can change over time in particular occupations, such as in the case of a lawyer or a teacher; this could be either a group or individual task. <b>(G or I)</b>  Newspaper articles can be a useful source of information on changes in earnings. <b>(Basic)</b></p>	<p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 54–55  Grant, pages 192–201</p> <p><b>Past Papers</b></p> <p>Paper 22, November 2010  Describe how an individual's earnings are likely to change over their lifetime. (3 marks)</p> <p>Paper 21, June 2011</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Dransfield, Cook and King covers this topic on pages 54–55 and there is an interesting case study on training in Jamaica. <b>(I)</b></p> <p>There is a challenging activity, as well as some summary questions, on page 55. <b>(I) (Challenging)</b></p> <p>Grant covers this topic on pages 192–201 and there are three challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p>	<p>Describe the likely changes in income for individuals over their lifetime. (4 marks)</p> <p>Paper 22, June 2011</p> <p>Is it always true that individuals are paid more as they get older? (4 marks)</p>
3e	Learners should be able to describe the differences in earnings between different groups of workers (male/female; skilled/unskilled; private/public; agricultural/manufacturing/services).	<p>Learners could be given the task of considering the various factors that could influence the differences in earnings between different groups of workers; this would probably work best as a group activity <b>(G)</b> but it could be the basis of an individual task. <b>(I)</b></p> <p>They could choose particular groups of people, such as bankers, teachers, lawyers, nurses and sports people, and examine the differences in their earnings. <b>(G or I)</b></p> <p>This could be followed by a class discussion or debate on the existence of quite large differentials in earnings in various economies. <b>(W)</b></p> <p>Grant covers this topic on pages 183–191 and there are three challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 124–149 with some challenging activities on pages 139, 141, 145 and 147 <b>(I)</b>. There is a challenging crossword on page 149. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King covers this topic on pages 56–59. There is an interesting case study on page 56 on the relative earnings of doctors and hospital porters, and another case study on page 57; each of these case studies has some challenging questions. There are some challenging summary questions on page 59. <b>(I) (Challenging)</b></p> <p>In terms of revision, a basic activity would be to read pages 40–45 of Titley, followed by a more challenging activity in relation to two job advertisements on page 45. <b>(I) (Basic and Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/content/topics/labourmarket/pay_differences.htm">http://www.tutor2u.net/economics/content/topics/labourmarket/pay_differences.htm</a></p> <p>(This provides an explanation of the various influences on differences in earnings.)</p> <p><b>Textbooks</b></p> <p>Grant, pages 183–191</p> <p>Moynihan and Titley, pages 124–149</p> <p>Dransfield, Cook and King, pages 56–59</p> <p>Titley, pages 40–45</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010</p> <p>Some occupations pay much more than other occupations. Why might this happen? (10 marks)</p> <p>Paper 22, November 2010</p> <p>Analyse, with the aid of a demand and supply diagram, the effect of an increase in demand for air travel on the wages of pilots. (6 marks)</p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<p>Paper 23, November 2010 Analyse the differences in earnings between different groups of workers. (6 marks)</p> <p>Paper 21, November 2011 The wages paid to employees in the car industry vary widely. Discuss the possible reasons why these earnings vary so much. (8 marks)</p>
3f	Learners should be able to describe trade unions and analyse their role in an economy.	<p>Learners could work in groups to consider the advantages and disadvantages of trade unions; these would need to be considered in relation to the employees, the employers and the economy as a whole. <b>(G)</b> Their findings could be presented to the whole class and this could be a good topic on which to have a class discussion or debate. <b>(W)</b> It would also be useful for learners to research the role of trade unions in their own country, either as an individual or group task. <b>(I or G) (Basic)</b></p> <p>Dransfield, Cook and King covers trade unions on pages 60–61 and there are three challenging summary questions. <b>(I) (Challenging)</b> Moynihan and Titley covers trade unions on pages 150–159 and there are some challenging activities on pages 151 and 158–159. There is a challenging crossword on page 160. <b>(I) (Challenging)</b></p> <p>Grant covers trade unions on pages 200–209 and there are three challenging activities and four multiple choice questions. In terms of revision, Titley covers the key points on pages 46–49 and there is a challenging activity on page 49. <b>(I) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/business/hrm/employ/union/student.htm">http://www.bized.co.uk/learn/business/hrm/employ/union/student.htm</a> (This provides a trades unions and industrial relations worksheet.)</p> <p><a href="http://www.s-cool.co.uk/a-level/business-studies/people-in-the-workplace/revise-it/trade-unions">http://www.s-cool.co.uk/a-level/business-studies/people-in-the-workplace/revise-it/trade-unions</a> (An A Level Business Studies revision sheet, but useful for this level.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 60–61 Moynihan and Titley, pages 150–159 Grant, pages 200–209</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 Discuss how effective trade unions may be in influencing individual firms and the government. (7 marks)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<p>Paper 22, June 2011 Explain the benefits that an individual may get from being a member of a trade union. (4 marks) Discuss whether trade unions always have a harmful effect on the wider economy. (6 marks)</p> <p>Paper 22, November 2011 Describe the functions of a trade union. (4 marks) Why might some workers not belong to a trade union? (4 marks)</p>
3g	Learners should be able to describe the benefits and disadvantages of specialisation for the individual.	<p>As a basic activity, learners could be asked to consider the advantages and disadvantages of teachers specialising in particular subjects or lawyers specialising in certain legal areas; this could be in the form of a whole class discussion or group work. <b>(W and G)</b> This consideration could then be widened into a consideration of the benefits and disadvantages of specialisation in other occupations, such as doctors, car workers or farm workers. <b>(W or G)</b> The concept of division of labour could then be introduced. If possible, it would be useful for learners to visit a factory, farm or office where workers specialise; if this was not possible, a person specialising in a particular activity could be invited in to talk to the class. <b>(W) (Basic)</b></p> <p>Dransfield, Cook and King covers the topic of specialisation on pages 62–63. There is an activity on page 62 and three challenging summary questions on page 63. <b>(I) (Challenging)</b></p> <p>Grant covers the topic on pages 150–153 and there is a challenging activity on page 151. <b>(Challenging)</b></p> <p>In terms of revision, a basic activity would be to look at Titley (page 41). <b>(I)</b></p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/revison-notes/as-markets-specialisation-trade.html">http://www.tutor2u.net/economics/revison-notes/as-markets-specialisation-trade.html</a> (This covers the benefits and advantages of specialisation and division of labour; it would also be useful for the first part of Unit 8.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 62–63 Grant, pages 150–153 Moynihan and Titley, pages 150–153 Titley, page 41</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
3h	Learners should be able to analyse the different motives for spending, saving and borrowing.	<p>As a basic activity, the learners could be asked in the whole class about their behaviour in relation to spending, saving and borrowing. Alternatively, this could be carried out as a group activity. The focus needs to be on the possible motives for spending, saving and borrowing. It would be useful then to have a class discussion or debate on these various motives. <b>(W and G) (Basic)</b></p> <p>A useful activity would be to find out the savings ratio of the learners' own country and another country, and then to compare the ratios, analysing why they are different. <b>(I or G)</b></p> <p>It would also be interesting to analyse the possible factors that affect saving and to consider whether savings ratios would be likely to change in the future. <b>(I or G)</b></p> <p>Grant covers this on pages 210–215 and there are two challenging activities and four multiple choice questions. Dransfield, Cook and King covers the different motives on pages 64–65. There is a challenging activity on the link between interest rates and savings on page 65, as well as three challenging summary questions on the same page. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 161–176. There are some challenging activities on pages 164, 167, 170 and 175 and a challenging crossword for learners on page 176. <b>(I) (Challenging)</b></p> <p>Grant covers the topic on pages 210–215, with two challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.icmrindia.org/casestudies/catalogue/Business%20Reports/BREP047.htm">http://www.icmrindia.org/casestudies/catalogue/Business%20Reports/BREP047.htm</a> (This is a useful source on changes in the spending patterns in India.)</p> <p><a href="http://www.tutor2u.net/economics/revison-notes/as-macro-consumer-spending-and-saving.html">http://www.tutor2u.net/economics/revison-notes/as-macro-consumer-spending-and-saving.html</a> (This explains the key influences on consumer spending and saving.)</p> <p><b>Textbooks</b></p> <p>Grant, pages 210–215 Dransfield, Cook and King, pages 64–65 Moynihan and Titley, pages 161–176</p> <p><b>Past Papers</b></p> <p>Paper 21, November 2011 Explain what could influence people to save more. (6 marks) Explain the disadvantages to an economy of people saving a high proportion of their income. (6 marks) Explain how a government could encourage people to spend a higher proportion of their income. (8 marks)</p>
3i	Learners should be able to discuss how and why different income groups have different expenditure patterns (spending, saving and borrowing).	<p>As a basic activity, learners need to be made aware that it is not only the amount of money that people spend, save and borrow, but also the proportion of their income that they spend, save and borrow. This could be achieved as a whole class activity. The learners could then focus on what they spend their money on, where they deposit their</p>	<p><b>Online</b></p> <p><a href="http://www.sarpn.org/documents/d0003023/index.php">http://www.sarpn.org/documents/d0003023/index.php</a> (This contains useful information on</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>savings and whom they borrow from; this would work well as a group activity, with a presentation back to the whole class. <b>(G and W) (Basic)</b></p> <p>Other areas that the learners could look into would be the growth of microfinance, how young people could be encouraged to save and why some people get into unmanageable debt. It might be possible to arrange a visit to a financial institution that deals with these issues, or if this is not possible, a speaker could be invited into the class. <b>(W)</b></p> <p>Dransfield, Cook and King covers these expenditure patterns on pages 66–67 and there is an interesting case study on rising consumption in China with some challenging questions. There are also some challenging summary questions on page 67. <b>(Challenging)</b></p> <p>Grant covers this topic on pages 216–222 with two challenging activities and three multiple choice questions. In terms of revision, a basic activity would be to look at Titley (pages 50–52). <b>(Basic)</b></p> <p>To increase the learners' overall grasp of the whole of Unit 3, and to provide material that could be used in formative assessment at the end of the unit, the practice exam questions at the end of Unit 3 of Dransfield, Cook and King (pages 68–70) would provide challenging work, as would the examination practice in Grant (pages 233–236). <b>(I) (Challenging)</b></p> <p>The assessment exercises at the end of Unit 3 of Moynihan and Titley would also provide material for formative assessment (pages 177–180). Section 3 of Grant's Workbook would also provide a lot of material for formative assessment (pages 24–36). <b>(I)</b></p> <p>Pages 53–55 of Titley have some useful questions in terms of exam preparation. Titley also has an extensive general section on Exam Guidance and Practice 1 on pages 56–69. <b>(I)</b></p>	<p>changes in consumer expenditure in South Africa by income group, population group and area.)</p> <p><a href="http://www.ons.gov.uk/ons/rel/family-spending/family-spending/index.html">http://www.ons.gov.uk/ons/rel/family-spending/family-spending/index.html</a> (This site provides access to the Results of the UK Living Costs and Food Survey from 2000.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 66–67 and 68–70 Grant, pages 216–222 and 233–236 Titley, pages 50–52 and 53–69 Moynihan and Titley, pages 177–180 Grant (Workbook), pages 24–36</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010 What might determine why one person saves a higher proportion of income and spends a lower proportion than another person? (6 marks)</p> <p>Paper 22, November 2010 Discuss why some individuals spend less than their income whilst others spend more. (7 marks)</p> <p>Paper 23, November 2010 Discuss whether high income earners will always save more than low income earners. (6 marks)</p>

## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 4: The private firm as producer and employer

#### Recommended prior knowledge

This unit can be studied without any prior knowledge, but it does build on some of the concepts covered in the previous unit. The stock exchange and commercial banks have links to business organisations. The concept of demand, covered in Unit 2, underpins the demand for factors of production. Market failure, also covered in Unit 2, is connected to monopoly.

#### Context

This unit links back to Unit 2 in terms of the stock exchange, commercial banks, demand and market failure. It also links forward to Unit 5 in terms of the government's influence on private producers.

#### Outline

This unit starts by examining the different types of business organisation and why a business may change its structure over time, going on to evaluate the possible effects of such changes in structure. It then moves on to what determines a firm's demand for factors of production, the distinction between labour-intensive and capital-intensive production and the distinction between productivity and production. It then considers the different types of cost and how these change as output changes. Having considered the costs of production, it then explores revenue, the goal of profit maximisation and other possible goals that business organisations may have. The characteristics of perfect competition and monopoly are then described, along with the pricing and output policies of firms in these particular market structures. The main reasons for the different sizes of firms are then considered, along with the methods of growth and the advantages and disadvantages of large scale production. Finally, the advantages and disadvantages of monopoly are discussed.

It is suggested that 10% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
4a	Learners should be able to describe the type of business organisation in the public and private sectors: sole proprietors, partnerships, private limited companies, public limited companies, multinationals, co-operatives, public corporations.	<p>As a basic activity, learners could be asked to research one particular type of business organisation and to find an example from their own country and one from another country. <b>(Basic)</b></p> <p>Then, as a more challenging task, the learners could be required to find ways in which this type of business organisation is similar to, and different from, other types of business organisation. This could be done as an individual task, but might be better as a group activity. <b>(I or G)</b></p> <p>The findings could then be presented to the whole class. <b>(W)</b></p> <p><b>(Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bbc.co.uk/schools/gcsebitesize/business/aims">www.bbc.co.uk/schools/gcsebitesize/business/aims</a>          (This includes videos and revision tests on the different types of business organization that can exist in an economy.)</p> <p><b>Textbooks</b></p> <p>Grant, pages 239–251</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Dransfield, Cook and King covers the topic on pages 72–83. There are interesting case studies on pages 73, 78 and 82 with a number of associated challenging questions. There are also a number of activities and summary questions throughout these pages which provide the opportunities for challenging work by the learners. <b>(I) (Challenging)</b></p> <p>Grant covers the topic on pages 239–251 and has five challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 183–209. There are some challenging activities on pages 185, 188, 192, 194, 198, 200, 201 and 204. <b>(I)</b> There is a challenging crossword on page 209. <b>(I) (Challenging)</b></p> <p>In terms of revision, a basic activity would be to read pages 70–75 of Titley. <b>(I)</b></p>	<p>Moynihan and Titley, pages 183–209 Dransfield, Cook and King, pages 72–83 Titley, pages 70–75</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 Describe the main features of public limited companies. (3 marks)</p> <p>Paper 22, June 2010 Distinguish between a sole proprietor and a partnership. (4 marks) Explain why a business might wish to change from a partnership to a private limited company. (4 marks)</p> <p>Paper 21, November 2010 Identify two types of business organisation that are likely to be found in a mixed economy and describe their characteristics. (6 marks)</p> <p>Paper 22, November 2010 Describe the main characteristics of a multinational company. (4 marks)</p> <p>Paper 23, November 2010 Describe the main features of : (i) a co-operative (2 marks) (ii) a public corporation. (2 marks)</p> <p>Paper 21, June 2011 Describe the key features of a sole proprietor. (4 marks)</p> <p>Paper 22, June 2011 Describe the disadvantages of a sole proprietor business. (4 marks)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<p>Paper 23, November 2011</p> <p>(i) Identify two features of a co-operative. (2 marks)</p> <p>(ii) Give examples of two types of co-operative. (2 marks)</p> <p>Explain the differences between a public limited company and a public corporation. (6 marks)</p>
4b	Learners should be able to describe and evaluate the effects of changes in the structure of business organisations.	<p>As a basic activity, the learners need to examine why a business organisation may wish to change its structure, e.g. why a sole proprietor may wish to form a partnership, why a private limited company may become a public limited company or why a public corporation may be privatised. They could also consider the advantages and disadvantages of a firm becoming a multinational company. This could be done as a group activity. <b>(G) (Basic)</b></p> <p>As a more challenging activity, a group that initially researched a partnership could discuss with the group that considered the characteristics of a sole proprietor the possible effects of becoming a partnership and then the groups would have to decide what to do and why. The other groups could follow. <b>(G)</b></p> <p>If possible, it would be useful to invite a local entrepreneur who had changed the structure of her or his business, or is considering doing so, to the talk to the whole class as a guest speaker. <b>(W) (Challenging)</b></p> <p>Dransfield, Cook and King covers this topic on pages 84–85; there is a useful case study on page 84, with some challenging questions, and there is a challenging activity and three summary questions on page 85. <b>(Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.s-cool.co.uk/a-level/business-studies/business-organisation">http://www.s-cool.co.uk/a-level/business-studies/business-organisation</a> (This covers the different types of business organisation.)</p> <p><b>Textbook</b></p> <p>Dransfield, Cook and King, pages 84–85</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2011 Explain why a lawyer, working as a sole proprietor, might wish to change the business to a partnership. (4 marks)</p> <p>Paper 22, June 2011 Explain why a private limited company might wish to become a public limited company. (6 marks)</p>
4c	Learners should be able to describe what determines the demand for factors of production.	The factors of production (land, labour, capital and enterprise) were identified in the second section of Unit 1. It would probably help if there was a brief revision of this. The class could then be divided into groups and each given a particular production activity to focus on.	<p><b>Online</b></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-">http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-</a></p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>The task would then be to determine precisely which factors of production would be needed in that production activity. <b>(G)</b></p> <p>The findings could then be presented to the whole class. <b>(W) (Basic)</b></p> <p>Grant covers this on pages 252–258 and there are three challenging activities and four multiple choice questions for learners to do. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King covers the topic on pages 86–87. There is a case study on uranium production, with some challenging questions, on page 86 and some challenging summary questions on page 87. <b>(I) (Challenging)</b></p>	<p><a href="http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-changing-uk-labour-market">it/the-changing-uk-labour-market</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-supply-of-labour">http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-supply-of-labour</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-demand-for-labour">http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-demand-for-labour</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-equilibrium-wage">http://www.s-cool.co.uk/a-level/economics/labour-markets/revise-it/the-equilibrium-wage</a></p> <p>(Although designed for A Level, each of these will be useful for a consideration of the demand for factors of production.)</p> <p><b>Textbooks</b></p> <p>Grant, pages 252–258 Dransfield, Cook and King, pages 86–87</p> <p><b>Past Papers</b></p> <p>Paper 23, November 2010 Explain two factors that determine the demand for labour in an economy. (6 marks)</p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
4d	Learners should be able to distinguish between labour-intensive and capital-intensive production.	<p>The class could be divided into groups and given a particular production activity (this could be the same as in the previous section of this part of the syllabus or a different activity). They then need to consider the relative advantages and disadvantages of using labour-intensive and capital-intensive methods of production. <b>(G)</b></p> <p>They could then present their findings to the whole class. <b>(W) (Basic)</b></p> <p>Dransfield, Cook and King cover this on page 87 and there is a challenging summary question on the same page. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley cover the topic on pages 221–224. <b>(I)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/virtual/cb/factory/production/theories3.htm">http://www.bized.co.uk/virtual/cb/factory/production/theories3.htm</a> (This covers labour and capital intensive production in a virtual factory production department.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, page 87 Moynihan and Titley, pages 221–224</p>
4e	Learners should be able to define productivity and recognise the difference between productivity and production.	<p>It is important to make the distinction between productivity and production absolutely clear as these two terms are often confused by candidates in examinations. A useful activity would be to give the learners some hypothetical figures and ask them to calculate figures for productivity and production. <b>(G)</b></p> <p>Moynihan and Titley covers the distinction between the two topics on pages 217–224. <b>(I)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/current/mind/2003_4/220304.htm">http://www.bized.co.uk/current/mind/2003_4/220304.htm</a> (This includes an article from 'Mind your Business' and also includes some useful information on productivity.)</p> <p><b>Textbooks</b></p> <p>Moynihan and Titley, pages 217–224</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 What is meant by productivity? (2 marks)</p>
