

**ECONOMICS 0455
IGCSE
2007**

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IMPORTANT NOTICE

University of Cambridge International Examinations (CIE) in the UK and USA

University of Cambridge International Examinations accepts entries in the UK and USA only from students registered on courses at CIE registered Centres.

UK and USA private candidates are not eligible to enter CIE examinations unless they are repatriating from outside the UK/USA and are part way through a course leading to a CIE examination. In that case a letter of support from the Principal of the school which they had attended is required. Other UK and USA private candidates should not embark on courses leading to a CIE examination.

This regulation applies only to entry by private candidates in the UK and USA. Entry by private candidates through Centres in other countries is not affected.

Further details are available from Customer Services at University of Cambridge International Examinations.

Exclusions

This syllabus must not be offered in the same session with the following syllabus:

2281 Economics

You can find syllabuses and information about CIE teacher training events on the CIE Website (www.cie.org.uk).

Economics

Syllabus code: 0455

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INTRODUCTION

International General Certificate of Secondary Education (IGCSE) syllabuses are designed as two-year courses for examination at age 16-plus.

All IGCSE syllabuses follow a general pattern. The main sections are:

- Aims
- Assessment Objectives
- Assessment
- Curriculum Content.

The IGCSE subjects have been categorised into groups, subjects within each group having similar Aims and Assessment Objectives.

Economics falls into Group II, Humanities and Social Science, of the International Certificate of Education (ICE) subjects together with Development Studies, Geography, History, Latin, Literature, Environmental Management and Sociology.

AIMS

The aims of the syllabus are the same for all students. The aims are set out below and describe the educational purposes of a course in Economics for the IGCSE examination. They are not listed in order of priority.

The aims are to enable candidates to:

1. develop a sound knowledge and understanding of economic terminology and principles and elementary economic theory;
2. develop basic economic numeracy and literacy and the ability to handle simple data including graphs and diagrams;
3. use the tools of economic analysis in particular situations;
4. identify and discriminate between differing sources of information and to distinguish between facts and value judgements in economic issues;
5. employ economic skills, with reference to individuals, groups and organisations in order to understand better the world in which they live;
6. participate more fully in decision-making processes, as consumers and producers and as citizens of the local, national and international community;
7. develop an understanding of the economies of developed and developing nations and of the relationships between them; and to appreciate these relationships from the perspective of both developed and developing nations.

ASSESSMENT OBJECTIVES

The four assessment objectives in Economics are:

- A Knowledge with understanding
- B Analysis
- C Judgement and decision making
- D Investigation.

A description of each assessment objective follows.

A KNOWLEDGE WITH UNDERSTANDING

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

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

B ANALYSIS

Students should be able to:

3. select, organise and interpret data;
4. apply economic knowledge and understanding in verbal, numerical, diagrammatic, pictorial and graphical form;
5. use economic data, to recognise patterns in such data, and to deduce relationships.

C JUDGEMENT AND DECISION MAKING

Students should be able to:

6. distinguish between evidence and opinion, make reasoned judgements and communicate them in an accurate and logical manner;
7. recognise that economic theory is subject to various limitations and uncertainties;
8. evaluate the social and environmental implications of particular courses of economic action.

D INVESTIGATION

Students should be able to:

9. observe and record accurately and systematically;
10. draw conclusions from economic enquiry, and evaluate critically observations and other data;
11. communicate conclusions in a logical and concise manner.

SPECIFICATION GRID

The relationship between the assessment objectives and components of the scheme of assessment is as follows.

	Assessment Objective			
Paper	A Knowledge with Understanding	B Analysis	C Judgement and Decision Making	D Investigation
1 or 3	60%	40%		
2 or 4	20%	40%	40%	
5 or 6	20%	20%	20%	40%

The assessment objectives are weighted to give an indication of their relative importance. They are not intended to provide a precise statement of the number of marks allocated to particular assessment objectives.

ASSESSMENT

Scheme of assessment

Candidates who have followed the Core curriculum and take the relevant papers are eligible for the award of grades C to G only. Candidates who have followed the Extended curriculum are eligible for the award of grades A* to E only.

