EMMANUEL COLLEGE

THE ECONOMICS DEPARTMENT

GCSE Economics Year 10

<table>
<tr><td colspan="3">Autumn Term</td></tr>
<tr><td colspan="3">Unit Title : Microeconomics : The basic economic problem and the role of markets</td></tr>
<tr><td colspan="3">Construct : Economics is a social science. A conflict exists between infinite wants and finite/scarce resources. Markets allocate scarce resources.</td></tr>
<tr><td>Source of knowledge</td><td colspan="2">Teacher, , specification, textbook, journal and newspaper articles, videos (https://www.youtube.com/playlist?list=PLrMxxM6D1vUGSsrkSlzoZzUGvlrCkg9S7) , business engagement partners, co-curricular events</td></tr>
<tr><td>Knowledge</td><td>
What is economics?
Economics is a study of the way in which humankind provides for its material wellbeing.
Economics is a social science because it uses scientific methods to analyse and predict human behaviour

Main economic groups and factors of production
In economics, land refers to all natural resources, capital refers to machinery, labour refers to human effort, both physical and mental, and enterprise refers to the risk taking entrepreneur.
students are aware of the main economic groups: consumers, producers and the government
students know that the main economic groups work together and are interdependent
students are able to identify the factors of production: land, labour, capital and enterprise
students know how the factors of production might be combined to produce a good or service

The basic economic problem
In economics, wants refers to the infinite desire for something, and needs refers to the essentials for survival, such as shelter, water etc. Opportunity costs are the costs of the next best alternative forgone.
students know that resources are finite whereas wants are infinite, and hence choices have to be made
students know that such choices involve opportunity costs
students know the what, how, and for whom, with regard to the allocation of resources to the production of goods and services; i.e:
what goods to produce and in what quantities
how the various goods and services should be produced
for whom should the various goods and services be produced

The role of markets
In economics, markets determine price. That may be the price of labour (the wage) in the case of the labour market (a factor market), the price of a good (a product market), or the price of money/interest rate in the
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Students will apply the knowledge by:

Answering explain questions in class as directed by the teacher;

Classwork and homework exercises from textbook questions;

The trading game – students put into practice their knowledge of the main economic groups, markets, price, cost, revenue, profit, and loss;

The utility experiment – students realise how their marginal utility falls with each additional chocolate consumed. They can apply this to pricing of marginal units;

Drawing and explaining the shape of a demand curve;
Drawing individual and market demand curves;
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	case of a financial market (see the role of money and financial markets – page 6). students know that a market brings buyers into contact with sellers students can distinguish between the primary, secondary and tertiary sectors, and know the difference between a good and a service students know the difference between factor and product markets students know that product markets need factor markets • *Demand* **In economics, *demand* refers to the quantity of a good or service that consumers are willing and able to buy, at a given price, over a given period of time**. **In economics, *utility* refers to the satisfaction received from the consumption of a good or service.** **In economics, *elasticity* refers to the sensitivity of a factor to a change in one of its determinants.** students know that there is an inverse relationship between price and quantity demanded for normal goods students understand that price is the only factor which causes a movement along the demand curve students understand the factors which shift the demand curve, to include: income, marketing, fashions and tastes, substitutes and complements, population, government policies, economic situation, price expectations students understand the difference between a firm and an industry students understand the concept of diminishing marginal utility students understand that the responsiveness of quantity demanded to price varies dependent upon the type of good or service, primarily considering necessity goods and luxury goods students understand the terms elastic and inelastic with regard to price elasticity of demand students understand the relationship between price elasticity of demand and revenue	Drawing and explaining shifts of, and movements along, the demand curve; Explaining price elasticity of demand with regard to demand curves of different elasticity; Evaluating the costs and benefits of specialisation and exchange in markets including for producers, workers, regions and countries; Evaluating the importance of price elasticity of demand for consumers and producers; Multiple choice questions from the textbook and past papers; and David Smith and Financial Times articles and associated questions.
Vocabulary	Social science: a subject which deals with human behaviour Consumer: a person or organisation that directly uses a good or service Producer: a person, company or country that makes, grows or supplies goods and/or services Government: a political authority that decides how a country is run and manages its operation Factors of production: the resources in an economy that can be used to make goods and services; e.g. land, labour, capital, and enterprise Land: the factor of production that is concerned with the natural resources of an economy, such as farmland and mineral deposits Labour: the factor of production that is concerned with the workforce of an economy in terms of both the physical and mental effort involved in production Capital: the factor of production that relates to the human-made aids to production such as machinery	

