

What are the aims and intentions of this curriculum?

The AQA Economics qualification aims to develop students' knowledge, understanding and skills of how different markets within an economy operates. Students will gain an insight into the different forms of competition in the markets and how businesses calculate costs and revenue to ensure they maintain foothold in the market. There will be an in depth look at labour in the market place as well as the distribution of income and wealth and how the government combats the problem of poverty. This course is designed in such a way that students get as much exposure to real life examples as possible.

Term	Topics	Knowledge and key terms	Skills developed	Assessment
Autumn 1	Unit 1 – The operation of markets and market failure	<p>Students acquire a sound understanding of Economics as a social science. They are able to differentiate between normative and positive Economics and can explain the basic economic problem. The price mechanism will be introduced and students will be able to explain the rationing, signaling and incentive function of prices in allocating resources and coordinating the decisions of buyers and sellers in a market economy. Students will be introduced to production possibility frontiers and they will be expected to draw and use these graphs to make rational decisions based on specific scenarios given.</p> <p>Students will also be introduced to the concept of demand including the factors that influence demand. Students need to be able to draw demand curves and be familiar with the factors that will shift a demand curve.</p> <p>An in depth study will be done of how the concept of elasticity will influence the behavior of consumers in the market. The first emphasis will be placed on the concept of price elasticity and this will then lead to an analysis of income and cross price elasticity as well.</p>	<p>Students will be able to:</p> <ul style="list-style-type: none"> Develop a basic understanding of economic vocabulary and specific key words Students should understand how thinking as an economist may differ from other forms of scientific enquiry. Debate how value judgements influence economic decision making and policy. Explain key concepts such as the basic economic problem Discuss the function of the price mechanism in terms of how resources are allocated within an economy Draw and explain basic graphs such as production possibility frontiers Identify all the factors influencing demand Develop a basic understanding of the factors that influence the spending decisions of consumers Draw demand curves correctly Explain shifts in demand curves based on specific scenarios Analyse the impact of changes made to the graphs i.e. what will happen to demand if price increases Interpret numerical values of these elasticities of demand. Evaluate the impact that elasticity has on consumer behavior within a market 	Half termly assessment which will consist of short answer questions on application of microeconomic principles

Unit 1 – The operation of markets and market failure

Students will also be introduced to the concept of supply including the factors that will influence supply. Students need to be able to draw supply curves and be familiar with the factors that will shift a supply curve.

Students will expand their knowledge of elasticity by looking at supply elasticity – specifically on how this will affect the ability of suppliers to react to demand within a market

Students will experiment on how the interaction between demand and supply determines equilibrium prices in a market economy. Both equilibrium and disequilibrium within the market will be discussed. Changes related to excess demand and excess supply leading to changes in price will also be discussed

The implications of joint demand, demand for substitute goods, composite demand, derived demand and joint supply.

Students will be introduced to the basic economic resources and they will learn about productivity with a specific focus on labour productivity. There will be a focus on specialization and the division of labour. Students will also become familiar with internal and external economies of scale.

Next the focus will be on the characteristics of a perfectly competitive market. Students need to be aware of why profits will be lower in a competitive market than in a market which is dominated by a few large firms.

Students will be able to:

- Identify all the factors influencing supply
- Draw supply curves correctly
- Explain shifts in supply curves based on specific scenarios
- Analyse the impact of changes made to the graphs i.e. what will happen to supply if price increases
- Interpret numerical values of these elasticities of supply.
- Evaluate the impact that elasticity has on the behavior of suppliers within a market
- Use demand and supply diagrams to help them to analyse causes of changes in equilibrium market prices.
- Apply their knowledge of the basic model of demand and supply to a variety of real-world markets.
- Describe the various forms of demand and apply them to real life situations
- Identify the four basic economic resources
- Explain the meaning of productivity and how it is calculated
- Describe the benefits of specialization and division of labour
- Categorise and give examples of both internal and external economies of scale.
- Identify the characteristic of a perfectly competitive market
- Explain how profits are made by firms operating in a perfectly competitive market

End of term assessment including multiple choice questions and well as longer questions – students will need to display evaluative skills when answering these questions