Candidates will be required to take three papers.

<i>Core curriculum</i> Grades available: C to G	<i>Extended curriculum</i> Grades available: A* to E
Paper 1 (1 hour) 40 multiple-choice items (all questions to be answered). Paper 2 (1 hour 30 minutes) Structured questions (all questions to be answered). There will be some common questions between Papers 1 and 3 and between Papers 2 and 4	Paper 3 (1 hour) 40 multiple-choice items (all questions to be answered). Paper 4 (2 hours) Structured questions. Candidates must answer Section A and three questions in Section B.
Paper 5 Coursework (School-based assessment)* or Paper 6 (1 hour 30 minutes) A variety of questions which test enquiry skills. Novel data will be presented for interpretation and analysis of a real economic situation.	

*Teachers may not undertake school-based assessment without the written approval of CIE. This will be given only to teachers who satisfy CIE requirements concerning moderation and they will have to undergo special training in assessment before entering candidates.

CIE offers schools in-service training in the form of courses held at intervals in Cambridge and elsewhere and also via Distance Training Packs.

Weighting of papers

<i>Paper</i>	<i>Weighting</i>	
1	CORE	
2	25%	
3	EXTENDED	
4	25%	
5 or 6	25%	25%

CURRICULUM CONTENT

Students can follow either the Core curriculum only or the Extended curriculum, which includes both the Core and Supplement. Students aiming for Grades A* to C must follow the Extended curriculum.

Students should be able to use the skills described under Domains with respect to both the Core and Extended curriculum.

TOPIC	CORE	SUPPLEMENT
	All students should be able to:	In addition to what is required for the Core, students following the Extended curriculum should be able to:
1. Basic economic problem: scarcity and exercise of choice	<ul style="list-style-type: none"> – define the nature of the economic problem (finite resources and unlimited wants) – define the factors of production (land, labour, capital, enterprise) – define opportunity cost and describe particular circumstances to illustrate the concept – describe specialisation and the need for exchange; functions and types of money – describe allocation of resources in market, planned and mixed economic systems 	<ul style="list-style-type: none"> – evaluate the implications of particular courses of action in terms of opportunity cost – evaluate the relative merits of different economic systems and their effectiveness
2. Nature and functions of organisations and institutions in an economy or economies studied	<ul style="list-style-type: none"> – describe the type of business organisation in the public and private sector: sole proprietors, partnerships, private companies, public companies multi-nationals, co-operatives, public corporations – describe trade unions and their role in an economy – describe the functions of central banks, stock exchanges and commercial banks 	<ul style="list-style-type: none"> – describe and evaluate the effects of changes in structure of business organisations
3. How the market works	<ul style="list-style-type: none"> – demonstrate the principle of equilibrium price (analyse simple market situations with changes in demand and supply) – describe the causes of changes in demand and supply conditions and analyse such changes to show effects on price – describe the purposes and methods of advertising 	<ul style="list-style-type: none"> – define price elasticity of demand and supply and perform simple calculations – demonstrate its usefulness in particular situations e.g. tax yields, turnover – describe pricing and output policies in perfect competition and monopoly
4. The individual as producer, consumer and borrower	<ul style="list-style-type: none"> – identify the factors affecting an individual's choice of occupation (wage factors and non-wage factors) – describe the differences in earnings between different occupational groups and different economic sectors (male/female; skilled/unskilled; private/public; agricultural/manufacturing/services) – describe how and why different income groups have different expenditure patterns (spending, saving, borrowing) 	<ul style="list-style-type: none"> – analyse changes in earnings over time between occupations and between economic sectors – analyse changes in patterns of expenditure between groups and over time – analyse the different motives for spending, saving and borrowing