4f	Learners should be able to define total and average cost, fixed and variable cost and perform simple calculations.	<p>It is very important for learners to be able to distinguish between the different types of cost (total, average, fixed and variable cost) and to understand and draw the appropriate cost curves. It is also important that learners should be able to perform simple calculations, as the syllabus makes clear.</p> <p>Moynihan and Titley covers the topic on pages 225–231 and has a case study on a hypothetical firm, 'The Bear Necessities Company',</p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/current/mind/2003_4/160204.htm">http://www.bized.co.uk/current/mind/2003_4/160204.htm</a> (This covers the costs of production in relation to Eurotunnel.)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>which requires learners to calculate costs and to draw a diagram (pages 225–227). <b>(I)</b></p> <p>Grant covers the topic on pages 259–267 and includes two challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King covers the topic on pages 88–91 and there are two challenging case studies, with related questions, on pages 89 and 91. There are also a number of challenging summary questions on these two pages. <b>(I) (Challenging)</b></p> <p>It should be noted that the syllabus does not require learners to be able to define or calculate marginal cost.</p>	<p><b>Textbooks</b></p> <p>Moynihan and Titley, pages 225–231 Grant, pages 259–267 Dransfield, Cook and King, pages 88–91</p> <p><b>Past Paper</b></p> <p>Paper 22, June 2010 Define fixed cost and variable cost, giving one example of each. (4 marks)</p>
4g	Learners should be able to analyse particular situations to show changes in total and average cost as output changes.	<p>It is important that learners are fully aware of the link between a change in output and a change in total and average cost. A useful activity would be to ask learners to work in groups and to consider the effects on costs when production moves from being labour-intensive to being capital intensive. <b>(G)</b></p> <p>Dransfield, Cook and King covers the topic on pages 92–93 and there are two very useful case studies, one on manufacturing paint and one on canning tomatoes, with some challenging questions associated with them. <b>(I) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/costs-and-revenues/revise-it/costs-and-their-curves">http://www.s-cool.co.uk/a-level/economics/costs-and-revenues/revise-it/costs-and-their-curves</a> (This would be useful on the costs of production, even though it is designed for A Level Economics.)</p> <p><b>Textbook</b></p> <p>Dransfield, Cook and King, pages 92–93</p>
4h	Learners should be able to define total and average revenue and perform simple calculations.	<p>The first online resource would be helpful in providing activities relating to the costs and revenue of producing different products <b>(I or G)</b></p> <p>Moynihan and Titley covers the topic on pages 231 and ‘the Bear Necessities Company’ activity, already referred to, would be a good activity for learners to help them understand these concepts (pages 225–227). <b>(I)</b></p> <p>Grant covers the topic on pages 268–270 and has a challenging</p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/educators/16-19/economics/firms/activity/costs.htm">http://www.bized.co.uk/educators/16-19/economics/firms/activity/costs.htm</a> (This contains useful activities on both costs and revenue related to the production of different products.)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>multiple choice question on page 277. <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King covers the topic on pages 94–95 and has three challenging summary questions on page 95. <b>(I) (Challenging)</b></p> <p>It should be noted that the syllabus does not require learners to be able to define or calculate marginal revenue.</p>	<p><b>Textbooks</b></p> <p>Moynihan and Titley, page 231 Grant, pages 268–270 Dransfield, Cook and King, pages 94–95</p>
4i	Learners should be able to describe the principle of profit maximisation as a goal and recognise that business organisations may have different goals.	<p>Profit maximisation is usually assumed to be the main goal of most business organisations. The learners could be asked to work in groups to consider why profit maximisation is such an important goal for many firms. <b>(G)</b></p> <p>They could then present their findings to the whole class. <b>(W)</b></p> <p>The learners could also work in groups, or on an individual basis, to study what has happened to the profits of particular selected organisations over a number of years and to analyse the reasons for any changes in profits. These findings could then be summarised in a poster. <b>(I or G)</b></p> <p>The learners could then, either as individuals or working in groups, consider other possible goals that business organisations may have, apart from profit maximisation, and again these could be presented to the whole class. <b>(W) (Basic)</b></p> <p>Dransfield, Cook and King covers profit maximisation on pages 96–97 and there is a case study with four related challenging questions. <b>(I)</b></p> <p>Grant covers profit maximisation on pages 268–277 with some challenging activities and multiple choice questions. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers profit maximisation on pages 232–234. <b>(I)</b></p> <p>The other goals that business organisations may have are covered in Dransfield, Cook and King on page 97 and in Grant on pages 271–272. <b>(I)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bbc.co.uk/schools/gcsebitesize/business/aims/">http://www.bbc.co.uk/schools/gcsebitesize/business/aims/</a> (This features a quiz on the aims of business organisations.)</p> <p><a href="http://www.tutor2u.net/business/gcse/organisation_aims_objectives.htm">http://www.tutor2u.net/business/gcse/organisation_aims_objectives.htm</a> (This covers a range of objectives of business organisations including profit satisficing.)</p> <p><b>Textbooks</b></p> <p>Grant, pages 268–277 Dransfield, Cook and King, pages 96–97 Moynihan and Titley, pages 232–234 Titley, pages 76–81</p> <p><b>Past Papers</b></p> <p>Paper 21, November 2011 Explain why firms aim to maximise profits. (4 marks)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		In terms of revision, a basic activity would be to read pages 76–80 in Titley and there is a more challenging activity on page 81.	
4j	Learners should be able to describe the characteristics of perfect competition and monopoly.	<p>It is important that learners are able to describe the characteristics of perfect competition and monopoly and understand the main differences between these two types of market structure. The learners could be divided into groups; they could firstly consider the likely benefits of a large number of firms competing against each other and then go on to contrast this with a monopoly situation where one firm controls a market. They could then consider the likely advantages and disadvantages of this situation. After this, they could then present their findings to the whole class. The learners could be given examples from their own country of situations where there is a lot of competition in one economic area and a monopoly situation in another; these could be researched and learners asked to compare the two situations. <b>(G)</b></p> <p>Dransfield, Cook and King covers the topic on pages 98–101 and there are challenging summary questions on page 99 and 101. <b>(I)</b></p> <p>Grant covers the topic on pages 278–286; there are three challenging activities and four multiple choice questions. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 260–270 and there are challenging activities on pages 262 and 266. There is also a challenging crossword on page 270. <b>(I) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/content/topics/competition/competition.htm">http://www.tutor2u.net/economics/content/topics/competition/competition.htm</a> (This includes the characteristics of perfect competition.)</p> <p><a href="http://tutor2u.net/economics/content/topics/monopoly/monopoly_profits.htm">http://tutor2u.net/economics/content/topics/monopoly/monopoly_profits.htm</a> (This includes the characteristics of monopoly.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 98–101 Grant, pages 278–286 Moynihan and Titley, pages 260–270</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010 How do the characteristics of a monopoly differ from those of perfect competition? (6 marks)</p> <p>Paper 21, June 2011 Describe the characteristics of perfect competition. (4 marks)</p>
4k	Learners should be able to describe pricing and output policies in perfect competition and monopoly.	<p>This part of the syllabus could be combined with the previous section on the characteristics of perfect competition and monopoly.</p> <p>The page references in the previous section are applicable here, but as a revision exercise a basic activity would be to read Titley (pages 86–89) and here are some challenging activities on pages 89–91. <b>(I) (Basic) (Challenging)</b></p>	<p><b>Online</b></p> <p>See the two websites listed in the previous section</p> <p><b>Textbooks</b></p> <p>See the references in the previous section</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		It should be noted that the syllabus does not require learners to describe either monopolistic competition or oligopoly.	<b>Past Paper</b> Paper 21, June 2011 Discuss whether perfect competition is always to be preferred to monopoly. (8 marks)
4I	Learners should be able to describe the main reasons for the different sizes of firms (size of market, capital, organisation).	<p>The learners could be asked as a group activity to choose three firms in their own country, one small, one medium-sized and one large, and to research each of them to discover the main reasons for their different sizes. <b>(G)</b></p> <p>They could then present their findings to the whole class. <b>(W)</b></p> <p>They could also produce posters to show what they have discovered. The syllabus indicates three possible reasons (size of market, extent of capital and type of organisation), but the learners could also try to find out if there are any other influences on the size of a firm. <b>(G)</b></p> <p>Dransfield, Cook and King covers this on pages 102–103; there is a challenging activity and three challenging summary questions. <b>(I)</b> <b>(Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 238–240, with a challenging activity on page 239. <b>(Basic and Challenging)</b></p> <p>Grant covers this topic on pages 287–294; there are three challenging activities and four multiple choice questions. <b>(I)</b> <b>(Challenging)</b></p>	<b>Online</b> <a href="http://www.s-cool.co.uk/a-level/business-studies/business-organisation">http://www.s-cool.co.uk/a-level/business-studies/business-organisation</a> (Although designed for A Level learners, this website will be useful for learners of this syllabus.)
			<b>Textbooks</b> Dransfield, Cook and King, pages 102–103 Moynihan and Titley, pages 238–240 Grant, pages 287–294
			<b>Past Papers</b> Paper 22, June 2010 Describe the reasons why small firms are often successful in the retail trade in many countries. (5 marks)
			Paper 22, November 2010 Explain the reasons why small firms continue to exist in all economies. (6 marks)
			Paper 22, November 2011 Explain why small firms continue to exist in most economies. (4 marks)