Enterprise: the factor of production that takes a risk in organising the other three factors of production. The individual who takes this risk is known as an entrepreneur

Scarce resources: when there is an insufficient amount of something to satisfy all wants

Unlimited wants: the infinite desire for something

Need: something a consumer has to have to survive

Basic economic problem: how to best use limited resources to satisfy the unlimited wants of people

Opportunity cost: the next best alternative given up when making a choice

Economic choice: an option for the use of selected scarce resources

Economic sustainability: the best use of resources in order to create responsible development or growth, now and into the future

Social sustainability: the impact of development or growth that promotes an improvement in quality of life for all, now and into the future

Environmental sustainability: the impact of development or growth where the effect on the environment is small and possible to manage, now and into the future

Market: a way of bringing together buyers and sellers to buy and sell goods and services

Primary sector: the direct use of natural resources, such as the extraction of basic materials and goods from land and sea

Secondary sector: all activities in an economy that are concerned with either manufacturing or construction

Tertiary sector: all activities in an economy that involve the idea of a service

Good: a tangible product; i.e. a product that can be seen or touched

Service: an intangible product; i.e. a product that cannot be seen or touched

Factor market: market in which the services of the factors of production are bought and sold

Product market: market in which final goods or services are offered to consumers, businesses and the public sector

Firm: a single supplier of a good or service

Industry: all of the firms which supply a specific good or service

Specialisation: the process by which individuals, firms, regions and whole economies concentrate on producing those products that they are best at producing

Demand: the willingness and ability to purchase a good or service at the given price in a given time period

Shift: a complete movement of a curve either outward (to the right) or inward (to the left)

Expansion/Contraction: the movement along a curve; i.e. away from the origin in the case of an expansion and vice-versa in the case of a contraction

	Price elasticity of demand: the sensitivity of quantity demanded to a change in price Revenue: price * quantity
Assessment Focus	OCR MCQs and past paper questions; Questions written for the new specification in light of feedback from the June 2019 exam series; Data analysis – interpretation of charts (up-to-date data from David Smith and Financial Times); and Extended writing – to include AO1 to AO4. Textbook questions and other questions written specifically with regard to current economic policy.

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<tr><td colspan="3">Spring Term</td></tr>
<tr><td colspan="3">Unit Title : Microeconomics : The role of markets and competition</td></tr>
<tr><td colspan="3">Construct : Market equilibrium is determined by market forces (demand and supply). Equilibrium outcomes are dependent upon the degree of competition within specific markets.</td></tr>
<tr><td>Source of knowledge (e.g. text, textbook, works of music or art etc.)</td><td colspan="2">Teacher, textbook, journal and newspaper articles, videos (https://www.youtube.com/playlist?list=PLrMxxM6D1vUGSsrkSlzoZzUGvlrCkg9S7) , business engagement partners, co-curricular events</td></tr>
<tr><td>Knowledge</td><td>• Supply
In economics, supply refers to the quantity of a good or service that firms are willing and able to supply, at a given price, over a given period of time.
students know that there is a positive correlation between price and quantity supplied for normal goods
students understand the difference between a firm and an industry
students understand the factors which shift the supply curve; to include: costs of production, taxes and subsidies, technology, climate, number of producers, size of existing firms, government regulation
students understand that price is the only factor which causes a movement along the supply curve
students understand that the responsiveness of quantity supplied to price varies dependent upon the type of good or service
students understand the terms elastic and inelastic with regard to price elasticity of supply
students understand the factors which determine price elasticity of supply, to include: technology, spare capacity, stock, duration of life cycle, diversity of skills

• Price
In economics, equilibrium prices in both the factor markets and the product markets are determined by demand and supply. Price acts as a signal and a rationing device.
students know that price does not always reflect the real worth of a good to an individual
students know what is meant by market equilibrium
students know that a rising price generally indicates a buoyant market and vice-versa
students know that price rises and falls in order to clear a market
students know how changes in the determinants of demand and supply will impact the market equilibrium