TOPIC	CORE	SUPPLEMENT
5. The private firm as producer and employer	<ul style="list-style-type: none"> – describe the principle of profit maximisation as a goal – describe what determines the demand for factors of production – define total and average cost, define fixed and variable cost – define total and average revenue – describe the main reasons for the different sizes of firms (size of market; capital; organisation) 	<ul style="list-style-type: none"> – analyse particular situations to show the effects of substituting one factor for another and to show the changes in total and average cost as output changes – define integration, economies and diseconomies of scale
6. Role of government in an economy or economies studied	<ul style="list-style-type: none"> – describe the government as a producer of goods and services and as an employer – describe the aims of government policy, e.g. full employment, price stability, economic growth, redistribution of income, balance of payments stability – describe the types of taxation (national and local) 	<ul style="list-style-type: none"> – discuss and reach reasoned conclusions on: <ul style="list-style-type: none"> • the government's influence on private producers • the possible conflicts between government aims • the impact and incidence of taxation
7. Main economic indicators: recent changes and current trends in an economy and their consequences: prices employment output international trade	<ul style="list-style-type: none"> – define index of consumer prices (retail price index) and its simple calculation – describe the changing patterns and levels of employment – define Gross Domestic Product as a measure of economic output – describe the structure of the Balance of Payments – define exchange rates 	<ul style="list-style-type: none"> – discuss the causes and consequences of inflation – discuss the consequences of unemployment – describe the changing patterns of exports and imports and effects on the balance of payments – give reasons why exchange rates fluctuate
8. Developed and Developing Economies: trends in population and in living standards	<ul style="list-style-type: none"> – describe developed and developing economies and reasons for different stages of development – describe the factors that affect population growth (birth rate, death rate, fertility rate, net migration) and reasons for rates of growth in different countries – describe simple measures and indicators of comparative living standards – describe differences in living standards and reasons for disparities within nations and between nations, both developed and developing countries 	<ul style="list-style-type: none"> – describe the effects of changing size and structure of population on an economy – analyse problems and consequences for developed and developing countries
9. International aspects of interdependence and possible conflicts between the aims of individuals, firms and governments	<ul style="list-style-type: none"> – describe the benefits and disadvantages of specialisation at individual, regional and national levels – describe conflicts of interest in relation to: <ul style="list-style-type: none"> • conserving resources versus exploiting resources • free trade versus protection 	<ul style="list-style-type: none"> – demonstrate the simple application of absolute and comparative advantage in trade – describe conflicts of interest in relation to social costs* and benefits, private costs and benefits, short term/long term costs and benefits through studies of the following issues: <ul style="list-style-type: none"> • conserving resources versus exploiting resources • free trade versus protection • public expenditure versus private expenditure

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

COURSEWORK (SCHOOL-BASED ASSESSMENT)

This will be available only to schools approved by CIE. Teachers will need to have undergone the necessary training and CIE will need to be assured about moderating arrangements.

For the submission of Coursework, all Centres must choose two topics from the following list (which will be changed from time to time).

1. Make a study of a family budget over a three-month period, considering the % of income spent, saved and taken in taxation, and analysing expenditure by type of product.
2. Make a study of a local area, classifying business functions and types (primary, secondary, tertiary) and explaining their presence and importance to the community and the international economy.
3. Make a study of a local issue where there is a divergence between private costs and benefits and social costs and benefits. Investigate whether the government response has been appropriate in this area.
4. Survey the prices of some fruits, vegetables and fish in a local market over a three-month period. Measure the price changes (create an index). Account for the variations in price of similar items.
5. Keep a diary following an economic issue, using cuttings and with comments, e.g. a wage claim, factory closure, a government economic project. Consider the different points of view on the issue and make reasoned judgements.
6. Survey the occupational distribution of labour in an area, the changing trends and the factors affecting people's choice of occupation.

It should be possible for candidates to satisfy the coursework requirements by writing no more than 1,000 words on each of the two topics, but there will be no penalty for exceeding this.

ASSESSMENT CRITERIA FOR COURSEWORK (SCHOOL-BASED ASSESSMENT)

The topics have been selected to provide a balanced set of tasks in terms of syllabus themes which are manageable in the time available for teachers and candidates. Teachers must regard Coursework tasks as an integral part of teaching the syllabus and not as a separate entity.