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
4m	Learners should be able to describe and evaluate integration, economies and diseconomies of scale.	<p>The learners could be divided into groups and given the task of researching recent mergers, both in their own country and abroad, to discover how the mergers took place and the potential advantages and disadvantages of them. <b>(G)</b></p> <p>They could then present their findings to the whole class. <b>(W) (Basic)</b></p> <p>Dransfield, Cook and King covers this topic on pages 104–105. There is an interesting case study on the Indian company, Tata, on page 104 with some challenging questions. There are also some challenging summary questions. Grant covers the topic on pages 288–291 and Moynihan and Titley on pages 240–242 with a challenging activity on page 242. <b>(I) (Challenging)</b></p> <p>In terms of economies/diseconomies of scale, learners could work in groups and, as a basic activity, consider the possible economies and diseconomies of scale that could exist. <b>(G) (Basic)</b></p> <p>As a more challenging activity, they could build on this and consider which types of economies/diseconomies of scale can be experienced by different industries. Different groups could focus on particular industries, such as the car industry, the film industry and farming, and then present their findings to the whole class. <b>(G and W)</b></p> <p>A poster could be used to illustrate what has been discovered. <b>(G) (Challenging)</b></p> <p>Dransfield, Cook and King covers this on pages 106–107 with some summary questions. <b>(I) (Challenging)</b></p> <p>Grant covers the topic on pages 295–303 with two activities and four multiple choice questions. <b>(I) (Challenging)</b></p> <p>Moynihan and Titley covers the topic on pages 242–246 with some challenging activities on pages 243 and 245. <b>(I) (Challenging)</b></p> <p>In terms of revision, a basic activity would be for learners to read Titley (pages 82–85) and there is a challenging activity on page 85. <b>(I)</b></p>	<p><b>Online</b></p> <p><a href="http://www.en.wikipedia.org/wiki/Tata_Group">www.en.wikipedia.org/wiki/Tata_Group</a> (This provides a history of the Tata Group.)</p> <p><a href="http://www.bbc.co.uk/schools/gcsebitesize/business/production/">http://www.bbc.co.uk/schools/gcsebitesize/business/production/</a> (This covers mergers, economies of scale and diseconomies of scale.)</p> <p><a href="http://www.bized.co.uk/virtual/dc/farming/theory/th8.htm">http://www.bized.co.uk/virtual/dc/farming/theory/th8.htm</a> (This covers the economies of scale that are enjoyed by a farm in Zambia.)</p> <p><a href="http://www.bized.co.uk/learn/economics/firms/structure/index.htm">http://www.bized.co.uk/learn/economics/firms/structure/index.htm</a> (This provides an activity in relation to the scale of production.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 104–107 Grant, pages 288–303 Moynihan and Titley, pages 240–246 Titley, pages 82–85</p> <p><b>Past Papers</b></p> <p>Paper 22, June 2010 Discuss to what extent a large firm is able to benefit from economies of scale in the television manufacturing industry. (7 marks)</p> <p>Paper 21, November 2010 Sometimes firms and business organisations grow in size. Discuss how this might occur. (8 marks)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<p>Paper 23, November 2010 Distinguish between a merger and a takeover. (2 marks) Explain, using examples, how a car production company could benefit from economies of scale. (5 marks)</p> <p>Paper 22, June 2011 Explain how firms can grow in size. (4 marks) Discuss whether some large firms might benefit from reducing their size. (6 marks)</p> <p>Paper 21, November 2011 Most car producing firms are now very large. Explain how they may have benefited from: (i) horizontal integration (4 marks) (ii) vertical integration (4 marks)</p> <p>Paper 22, November 2011 Discuss whether firms always benefit from growing larger. (8 marks)</p>
4n	Learners should be able to discuss the advantages and disadvantages of monopoly.	<p>The learners will be able to build on what they had been doing in parts 4j and 4k of this unit. They could work in groups and be asked to prepare a presentation on the advantages and disadvantages of monopoly, making use of real examples from their own country and from abroad. <b>(G) (Basic)</b></p> <p>Dransfield, Cook and King covers this on pages 108–109. There is an interesting case study on the pharmaceutical industry, with some related challenging questions, and there are some challenging summary questions. <b>(Challenging)</b></p> <p>Grant covers this on pages 280–284 and Moynihan and Titley on pages 263–270. <b>(I)</b> To increase the learners' overall grasp of the whole of Unit 4, and to</p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/education/16-19/economics/firms/presentation/structure.ppt">www.bized.co.uk/education/16-19/economics/firms/presentation/structure.ppt</a> (This provides a presentation on different market structures.)</p> <p><b>Textbooks</b></p> <p>Dransfield, Cook and King, pages 108–109 and 110–112 Grant, pages 280–284 and 313–318 Moynihan and Titley, pages 263–270 and</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>provide material that could be used in formative assessment at the end of the unit, the practice exam questions at the end of Unit 4 of Dransfield, Cook and King (pages 110–112) would provide challenging work, as would the examination practice in Grant (pages 313–318). <b>(I)</b></p> <p><b>(Challenging)</b></p> <p>The assessment exercises at the end of Moynihan and Titley would also provide material for formative assessment (pages 271–274). <b>(I)</b></p> <p>Section 4 of Grant’s IGCSE and O Level Workbook would also provide a lot of material for formative assessment (pages 37–49). <b>(I)</b></p>	<p>271–274 Grant (Workbook), pages 37–49</p> <p><b>Past Papers</b></p> <p>Paper 21, June 2010 Discuss how firms might become large and evaluate whether monopolies are necessarily advantageous. (10 marks)</p> <p>Paper 22, November 2010 Discuss the advantages and disadvantages of monopoly. (10 marks)</p> <p>Paper 23, November 2011 Discuss whether the advantages of a monopoly are greater than its disadvantages. (10 marks)</p>



## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 5: Role of government in an economy

#### Recommended prior knowledge

This unit can be studied without any prior knowledge and it is possible to start the course at this point. There are, however, a number of topics covered in the earlier units, including the role of the government in a mixed economy, market failure and government taxes and subsidies in Unit 2 and public corporations and the difference in the pay of public and private sector workers in Unit 3, which will help understanding of this unit.

#### Context

As already mentioned, the unit builds on the role of the government in mixed economies, business organisations in the public sector, taxation and differences in earnings between public and private sectors. It also provides a link to topics in later units, including inflation, unemployment and economic growth in Unit 6, policies to alleviate poverty in Unit 7 and protectionism in Unit 8.

#### Outline

The unit starts by describing the government as a producer of goods and services and as an employer and then goes on to describe the aims of government policy in terms of full employment, price stability, economic growth, the redistribution of income and balance of payments stability. It considers the nature and use of fiscal, monetary and supply-side policies, and then explores possible government policy conflicts, types of taxation and the government's influence on private producers.