• Competition</td><td>Students will apply the knowledge by:

Drawing and explaining the shape of a supply curve;
Drawing individual and market supply curves;
Drawing and explaining shifts of, and movements along, the supply curve;

Explaining price elasticity of supply with regard to supply curves of different elasticity;

Evaluating the importance of price elasticity of supply for consumers and producers

The trading game continued – with specific application to suppliers, costs, and mark-up;

Using real world examples to distinguish between price and worth;

Drawing and modelling shifts of the demand and/or supply curves;

Researching market shares/profits for firms in particular industries;

Explaining pricing strategies used by firms in different industries;

Explaining methods of non-price competition used by firms in different industries;

Using demand and supply diagrams to analyse the impact of competition on price, quantity demanded, and quantity supplied;</td></tr>
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	In economics, *competition* generally refers to the number of competing firms within a particular industry. In economics, *normal profit* is sufficient to keep a factor of production in its current employment. *Abnormal profit* attracts new firms into an industry. students know the spectrum of competition students know what is meant by a monopoly, an oligopoly, and a competitive market students know what is meant by product differentiation students know what is meant by non-price competition students are able to identify barriers to entry/exit in different market structures students know how barriers to entry/exit impact the number of firms in an industry, supply, price, and profit	Considering the barriers to entry/exit for firms in different industries; and Evaluating the economic impact of competition on producers and consumers.
Vocabulary	Supply: the ability and willingness of firms to provide goods and services at each price in a given time period Price elasticity of supply: the responsiveness of supply to a change in price Worth: how much you value something Price: the sum of money you have to pay for a good or service. It is determined by the interaction of demand and supply Equilibrium: the point at which demand is equal to supply Competitive market: a market in which there are a large number of small firms Monopoly: a sole producer or seller of a good or service Oligopoly: where a small number of firms control the large majority of market share Product differentiation: the process by which a firm tries to distinguish its product or service from that of its competitors Non-price competition: using methods other than price to attract and retain customers Normal profit: a level of profit which is just sufficient to keep a factor of production in its current employment Abnormal profit: a level of profit which is sufficient to attract new firms into an industry Barriers to entry: factors which prevent costless entry into a market; e.g. cost of capital equipment Barriers to exit: factors which prevent costless exit from a market; e.g. sunk costs	
Assessment Focus	OCR MCQs and past paper questions; Questions written for the new specification in light of feedback from the June 2019 exam series; Data analysis – interpretation of charts (up-to-date data from David Smith and Financial Times); and Extended writing – to include AO1 to AO4. Textbook questions and other questions written specifically with regard to current economic policy.	

Summer Term		
Unit Title : Microeconomics : Production, the labour market, and financial markets		
Construct : In most instances, there is a relationship between a firm's output and its costs over time. **The equilibrium wage rate and level of employment are determined in the labour market. Wage rate differentials exist because of differences in the supply of labour, demand for labour, and elasticity of both supply and demand for labour.** **Financial markets are often said to be too big to fail. They oil the wheels of commerce and ensure a fully functioning economy.**		
Source of knowledge (e.g. text, textbook, works of music or art etc.)	**Teacher, textbook, journal and newspaper articles, videos (https://www.youtube.com/playlist?list=PLrMxxM6D1vUGSsrkSlzoZzUGvlrCkg9S7) , business engagement partners, co-curricular events, Your Money Matters by Martin Lewis**	
Knowledge	• *Production* **In economics, *production* refers to the output of a good or service. *Productivity* refers to output per worker per period of time.** **In economics, *economies of scale* refer to those aspects of increasing size which lead to falling average costs.** students know that there are different scales of production; individuals, firms, and government students know the difference between price and cost, profit and revenue students know what is meant by fixed costs and variable costs students know the equations used to calculate total and average costs/revenues students know the causes of internal economies of scale: technical, financial, marketing, and risk-bearing students know the causes of internal diseconomies of scale: coordination, communication, control students know the causes of external economies of scale: supply-chains, training courses, infrastructure development students know the causes of external diseconomies of scale: tight labour market, shortage of land for expansion • *The labour market* **In economics, *derived demand* refers to the fact that the demand for labour comes from, or is *derived* from, the demand for the good or service that the labour is producing.** students know why the demand for labour is inversely related to the wage rate students know why the supply of labour has a positive correlation with the wage rate students know what is meant by the labour market students know the average wage/salary paid in different occupations students know the factors which influence the demand for labour and the supply of labour students know the factors which influence the elasticity of supply of labour	Students will **apply** the knowledge by: Study visit to Nissan plant in Sunderland; Reflections on The Economics Society's visiting speakers; Calculating costs and revenues; Drawing and explaining the cost curves; Completing the Nissan study visit worksheet re. internal and external economies and diseconomies of scale; Evaluating the importance of production and productivity for the economy; Modelling labour markets for skilled and less skilled occupations; Calculating net pay for a range of salaries given income tax thresholds, NICs, and pension contributions; Explaining how transactions take place on the high street; Explaining how transactions take place online; Reading and answering questions re. the central bank;