Setting and Marking of Coursework

1. Each candidate will be required to produce two pieces of Coursework from the prescribed list of topics. It is important to ensure that candidates have received sufficient basic instruction in the course, and in the context of a particular syllabus theme, before they commence the Coursework topic. This will ensure that the Coursework topic is seen as part of the syllabus theme/themes.
2. Coursework is intended to assess the outcome of an economic investigation through collection and presentation of data and its analysis, interpretation and evaluation as a result of an *individual* enquiry. Having introduced the topic and techniques involved (which may include a skeleton outline of possible questions to be answered), teachers will *not* be expected to prompt students. They may, however, give help and advice in response to legitimate questions raised by their pupils as a result of their study. Records of such teacher assistance are not required by CIE.

3. Teachers may wish to show their students that a logical and progressive development of Coursework from inception to presentation is desirable. The following is offered as a model:

SELECTION	e.g. Identification of data which needs to be collected.
COLLECTION	e.g. Use of primary and/or secondary sources.
SORTING AND ANALYSIS	e.g. Sampling, ordering, tabulating relevant facts, figures, etc.
EVALUATION	e.g. Statistical manipulation, application of theories, ideas.
	e.g. Identifying and testing statements of opinion. Making decisions and judgements on the topic.
PRESENTATION	e.g. Logical layout and a variety of presentation techniques.

4. Assessment of Coursework

- (a) Each of the two topics should be assessed out of 40 marks. The maximum total for two topics (80) will be reduced to a maximum of 40 for weighting in the examination.
- (b) Each unit will be assessed as follows:

Selection and Collection of Data **10 marks**

Well designed research carried out effectively, fully investigating the economic problem/situation and collecting all the relevant information	9-10 marks
Information is clearly linked to the topic set and throughout an appropriate range of research methods are used	7-8 marks
Information collected is relevant to the economic problem and appropriate research methods used	5-6 marks
Attempt made to gather some relevant information but still only limited sources used.	3-4 marks
Attempt made to gather information from at least one source. Sources unrelated to the economic problem/situation.	1-2 marks

Presentation of Relevant Data **5 marks**

Information collected is fully and clearly displayed using a complete and appropriate range of presentation skills	5 marks
Clear presentation with data converted into different and appropriate forms of communication	4 marks
Data presented using different methods but not always appropriate forms of communication	3 marks
Some variation in presentation but not converted to different forms of presentation	2 marks
Very limited understanding of appropriate presentation methods but poorly applied	1 mark

Analysis & Interpretation of the Topic **15 marks**

Evidence of original and clear analysis of the topic with relevant and accurate use of economic ideas	13-15 marks
Work planned in a logical manner and economic ideas well applied to the topic	10-12 marks
Work planned in a logical manner with attempt to break down material in a clear and sensible way to try to answer the question posed in the title	7-9 marks
Limited attempt to organise material in a logical manner but no comments, just an acceptance of others' views	4-6 marks
Limited attempt to organise material into parts	1-3 marks

Evaluation of the Topic **10 marks**

A reasoned and justified conclusion based on the evidence collected and a clear answer to the question posed in the title	9-10 marks
Personal and justified conclusion related to the question posed in the title and drawn from the evidence collected	7-8 marks
Conclusion drawn from the evidence but is not an answer to the question posed in the title	5-6 marks
Brief conclusion drawn, personal opinions have some connection with the information gathered	3-4 marks
Very limited conclusion drawn, makes unsupported personal opinions not related to the data	1-2 marks

MODERATION**(a) Internal Moderation**

When several teachers in a Centre are involved in internal assessments, arrangements must be made within the Centre for all candidates to be assessed to a common standard.

It is essential that within each Centre the marks for each skill assigned within different teaching groups (e.g. different classes) are moderated internally for the whole Centre entry. The Centre assignments will then be subject to external moderation.

(b) External Moderation

Individual Candidate Record Cards and Coursework Assessment Summary Forms must be received by CIE no later than 30 April for the June examination and 31 October for the November examination along with a sample of the Coursework undertaken by the candidates. The samples should cover the full ability range. If there are ten or fewer candidates all the Coursework that contributed to the final mark for all the candidates must be sent to CIE. Where there are more than ten candidates all the Coursework that contributed to the final mark will be required for the number of candidates as follows:

number of candidates entered	number of candidates whose work is required
11-50	10
51-100	15
101-200	20
Above 200	10% of candidates

The accredited teacher responsible for internal standardisation in the Centre for that syllabus must select the 10, 15 or 20 candidates covering the whole mark range with marks spaced as evenly as possible from the top mark to the lowest mark. Where there is more than one teacher involved in the marking of the work, the sample must include approximately equal samples of the marking of each teacher.