It is suggested that 12% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
5a	Learners should be able to describe the government as a producer of goods and services and as an employer.	<p>Having recapped market failure and the role of the government in a mixed economy, learners could examine the theory of government intervention by undertaking the activities in Grant (Unit 30). <b>(G) (Basic)</b></p> <p>Moynihan and Titley have a useful case study on privatisation (pages 262–263). <b>(Challenging)</b></p> <p>Dransfield, Cook and King have questions on an interesting case study on Cuba (page 114). <b>(Basic)</b></p> <p>Then learners could research, in groups, what products their government produces and classify them into merit, public and other goods. They could also research how many people the government employs and in what type of jobs. They could then compare their</p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/content/to pics/marketfail/market_failure.htm">http://www.tutor2u.net/economics/content/to pics/marketfail/market_failure.htm</a>            (Includes why the state provides public goods, subsidises merit goods and identifies forms of government intervention.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 30            Dransfield, Cook and King, pages 114–115            Moynihan and Titley, Chapter 16 Section 4</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		findings with the position in another country. <b>(G) (Challenging)</b>	
5b	Learners should be able to describe the aims of government policies, such as full employment, price stability, economic growth, redistribution of income, balance of payments stability.	<p>Learners could examine government statements on what they are trying to achieve in terms of macroeconomic objectives. They could then assess the government's record by examining data on unemployment, inflation, economic growth, redistribution of income and balance of payments stability. They could compare the record with that of another country. <i>Pocket World in Figures</i> by The Economist is a good source for this. <b>(Challenging)</b></p> <p>Learners could then be asked to explore the topic in more depth by doing a presentation on e.g. the causes of economic growth, the advantages and disadvantages of making income more evenly distributed, how the government influences the distribution of income, the causes of a current account deficit, the effects of deflation and why people may stop being unemployed. <b>(G) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/macroeconomic-objectives">http://www.s-cool.co.uk/a-level/economics/macroeconomic-objectives</a> (How objectives are measured, importance of objectives.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 31 Moynihan and Titley, Chapter 14 Section 1 Dransfield, Cook and King, pages 116–125</p> <p><b>Other</b></p> <p><i>Pocket World in Figures</i>, The Economist</p>
5c	Learners should be able to explain fiscal, monetary and supply-side policies.	<p>Learners could be asked to categorise policy measures into fiscal, monetary and supply-side policies. <b>(I) (Basic)</b></p> <p>They could then be required to find an example of a measure from each type of policy that their government is employing and one from each that another government is employing. <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/revision-notes/as-macro-supply-side-policies.html">http://www.tutor2u.net/economics/revision-notes/as-macro-supply-side-policies.html</a> (Good coverage of supply-side policy measures.)</p> <p><a href="http://www.bized.co.uk/">www.bized.co.uk/</a> (Go to Virtual Worlds, Virtual Bank of Biz/ed. It has a good quiz on fiscal, monetary and supply-side policies.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 32 Moynihan and Titley, Chapter 14 Sections 2 and 3</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
5d	Learners should be able to analyse the use of fiscal, monetary and supply-side policies.	Newspaper articles and news websites are a good source of information about the effects of policy measures. Learners could be introduced to aggregate demand/aggregate supply analysis at this stage. Then, in groups, they could be asked how a particular policy measure may affect a government aim. For instance, they could be asked to explore how a cut in income tax may increase employment, how a rise in the rate of interest may reduce inflation, how an increase in government spending on education and training may increase economic growth and how devaluation may reduce a deficit on the current account on the balance of payments. They could be required to bring out the analytical links in the form of a flow chart. <b>(G)</b> <b>(Challenging)</b>	<b>Online</b>  <a href="http://www.bbc.co.uk/news/">http://www.bbc.co.uk/news/</a> (Regular articles on the use of policy measures.)  <b>Textbooks</b>  Grant, 32 Moynihan and Titley, Chapter 14 Sections 2 and 3
5e	Learners should be able to discuss the possible conflicts between government aims.	Newspaper articles and news websites are a good source of information about the effects of policy measures and policy conflicts. Learners, in groups, could be asked to select a card with a real world economic problem on it, e.g. high unemployment in South Africa. They could then select a card with a relevant policy measure that could be taken to tackle the problem, e.g. increase government spending. The third card to select could be one which identifies the type of policy, e.g. fiscal policy. The fourth card could be one with how the policy would affect aggregate demand and/or aggregate supply. The fifth card could identify a government aim which would be harmed by the policy measure. The groups could then be told how many they have correct and, if necessary, be given another chance to select the right cards. <b>(G) (Basic)</b> Another activity could be to give each of five different groups a different government aim. They could then be asked to identify an appropriate policy measure to achieve their objective. Each group then states the policy measure they have chosen and the other groups have to decide if the measure it has chosen and the other groups have to decide if the measure would help or harm their aim and to explain why. <b>(G)</b> <b>(Challenging)</b>  Moynihan and Titley have a case study on policy conflicts which is based on four graphs showing US macroeconomic performance (pages 264–265). <b>(Basic)</b>	<b>Online</b>  <a href="http://www.bbc.co.uk/news/">http://www.bbc.co.uk/news/</a>  <a href="http://www.bized.co.uk/educators/16-19/economics/macro/presentation/policies.ppt">http://www.bized.co.uk/educators/16-19/economics/macro/presentation/policies.ppt</a> (PowerPoint presentation of fiscal, monetary and supply-side policies.)  <b>Textbooks</b>  Grant, Units 32 and 33 Moynihan and Titley, Chapter 14 Section 5 Dransfield, Cook and King, pages 126–127  <b>Other</b>  Newspaper articles

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
5f	Learners should be able to describe the types of taxation (direct, indirect, progressive, regressive, proportional) and the impact of taxation.	<p>Learners should find out information about the different types of taxes in their own country and in another country. <b>(I or G) (Basic)</b></p> <p>They could be asked to discuss e.g. what are the qualities of a good tax, whether more reliance should be placed on indirect taxes, whether taxes should be more progressive, whether the tax base should be widened and whether tax rates should be reduced. It would also be useful for learners to examine the country's budget position. <b>(Challenging)</b></p> <p>They could be asked to carry out a role playing exercise based on different group's views on what should be in the government's budget. These groups could include government ministers, the unemployed, the retired, families with young children, retailers, manufacturers and bankers. <b>(G) (Challenging)</b></p> <p>Moynihan and Titley have two good exercises on taxes. (pages 272 and 273). <b>(I) (Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/govpol/macropolicies/tax/studenta.htm">http://www.bized.co.uk/learn/economics/govpol/macropolicies/tax/studenta.htm</a> (An interesting worksheet on taxation.)</p> <p><a href="http://www.s-cool.co.uk/a-level/economics/taxation-and-government-spending">http://www.s-cool.co.uk/a-level/economics/taxation-and-government-spending</a> (A variety of issues including principles of taxation.)</p> <p><b>Textbooks</b></p> <p>Grant, Units 34 and 35 Moynihan and Titley, Chapter 15 Dransfield, Cook and King, pages 128–129</p>
5g	Learners should be able to discuss the government's influence (regulation, subsidies, taxes) on private producers.	<p>Learners, in groups, could be given a government policy objective such as reducing regional unemployment, improving the skills of workers, encouraging a switch from the consumption of high fat to low fat food and ask them to consider whether regulation, subsidies or a change in taxation would be more effective in achieving the objective. They could then be asked to justify their choice to the rest of the class. <b>(G) (Challenging)</b></p> <p>There are some interesting activities in Grant. (Unit 32). <b>(Basic)</b></p> <p>Dransfield, Cook and King have a useful case study on subsidies to smallholder farmers in Malawi. Page 133. <b>(Basic)</b></p> <p>At the end of the unit, learners could work through the activities in Section 5 in the Grant Workbook and the questions at the end of the section in Grant. <b>(Challenging) (Formative assessment)</b></p> <p>There are also many useful questions at the end of this Unit in Dransfield, Cook and King (pages 136–138). <b>(Challenging) (Formative assessment)</b></p>	<p><b>Online</b></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/market-failure">http://www.s-cool.co.uk/a-level/economics/market-failure</a> (Covers methods of government intervention.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 32 Grant (Workbook), Section 5 Dransfield, Cook and King, pages 130–135</p>

## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 6: Economic indicators

#### Recommended prior knowledge

This unit can be studied without any prior knowledge but it does link very closely with the previous unit, especially in terms of the second and third sections on the aims of government policy and the possible conflicts between government aims. It also builds on the role of the government in a mixed economy and market failure in Unit 2.

#### Context

As already indicated, the unit builds on the role of a government in a mixed economy, market failure, the aims of government policy in an economy and possible conflicts between these aims. It also provides a link to Unit 7 in terms of differences in living standards and to Unit 8 in terms of the merits of free trade and protection.

#### Outline

This unit starts with the definition and calculation of a consumer price index/retail price index, as an example of a consumer price index. It then explores the causes and consequences of inflation and deflation. Attention then moves to the changing patterns and levels of employment and the causes and consequences of unemployment. It defines the meaning of Gross Domestic Product as a measure of economic output, income and expenditure, explains the link between real GDP and economic growth. It then explores the causes and consequences of economic growth and defines recession. It finally considers GDP and other measures and indicators of comparative living standards, such as the Human Development Index.