<p>Spring 1</p>	<p>Unit 1 – The operation of markets and market failure</p>	<p>Students will be introduced to monopolies. They will need to be able to identify the different factors that influence monopolies and know the meaning of concentration ratios and how this is calculated within the market. Students need to explain why monopolies lead to inefficiencies and an overall misallocation of resources. They need to be able to compare the outcomes of monopolies to the outcomes of firms operating in a competitive market. There will also be a focus on the potential benefits that monopolies can bring to a market.</p> <p>Next, students will be introduced to indirect taxes and subsidies. They will look at how the government uses indirect taxes to curb the demand for certain products. Students will have to use their knowledge of elasticity to evaluate when indirect taxes will be useful and when it will have no impact at all.</p>	<p>Students will be able to:</p> <ul style="list-style-type: none"> • Differentiate between pure monopoly and monopoly power • Use a demand curve to show the effect of when monopolist raises price above competitive level • Explain the benefits in terms of monopolies • Give a detailed explanation of the effects that indirect taxes have on both consumer and government spending. Students will be able to link taxes to elasticity and back up their arguments by drawing suitable graphs 	<p>Trial examination 1</p>
<p>Spring 2</p>	<p>Unit 1 – The operation of markets and market failure</p>	<p>Students will be introduced to the concept of market failure. They will need to know the different types of market failure and why these issues pose a risk to the effective functioning of a free market. Special emphasis will be placed on externalities, public goods and information gaps. Students will need to be able to draw graphs of both positive and negative externalities.</p> <p>Once the market failure is identified, students will need to be able to advice how the government can intervene to correct the specific type of market failure. It is important for students to realise that any form of government intervention can lead to government failure. Students need to be able to identify the different forms of government failure and evaluate whether governments should intervene in a market or not.</p>	<p>Students will be able to:</p> <ul style="list-style-type: none"> • Recognise the different types of market failure • Outline the dangers market failure poses to the effective functioning of the free market • Draw and explain positive and negative externality graphs • Advise on different forms of government intervention to correct market failure • Explain how government intervention can lead to different forms of government failure • Construct an evaluative argument in terms of whether governments should intervene in a market or not 	<p>Trial examination 2</p>

Summer 1	Unit 1 – The operation of markets and market failure	Revision as end of year examinations take place in May	Students will be able to: <ul style="list-style-type: none"> Engage in Unit revision in preparation for their final examinations 	External Unit 1 examination – if AS is to be cashed in
Summer 2	Unit 3 – Individuals, firms, markets and market failure	<p>Introduction to Unit 3. This will include students being introduced to:</p> <p>The difference between bounded rationality and bounded self-control, biases in decision making and rules of thumb, anchoring and social norms. Students will also need to know the importance of altruism and perceptions of fairness. Concepts such as choice architecture and framing as well as nudges will also be discussed. Students will also be introduced to the differences in terms of default choices, restricted choices and mandated choices</p> <p>Students will need to understand the difference between the short run and the long run as well as marginal, average and total returns. Other important concepts that will be explored include, the law of diminishing returns, returns to scale as well as the difference between increasing, constant and decreasing returns to scale.</p> <p>Students will also need to have sound knowledge of the difference between short run and long run and they must be able to differentiate between fixed and variable cost as well as average and total costs. There will also be a strong emphasis on the difference between average and total revenue as well as an explanation of why the average revenue curve is the firm’s demand curve. Students must also have a clear understanding of what the term ‘profit’ entails.</p> <p>The concept of decision making in economics will be discussed again. Students will need to be able to discuss the importance of rational economic</p>	Students will be able to: <ul style="list-style-type: none"> Explain the concept of behavioural economists Discuss some of the reasons of why an individual’s economic decision making will be biased Explain how insights provided by behavioural economists can help government and other agencies influence economic decision making Relate the law of diminishing returns and returns to scale to inputs and outputs Explain the implications that the law of diminishing returns and returns to scale have with regards to the production of goods Differentiate between short run and long run and the different types of production costs Calculate average and total cost from given data Be able to calculate average, total revenue and profit from given data. Explain what constitutes rational economic decision making 	Internal college end of year examination - if continued into A2

decision making as well as economic incentives. There will be an emphasis on utility theory, including marginal utility as well as the hypothesis of diminishing marginal utility. Students will need to be able to explain utility maximization and the importance of margin when making choices

- Explain how utility theory including marginal utility assist in the rational decision making process
- Link the hypothesis of diminishing marginal utility to a downward sloping demand curve