The Centre should select candidates covering the whole mark range, with the marks spaced as evenly as possible from the top mark to the lowest mark. If appropriate the samples should be selected from the classes of different teachers. A further sample of Coursework may subsequently be required. All records and supporting written work should be retained until after the publication of the results.

GRADE DESCRIPTIONS

The scheme of assessment is intended to encourage positive achievement by all students. Mastery of the core curriculum is required for further academic study.

A **Grade A** student must show mastery of the core curriculum and an outstanding performance on the more academic problems.

A **Grade C** student must show this mastery plus ability in answering questions which are pitched at a more academic level.

A **Grade F** student must show success in a majority of tasks set on the core curriculum.

Grade descriptions are provided to give a general indication of the standards of achievement likely to have been shown by students awarded particular grades. The grade awarded will depend in practice upon the extent to which the student has met the assessment objectives overall and it might conceal weakness in one aspect of the examination which is balanced by above average performance in some other aspect.

Grade A

Criteria for the standard of achievement likely to have been shown by students awarded Grade A.

A *Knowledge with understanding*

An excellent ability to identify detailed facts and principles in relation to the content of the syllabus.

An excellent ability to describe graphs, diagrams, tables.

A thorough ability to define the concepts and ideas of the syllabus.

B *Analysis*

An excellent ability to classify and comment on information.

An ability to apply this information in a logical and well-structured manner to illustrate the application to a particular situation of a piece of economic analysis.

C *Judgement and decision making*

A sound ability to discriminate between complex and varied information and to distinguish clearly between facts and opinions.

A sound ability to make clear, reasoned judgements and communicate them in an accurate and logical manner.

D *Investigation*

A thorough ability to classify and order information pertinent to a particular subject of enquiry.

A sound ability to form conclusions from this information and to demonstrate these conclusions clearly and logically using appropriate media.

Grade C

Criteria for the standard of achievement likely to have been shown by students awarded Grade C.

A *Knowledge with understanding*

A sound ability to identify detailed facts and principles in relation to the content of the syllabus.

A sound ability to describe clearly graphs, diagrams, tables.

A sound ability to define the concepts and ideas of the syllabus.

B *Analysis*

An ability to use and comment on information present in a non-verbal as well as a verbal manner.

An ability to apply this information to illustrate economic analysis to particular situations.

C *Judgement and decision making*

An ability to discriminate between more complex information and to distinguish clearly between facts and opinions.

An ability to evaluate and make reasoned judgements.

D *Investigation*

An ability to observe accurately and record information in a logical manner.

An ability to draw conclusions and present these in a clear manner using appropriate methods and media.

Grade F

Criteria for the standard of achievement likely to have been shown by students awarded Grade F.

A *Knowledge with understanding*

Some ability to identify specific facts or principles in relation to the content of the syllabus.

Some ability to describe graphs, diagrams, tables.

Some familiarity with the central concepts and ideas of the syllabus.

B *Analysis*

Some ability to classify data in a simple way and some ability to select relevant information from a set of data.

A rudimentary ability to apply the tools of economic analysis to particular situations.

C *Judgement and decision making*

A limited ability to discriminate between different sources of information and to describe the difference between facts and opinions.

D *Investigation*

A rudimentary ability to gather information relating to particular topic, present it in an ordered manner and draw some basic conclusions.

ECONOMICS
Individual Candidate Record Card
IGCSE

Please read the instructions printed overleaf and the General Coursework Regulations before completing this form.