It is suggested that 15% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
6a	Learners should be able to describe how a consumer price index / retail price index is calculated.	<p>Grant, Moynihan and Titley and Dransfield, Cook and King all cover how a consumer price index is calculated with examples for learners to work out. <b>(Basic)</b></p> <p>Having covered the theory, learners could then be asked to research the compilation of their own consumer price index. They should consider how weights differ between countries and over time and the question of how accurately a consumer price index measures inflation. In considering how representative a consumer price index is, learners could calculate a price index for themselves. <b>(Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/economy/quality-and-methodology-information-for-cpi-and-rpi.pdf">http://www.ons.gov.uk/ons/guide-method/method-quality/quality/quality-information/economy/quality-and-methodology-information-for-cpi-and-rpi.pdf</a>            (Differences between the RPI and CPI.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 36</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			Moynihan and Titley, Chapter 16 Section 2 Dransfield, Cook and King, pages 140–143
6b	Learners should be able to discuss the causes and consequences of inflation.	<p>Learners need to be able to define inflation. It is useful to get learners to analyse declines in inflation rates so that they can recognise the difference between a fall in the rate at which the general price level is rising and a fall in the price level.</p> <p>They need to be able to distinguish between demand-pull and cost-push inflation. They could be asked to consider why e.g. a consumer boom and a rise in the price of oil may cause inflation and what type of inflation it would be. <b>(Basic)</b></p> <p>They could then explore the causes of inflation in different countries by using newspaper articles and news websites. In exploring the consequences of inflation, learners could be divided into groups to consider how e.g. the retired, the government, exporters, savers, borrowers, members of trade unions and workers with weak bargaining power are affected by inflation. <b>(Challenging)</b></p> <p>Dransfield, Cook and King (page 145) and Moynihan and Titley (page 305) both have interesting case studies on monetary inflation. <b>(Basic)</b></p> <p>There are four real world activities in Grant (Unit 37). <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/virtual/dc/copper/theory/th17.htm">http://www.bized.co.uk/virtual/dc/copper/theory/th17.htm</a> (Consequences of inflation.)</p> <p><a href="http://www.bankofengland.co.uk/publications/Pages/inflationreport/default.aspx">http://www.bankofengland.co.uk/publications/Pages/inflationreport/default.aspx</a> (Interesting features including how forecasts of inflation are made.)</p> <p><a href="http://www.reuters.com/">http://www.reuters.com/</a> (Interesting articles on how Zimbabwe went from hyperinflation to 4% inflation.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 37 Moynihan and Titley, Chapter 16 Sections 1, 2, 3 and 4 Dransfield, Cook and King, pages 144–147</p> <p><b>Other</b></p> <p>Newspaper articles</p>
6c	Learners should be able to discuss the causes and consequences of deflation.	<p>It is useful to distinguish between ‘good’ and ‘bad’ deflation. Learners often think that deflation must always be beneficial. Role playing here could be useful. A scenario could first be given in which the price level is being driven down by a fall in aggregate demand. The roles could include a retired person with substantial savings, a person who has bought a house on a mortgage (loan), an owner of a shop selling TVs, an owner of a second hand bookshop, a worker whose pay remains unchanged, a worker who experiences a fall in pay, a banker, a farmer and an importer of mobile phones. Those playing the roles could be</p>	<p><b>Online</b></p> <p><a href="http://news.bbc.co.uk/1/hi/business/7955931.stm">http://news.bbc.co.uk/1/hi/business/7955931.stm</a> (Japan’s experience of deflation.)</p> <p><a href="http://www.economywatch.com/inflation/deflation/">http://www.economywatch.com/inflation/deflation/</a> (Good and bad deflation.)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		asked to form into two groups, one supporting government action to tackle deflation and one opposing such action. They could then put their cases to the class who could vote on whether action should be taken or not. The role players might be asked to carry out the same activities but this time using the scenario of the price level falling due to advances in technology. <b>(G) (Challenging)</b>	<b>Textbooks</b>  Grant, Unit 37 Grant (Workbook), Section 6 Moynihan and Titley, Chapter 16 Section 1
6d	Learners should be able to describe the changing patterns and levels of employment.	<p>It is useful to compare changing patterns and levels of employment over time and between countries.</p> <p>Grant considers patterns of employment in terms of employment in primary, secondary and tertiary sectors, employed and self-employed, private and public sector employment, full-time and part-time employment and labour force participation.</p> <p>Moynihan and Titley also examines labour force participation, full-time and part-time employment and employment by industrial sector.</p> <p>Dransfield, Cook and King cover similar ground and have a useful case study on recent changes in the primary, secondary and tertiary sectors in the United States (page 151). <b>(Basic)</b></p> <p>Grant has two activities, one comparing labour force participation in Sweden and Pakistan and one on employment and unemployment in the UK (page 400). <b>(Basic)</b></p> <p>Most governments have websites on which there are details of the country's pattern of employment.</p>	<b>Online</b>  <a href="http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Labour+Market">http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Labour+Market</a> (Labour market trends in the UK.)  <b>Textbooks</b>  Grant, Unit 38 Moynihan and Titley, Chapter 14 Section 5 Dransfield, Cook and King, pages 148–151
6e	Learners should be able to discuss the causes and consequences of unemployment.	<p>Learners need to be aware of how unemployment may be measured and understand the nature of frictional, structural and cyclical unemployment. They might consider forms of these types of unemployment including seasonal, search and voluntary. <b>(G) (Basic)</b></p> <p>They can view the causes of unemployment from both the demand side and the supply side. They could be asked to consider how particular events may affect unemployment e.g. a recession, an increase in the quality of training and education and an improvement in information on job vacancies. <b>(Basic)</b></p>	<b>Online</b>  <a href="http://www.bized.co.uk/virtual/economy/policy/outcomes/unemployment/">www.bized.co.uk/virtual/economy/policy/outcomes/unemployment/</a> (Costs of unemployment.)  <b>Textbooks</b>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Learners should consider the costs of unemployment for both the unemployed and the economy.</p> <p>Grant has activities on the consequences of unemployment in Egypt and South Africa (Unit 39). <b>(Basic)</b></p> <p>Dransfield, Cook and King have a case study on the impact of unemployment on individuals in the United States (page 154). <b>(Basic)</b></p> <p>Moynihan and Titley have a thought-provoking case study on the personal costs of unemployment (page 319). <b>(Challenging)</b></p> <p>If learners have been given a country to report on, they could brief the class on what has been happening to unemployment in 'their' country and why. <b>(Challenging)</b></p>	<p>Grant, Unit 39 Moynihan and Titley, Chapter 16 Units 6 and 7 Dransfield, Cook and King, pages 152–155</p>
6f	Learners should be able to define Gross Domestic Product (GDP).	<p>Learners need to be aware of the meaning of Gross Domestic Product (GDP) and how it can be measured. It is useful to introduce the circular flow of income to explain how the country's output can be measured by the output, income or expenditure methods.</p> <p>The difference between real and nominal GDP has to be explained before economic growth can be explored. As with inflation, it is useful to get learners to analyse declines in economic growth rates so that they can recognise the difference between a fall in the rate at which output rises and an actual fall in output.</p> <p>Learners usually enjoy examining the consequences of economic growth. They could be asked to give a presentation on the economic performance of their own economy and the economy they are following and whether the economies would benefit from a higher rate of economic growth. <b>(Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/development/inequality/standards/student.htm">http://www.bized.co.uk/learn/economics/development/inequality/standards/student.htm</a> (Worksheet on GDP and standard of living.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 40 Moynihan and Titley, Chapter 17 Sections 1–5 Dransfield, Cook and King, pages 156–157</p>
6g	Learners should be able to describe and have a general understanding of the causes and consequences of economic growth.	<p>Learners could apply aggregate demand/aggregate supply analysis to examine the causes of economic growth in different countries. New websites and newspaper articles are good sources of information on changes in real GDP.</p>	<p><b>Online</b></p> <p><a href="http://www.tutor2u.net/economics/revision-notes/a2-macro-economic-growth-costs-benefits.html">http://www.tutor2u.net/economics/revision-notes/a2-macro-economic-growth-costs-benefits.html</a></p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>There are a number of good exercises on the consequences of economic growth. Grant (Workbook) has a case study on Spanish growth declining and the effect that such a decline has on unemployment (pages 72–73). <b>(Challenging)</b></p> <p>Moynihan and Titley have a good case study on Chinese growth (page 329). <b>(Challenging)</b></p> <p>Having examined the causes and consequences of economic growth, the class could have a debate on what benefits and costs might be experienced as a result of their economy increasing its output. <b>(Basic)</b></p>	<p>(Challenging but interesting and good on sustainable economic growth.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 40 Grant (Workbook), Section 6 Moynihan and Titley, Chapter 17 Sections 3 and 4</p>
6h	Learners should be able to define the term recession.	<p>To understand the meaning of a recession, it is useful for learners to also touch on its causes and consequences. Learners could explore e.g. the recession in Greece in 2012. They could be asked to design wall posters which list the consequences – with different groups focusing on different countries. <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bbc.co.uk/news/business-17891417">www.bbc.co.uk/news/business-17891417</a> (Spain's recession)</p> <p><a href="http://www.bbc.co.uk/news/magazine-17102525">www.bbc.co.uk/news/magazine-17102525</a> (Greece's recession)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 38 Grant (Workbook), Section 6 Moynihan and Titley, Chapter 17 Section 5</p>
6i	Learners should be able to describe simple measures and indicators of comparative living standards, such as GDP per head, Human Development Index.	<p>Learners could be asked to consider why some countries are ranked more highly in terms of GDP per head than in terms of HDI and vice versa. The UN Human Development Report is a good source of information for this. Learners, in groups, could then be asked to consider how useful GDP per head, the HDI and possibly another composite measure such as the Index of Sustainable Development are as measures of living standards and to identify other indicators of living standards. The revised edition of Grant covers the new composition of the HDI and the top ten and bottom ten countries in terms of HDI ranking. <b>(G)</b></p> <p>At the end of this unit, learners could be asked to complete the</p>	<p><b>Online</b></p> <p><a href="http://hdr.undp.org/en/statistics/">http://hdr.undp.org/en/statistics/</a> (A listing of countries according to level of development.)</p> <p><a href="http://www.undp.org/">www.undp.org/</a> (Development issues)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 41</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>activities in Section 6 of Grant (Workbook) and the activities at the end of the section in Grant. <b>(Challenging) (Formative assessment)</b></p> <p>The questions at the end of the unit in Dransfield, Cook and King will also be useful (pages 162–164). <b>(Challenging) (Formative assessment)</b></p>	<p>Moynihan and Titley, Chapter 19 Section 2 Grant (Workbook), Section 6 Dransfield, Cook and King, pages 158–161 <b>Other</b> UN Human Development Report</p>

## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 7: Developed and developing economies; trends in production, population and living standards

#### Recommended prior knowledge

This unit can be studied without any prior knowledge but is linked to some of the topics covered in previous units. Unit 6 finished considering indicators of comparative living standards and this topic is very relevant here. Unit 6 also covered unemployment and inflation which can affect living standards. Factors of production, covered in Unit 1, allocation of resources in market and mixed economies, the merits of the market system, conserving versus using resources and public expenditure versus private expenditure, covered in Unit 2, are also relevant. In addition, the reasons why different income groups have different patterns of spending, saving and borrowing in Unit 4, and government policy covered in Unit 5, are pertinent.