Centre Number					Centre Name		June/November	2	0	0	7
Candidate Number					Candidate Name		Teaching Group/Set				

	Assignments: Specify which Topics chosen related/unrelated pieces of work	Selection and Collection of Data	Presentation of Relevant Data	Analysis and Interpretation of the Topic	Evaluation of the Topic	
1		(max 10)	(max 5)	(max 15)	(max 10)	
2		(max 10)	(max 5)	(max 15)	(max 10)	
Marks to be transferred to Coursework Assessment Summary Form		Total of above marks (max 20)	Total of above marks (max 10)	Total of above marks (max 30)	Total of above marks (max 20)	TOTAL (max 80)



UNIVERSITY of CAMBRIDGE
 International Examinations

INSTRUCTIONS FOR COMPLETING INDIVIDUAL CANDIDATE RECORD CARDS

1. Complete the information at the head of the form.
2. Mark each item of Coursework for each candidate according to instructions given in the Syllabus and in the Training Manual.
3. Enter marks and total marks in the appropriate spaces. Complete any other sections of the form required.
4. Ensure that the addition of marks is independently checked.
5. **It is essential that the marks of candidates from different teaching groups within each Centre are moderated internally.** This means that the marks awarded to all candidates within a Centre must be brought to a common standard by the teacher responsible for co-ordinating the internal assessment (i.e. the internal moderator), and a single valid and reliable set of marks should be produced which reflects the relative attainment of all the candidates in the Coursework component at the Centre.
6. Transfer the marks to the Coursework Assessment Summary Form in accordance with the instructions given on that document.
7. Retain all Individual Candidate Record Cards and Coursework **which will be required for external moderation.** Further detailed instructions about external moderation will be sent in late March of the year of the June Examination and in early October of the year of the November examination. See also the instructions on the Coursework Assessment Summary Form.

Note: These Record Cards are to be used by teachers only for students who have undertaken Coursework as part of their IGCSE.

ECONOMICS
Coursework /
IGCSE

Please read the instructions printed overleaf and the General Coursework Regulations before completing this form.

[illegible]

A. INSTRUCTIONS FOR COMPLETING COURSEWORK ASSESSMENT SUMMARY FORMS

1. Complete the information at the head of the form.
2. List the candidates in an order which will allow ease of transfer of information to a computer-printed Coursework mark sheet MS1 at a later stage (i.e. in candidate index number order, where this is known; see item B.1 below). Show the teaching group or set for each candidate. The initials of the teacher may be used to indicate group or set.
3. Transfer each candidate's marks from his or her Individual Candidate Record Card to this form as follows:
 - (a) Where there are columns for individual skills or assignments, enter the marks initially awarded (i.e. before internal moderation took place).
 - (b) In the column headed 'Total Mark', enter the total mark awarded before internal moderation took place.
 - (c) In the column headed 'Internally Moderated Mark', enter the total mark awarded *after* internal moderation took place.
4. Both the teacher completing the form and the internal moderator (or moderators) should check the form and complete and sign the bottom portion.

B. PROCEDURES FOR EXTERNAL MODERATION

1. University of Cambridge International Examinations (CIE) sends a computer-printed Coursework mark sheet MS1 to each centre (in late March for the June examination and in early October for the November examination) showing the names and index numbers of each candidate. Transfer the total internally moderated mark for each candidate from the Coursework Assessment Summary Form to the computer-printed Coursework mark sheet MS1.
2. The top copy of the computer-printed Coursework mark sheet MS1 must be despatched in the specially provided envelope to arrive as soon as possible at CIE but no later than 30 April for the June examination and 31 October for the November examination.
3. Send samples of the candidates' work covering the full ability range with the corresponding Individual Candidate Record Cards, this summary form and the second copy of MS1, to reach CIE by 30 April for the June examination and 31 October for the November examination.
4. Indicate the candidates who are in the sample by means of an asterisk (*) against the candidates' names overleaf. The size of the coursework sample should be as follows:

number of candidates entered	number of candidates in sample
0-10	all candidates
11-50	10
51-100	15
101-200	20
above 200	10% of candidates

5. Where more than one teacher is involved in marking the work, the sample must include candidates marked by all teachers. Candidates must be selected so that the whole range is covered, with marks spaced as evenly as possible from the top mark to the lowest mark.
6. CIE reserves the right to ask for further samples of Coursework.
7. Send, with the sample work, instructions given to candidates and information as to how internal moderation was carried out.