#### Context

As already indicated, this unit has links back to the factors that influence output and living standards covered in the previous units. It also provides a link forward to how specialisation, free trade and protectionism may affect living standards.

#### Outline

The unit starts by describing developed and developing countries and the reasons for the different stages of development. The connected issues of the difference between absolute and relative poverty and how to alleviate poverty are then explored. The focus then moves on to examine the factors that affect population growth, why population growth varies between countries and the effects of changes in the size and structure of population for countries at different stages of development. Finally, it explores the various reasons for the differences in living standards both within and between countries, including developed and developing nations.

It is suggested that 10% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
7a	Learners should be able to describe why some countries are classified as developed and others are not.	<p>Learners need to recognise the key characteristics of developed and developing countries but also to appreciate that an individual country, whilst having most of the characteristics of one type of country, may not possess all of the characteristics. They also need to recognise that development is a process that all countries can benefit from and that whilst most countries make progress, it is possible for a country's development to decline.</p> <p>Learners, in groups, could be given information on four or five countries and be asked to decide if they are developed or developing and why. <b>(G) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/learn/economics/development/indicators/index.htm">http://www.bized.co.uk/learn/economics/development/indicators/index.htm</a></p> <p><a href="https://www.cia.gov/library/publications/the-world-factbook/index.html">https://www.cia.gov/library/publications/the-world-factbook/index.html</a> (Country profiles)</p> <p><a href="http://www.imf.org/">www.imf.org/</a> (Covers development issues)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Alternatively they could be given information on a number of countries and asked to decide, from a given list, which countries they are.</p> <p>Grant has two interesting activities comparing development in Asia and Africa and comparing development data on Egypt and Singapore (Unit 42). <b>(G) (Basic)</b></p> <p>Moynihan and Titley have an exercise looking at development indicators (page 367). <b>(Basic)</b></p> <p>Dransfield, Cook and King have examples of various countries and their stages of development (pages 166-167). <b>(Basic)</b></p>	<p><a href="http://www.worldbank.org/">www.worldbank.org/</a> (Information on countries and regions)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 42 Grant (Workbook) page 89 Moynihan and Titley, Chapter 19 Section 1 Dransfield, Cook and King, pages 166–167</p>
7b	Learners should be able to describe the difference between absolute and relative poverty.	<p>Learners should distinguish between absolute and relative poverty. They could be asked to list what they think are the essential products that people need to function in their country. Alternatively they could be asked whether particular products are essential for people to have e.g. housing, food, clothing, TV, mobile phone, education, health care, computer. Then a comparison could be made with what might be the essential products needed in a very poor country, e.g. Mali, and in a very rich country, e.g. the USA. <b>(I) (Challenging)</b></p> <p>Learners could also make a comparison between the living standards of migrant workers in a country, e.g. United Arab Emirates, and those of the native population and those of the people in the country they have come from. <b>(I) (Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.poverty.org.uk/summary/social%20exclusion.shtml">http://www.poverty.org.uk/summary/social%20exclusion.shtml</a> (An in depth explanation of the terms)</p> <p><a href="http://www.bbc.co.uk/scotland/education/int/ms/health/wealth/def_of_poverty/definitions.shtml">http://www.bbc.co.uk/scotland/education/int/ms/health/wealth/def_of_poverty/definitions.shtml</a> (Contains a very interesting poverty quiz based on Scotland but has general use and could be further adapted.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 43 Grant (Workbook), Section 7 Dransfield, Cook and King, pages 122–123 and 168–169</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
7c	Learners should be able to recognise and discuss policies to alleviate poverty.	<p>Learners should consider a range of policies, e.g. education, to reduce both types of poverty.</p> <p>Learners could be asked to research poverty in their allocated countries and then give a presentation on the extent of poverty, its causes and an assessment of the government measures being taken to reduce it.</p> <p><b>(G and W) (Challenging)</b></p> <p>Dransfield, Cook and King have a case study on the policies needed to alleviate poverty in India (page 169). <b>(Basic)</b></p> <p>Grant has activities on poverty and inequality (Unit 43). <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/virtual/dc/farming/theory/th13.htm">http://www.bized.co.uk/virtual/dc/farming/theory/th13.htm</a> (Measuring poverty)</p> <p><a href="http://www.poverty.org.uk/">www.poverty.org.uk/</a> (Information on what is happening to poverty in the UK.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 43 Dransfield, Cook and King, pages 168–169</p>
7d	Learners should be able to describe the factors that affect population growth (birth rate, death rate, fertility rate, net migration) and discuss reasons for different rates of growth in different countries.	<p>Learners could compare details on population in three or four countries. In groups they could be asked to consider the causes of the differences and whether they think they will last.</p> <p>Learners could also be asked to design posters showing current and projected population pyramids for the countries and graphs showing recent population data. <b>(G) (Basic)</b></p> <p>Grant has examples of population pyramids for India and Japan (pages 460–461).</p> <p>Dransfield, Cook and King have examples of population pyramids for the UK and for Uganda (page 173).</p> <p>Moynihan and Titley have a set of questions based on population pyramids (page 380). <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.census.gov/population/international/data/idb/informationGateway.php">http://www.census.gov/population/international/data/idb/informationGateway.php</a> (Provides information on population data in a wide range of countries.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 44 Moynihan and Titley, Chapter 20 Sections 1, 2 and 3 Dransfield, Cook and King, pages 170–173</p>
7e	Learners should be able to analyse the problems and consequences of these population changes for countries at different stages of development.	<p>Learners in small groups could be asked to research particular population changes in countries and report back to the whole class. These could include the ageing population in Japan, the high fertility rate in Tanzania, the low birth rate in Cuba, the high ratio of males to females in the United Arab Emirates, the rapid population growth in Pakistan, the decline in population in Russia and net immigration into</p>	<p><b>Textbooks</b></p> <p>Grant, Unit 45 Moynihan and Titley, Chapter 20 Sections 1, 2 and 3 Dransfield, Cook and King, pages 174–175</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Australia.</p> <p>They could also compare the population changes in these countries with their own country and with the countries they have been asked to report back on. <b>(G and W) (Challenging)</b></p>	
7f	Learners should be able to discuss differences in living standards within countries and between countries, both developed and developing.	<p>Learners, in groups, could research information on four or five countries, and then rank the countries in terms of living standards. <b>(G) (Challenging)</b></p> <p>At the end of this unit learners could undertake the activities in Grant (Workbook) and at the end of Unit 46 in Grant. <b>(Challenging) (Formative assessment)</b>.</p> <p>They could also answer the questions in Dransfield, Cook and King on pages 182–184. <b>(Challenging) (Formative assessment)</b>.</p>	<p><b>Online</b></p> <p><a href="http://www.twinside.org.sg/">www.twinside.org.sg/</a> (Third World Network)</p> <p><a href="http://unstats.un.org/unsd/mdg/Data.aspx">http://unstats.un.org/unsd/mdg/Data.aspx</a> (Reports on progress made towards the different millennium goals.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 46 Grant (Workbook), Section 7 Moynihan and Titley, Chapter 20 Sections 1, 2 and 3 Dransfield, Cook and King, pages 180–181</p>
7g	Learners should be able to describe the effects of changing size and structure of population on an economy.	<p>This follows on naturally from the previous topic. Learners could be asked to compare the different population challenges faced by a number of countries and to give a presentation on them. Grant (Workbook) has an interesting homework assignment on Japan's falling population (page 89). <b>(I) (Challenging)</b></p> <p>Dransfield, Cook and King have an interesting case study on under-population in Canada (page 176). <b>(Basic)</b></p>	<p><b>Textbooks</b></p> <p>Grant, Unit 45 Grant (Workbook), page 89 Moynihan and Titley, Chapter 20 Sections 1, 2 and 3 Dransfield, Cook and King, pages 176–179</p>

## Scheme of work – Cambridge IGCSE® Economics (0455)

### Unit 8: International aspects

#### Recommended prior knowledge

This unit can be studied without any prior knowledge but it does relate to some of the topics covered in previous units. Specialisation at regional and national levels has links with factors of production and opportunity cost, covered in Unit 1, and clearly with specialisation for the individual, covered in Unit 3. The structure of the current account of the balance of payments is connected with the aim of balance of payments stability, covered in Unit 5. In defining and discussing the causes and consequences of exchange rate fluctuations, it is important to apply demand and supply analysis which is covered in Unit 2. The arguments for and against free trade and protection have some connection with the merits of the market system and market failure in Unit 2 and with the government's influence on private producers in Unit 5.

#### Context

As already indicated, the unit builds on a range of topics already covered, including factors of production, opportunity cost, balance of payments stability, demand and supply, the benefits of government intervention versus free market forces and the government's influence on private producers.

#### Outline

This unit starts by describing the advantages and disadvantages of specialisation at regional and national levels, making use of the concepts of absolute and comparative advantage. It then considers the structure of the current account of the balance of payments, taking into account trade in goods (visible balance), trade in services (invisible balance), income and current transfers. The causes and consequences of current account deficits and surpluses are examined. The causes and consequences of exchange rate fluctuations are also considered. Finally, it explores how domestic industries can be protected from foreign competition and the contrasting merits of protectionism and free trade.

It is suggested that 15% of time should be allocated to this unit.

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
8a	Learners should be able to describe the benefits and disadvantages of specialisation at regional and national levels.	<p>Examples could be given of countries that specialise in particular products. For instance, Saudi Arabia in oil, Kenya in horticultural products and tea and Bangladesh in clothing. Learners could be asked to discuss the advantages and disadvantages of specialisation. <b>(G) (Basic)</b></p> <p>It would be useful to explore absolute and comparative advantage to explain the benefits of specialisation.</p>	<p><b>Online</b></p> <p><a href="http://en.wikipedia.org/wiki/International_trade">http://en.wikipedia.org/wiki/International_trade</a></p> <p>(Use the nature of international trade, top trading nations, regulation of international trade and risks involved in international trade.)</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
		<p>Grant has two activities on absolute and comparative advantage (Unit 49). <b>(Basic)</b></p> <p>Moynihan and Titley has a set of questions on absolute advantage (page 406). <b>(Basic)</b></p>	<p><a href="http://www.tutor2u.net/economics/revision-notes/a2-macro-pattern-international-trade.html">http://www.tutor2u.net/economics/revision-notes/a2-macro-pattern-international-trade.html</a> (Changes in the pattern of UK trade.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 49 Moynihan and Titley, Chapter 22 Section 2 Dransfield, Cook and King, pages 186–187</p>
8b	Learners should be able to describe the structure of the current account of the balance of payments.	<p>Learners need to examine the current accounts of a number of countries including their own.</p> <p>Grant, Moynihan and Titley and Dransfield, Cook and King all provide activities and exercises on both the structure of the current account and on causes of changes in the current account. <b>(I or Basic)</b></p> <p>A quiz could be held at this stage. This could consist of questions on economics and possibly some general knowledge questions. <b>(I or G) (Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/virtual/dc/trade/theory/th7.htm">http://www.bized.co.uk/virtual/dc/trade/theory/th7.htm</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/the-balance-of-payments">http://www.s-cool.co.uk/a-level/economics/the-balance-of-payments</a></p> <p><b>Textbooks</b></p> <p>Grant, Units 47 and 48 Moynihan, Chapter 18 Sections 1 and 2 Dransfield, Cook and King, pages 188–189</p>
8c	Learners should be able to discuss the causes and consequences of current account deficits and surpluses.	<p>Learners could be asked in pairs or threes to research the current account position of a particular country and the consequences the deficit or surplus has. They could then be asked to give a presentation. At the end of the presentation, there could be a class discussion on the similarities and differences found in terms of the causes and consequences. <b>(G) (Challenging)</b></p> <p>Grant (Workbook) has a case study on a trade deficit (pages 100–101). <b>(Challenging)</b></p>	<p><b>Online</b></p> <p><a href="http://www.imf.org/external/pubs/ft/fandd/2006/12/basics.htm">http://www.imf.org/external/pubs/ft/fandd/2006/12/basics.htm</a> (A relatively old resource but provides a good discussion on why deficits may matter.)</p> <p><a href="https://www.cia.gov/library/publications/the-world-factbook/">https://www.cia.gov/library/publications/the-world-factbook/</a> (Provides a record of the current account position of virtually every country in the world.)</p>



Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<b>Textbooks</b>  Grant, Unit 47 Grant (Workbook), Section 8
8d	Learners should be able to define exchange rates.	Learners could find out the current value of their currency against a number of other currencies. They could use Grant, Moynihan and Titley or Dransfield, Cook and King to research floating and fixed exchange rates and could be asked to decide whether their exchange rate is fixed or floating. <b>(I) (Basic)</b>	<b>Online</b>  <a href="http://www.s-cool.co.uk/a-level/economics/exchange-rates">http://www.s-cool.co.uk/a-level/economics/exchange-rates</a>  <a href="http://www.tutor2u.net/economics/gcse/revision_notes/international_trade_exchange_rates.htm">http://www.tutor2u.net/economics/gcse/revision_notes/international_trade_exchange_rates.htm</a> (Definitions and why exchange rates change.)  <b>Textbooks</b>  Grant, Unit 50 Moynihan, Chapter 11 Section 3 Dransfield, Cook and King, pages 190–191
8e	Learners should be able to discuss the causes and consequences of exchange rate fluctuations.	As well as undertaking activities and exercises in the textbooks mentioned, it would be useful for learners to follow particular rates of exchange for a number of weeks and to provide a written explanation of why it has or has not changed, making use of demand and supply diagrams. <b>(I) (Challenging)</b>  Dransfield, Cook and King have a useful case study on the Australian currency (pages 1945–195). <b>(Challenging)</b>  Grant (Workbook) has a demanding case study on the Indian rupee (pages 99–100). <b>(Challenging)</b> Moynihan and Titley have an exercise on the determination of the UK exchange rate (pages 344–345). <b>(Challenging)</b>	<b>Online</b>  <a href="http://www.s-cool.co.uk/a-level/economics/exchange-rates/revise-it/exchange-rate-systems">http://www.s-cool.co.uk/a-level/economics/exchange-rates/revise-it/exchange-rate-systems</a> (Fixed and floating exchange rates.)  <a href="http://www.tutor2u.net/economics/content/topics/exchangerates/fixed_floating.htm">http://www.tutor2u.net/economics/content/topics/exchangerates/fixed_floating.htm</a> (Brings out the advantages and disadvantages of fixed and floating exchange rates.)  <b>Textbooks</b>  Grant, Unit 51

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
			<p>Moynihan and Titley, Chapter 18 Section 4 Dransfield, Cook and King, pages 192–195</p> <p><b>Other</b></p> <p>Newspaper articles</p>
8f	Learners should be able to describe methods of protection.	<p>Grant, Moynihan and Titley and Dransfield, Cook and King all provide details about methods of protection. It would be useful for learners to find examples of trade restrictions employed by a number of countries. <b>(I) (Basic)</b></p> <p>Grant (Workbook) has an intriguing case study on US tariffs imposed on China's exports of paper (page 101). <b>(Challenging)</b></p> <p>Dransfield, Cook and King have an interesting case study on the protectionist measures used by Ecuador (page 197). <b>(Basic)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bbc.co.uk">www.bbc.co.uk</a></p> <p><a href="http://www.s-cool.co.uk/a-level/economics/why-trade/revise-it/the-case-against-free-trade">http://www.s-cool.co.uk/a-level/economics/why-trade/revise-it/the-case-against-free-trade</a> (Arguments for and against protection.)</p> <p><a href="http://www.tutor2u.net/economics/revision-notes/a2-macro-protectionism.html">www.tutor2u.net/economics/revision-notes/a2-macro-protectionism.html</a> (Covers a wide range of methods of protection and arguments for and against.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 52 Moynihan and Titley, Chapter 22 Section 3 Dransfield, Cook and King, pages 196–197</p>

Syllabus ref	Learning objectives	Suggested teaching activities	Learning resources
8g	Learners should be able to discuss the merits of free trade and protection.	<p>This is an interesting area which learners can enjoy exploring and debating. Grant, Moynihan and Titley and Dransfield, Cook and King all provide information on the arguments for free trade and protectionism.</p> <p>Learners can examine current cases by using newspaper articles, news websites and the WTO website. They could be asked to role play. For instance, in debating whether EU countries should impose trade restrictions on Chinese shoes, learners could take the role of EU ministers, Chinese ministers, EU shoe producers, Chinese shoe producers, workers in the EU shoe industry, workers in the Chinese shoe industry, EU consumers, Chinese consumers and WTO officials.</p> <p>At the end of this unit, learners could carry out the activities in Grant (Workbook) Section 8 and at the end of Grant Section 8.</p> <p><b>(G) (Challenging) (Formative assessment)</b></p> <p>The questions at the end of the unit in Dransfield, Cook and King would also be useful (pages 202–204).</p> <p><b>(Challenging) (Formative assessment)</b></p> <p>In addition there are assessment exercises in Moynihan and Titley (pages 351–358 and 420–426).</p> <p><b>(Challenging) (Formative assessment)</b></p>	<p><b>Online</b></p> <p><a href="http://www.bized.co.uk/virtual/dc/trade/theory/th2.htm">www.bized.co.uk/virtual/dc/trade/theory/th2.htm</a> (Comparative advantage and absolute advantage.)</p> <p><a href="http://www.s-cool.co.uk/a-level/economics/why-trade/revise-it/the-case-for-free-trade-comparative-advantage">http://www.s-cool.co.uk/a-level/economics/why-trade/revise-it/the-case-for-free-trade-comparative-advantage</a> (Numerical and graphic examples.)</p> <p><a href="http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm">http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm</a> (Details about recent trade disputes.)</p> <p><b>Textbooks</b></p> <p>Grant, Unit 52 Grant (Workbook), Section 8 Moynihan and Titley, Chapter 22 Section 3 Dransfield, Cook and King pages 198–201</p>