	students know and are able to calculate the difference between gross and net pay • *The role of money and financial markets* **In economics, *money* is any generally accepted means of payment and exchange**. **In economics, the *interest rate* is the cost of borrowing and the reward for saving**. **In economics, the *central bank* refers to the Bank of England**. students know what is meant by the term barter (double coincidence of wants) students know that money serves as a medium of exchange students know the functions of a central bank: to issue bank notes, control the money supply, control monetary policy, provide financial stability, maintain foreign currency reserves, act as banker to the commercial banks, be the bank for the government students know the functions of a commercial bank (deposits, payments, loans), a building society (mortgages), and an insurance company (compensation for specified losses) students know that the interest rate is the reward for saving and the cost of borrowing students know that individuals, firms, and governments often need to borrow to invest	Watching the GConomics/VirginMoney financial literacy playlist; Visiting their local bank, collecting flyers, and explaining the different services offered by commercial banks; Calculating the interest earned/charged on loans and savings Completing the financial markets worksheet during Virgin Money's lecture; Visiting Virgin Money to participate in a series of workshops; and Evaluating the importance of the financial sector for consumers, producers, and the government.
Vocabulary	Production: the total output of goods and services produced by a firm or industry in a time period Productivity: one measure of the degree of efficiency in the use of factors of production in the production process. It is measured in terms of output per unit Short run: the period of time in which there is at least one fixed factor of production Long run: the period of time in which all factors are variable Scale of production: refers to the size of a firm Fixed cost, variable cost: fixed costs do not change as output changes whereas variable costs do Economy of scale: where increasing size or scale leads to falling average costs Diseconomy of scale: where increasing size or scale leads to rising average costs Derived demand: occurs when a product or factor of production is not demanded for itself, but is dependent on the demand for the product it helps to produce Gross pay: the amount of money that an employee earns before any deductions are made Net pay: the amount of money that an employee is left with after deductions are made from gross income Deductions: payments taken from gross pay such as pension contributions	

	Medium of exchange: anything that sets the standard of value of goods and services acceptable to all parties involved in a transaction Debit: money flows inwards Credit: money flows outwards Financial sector: consists of financial organisations and their products, and involves the flow of capital Central bank: a nation's monetary authority such as the Bank of England Commercial bank: high street retail bank Building society: owned by its members, with a primary objective to lend money to enable house purchases Insurance company: financial institution that guarantees compensation for specified loss, damage, illness or death, in return for an agreed premium Liquidity: the amount of cash available within the banking system Saving: the part of a person's income which is not spent on consumption Investment: an asset purchased to provide an income in the future and/or to be sold at a profit Interest rate: the price of borrowing money, and the reward for saving money Mortgage: an agreement with a financial institution to borrow money to purchase a property Overdraft: the ability to spend money beyond the available finds in one's current account Monetary policy: bank rate, money supply, exchange rate Barter: negotiation in order to progress the transaction of a good or service
Assessment Focus	OCR MCQs and past paper questions; Questions written for the new specification in light of feedback from the June 2019 exam series; Data analysis – interpretation of charts (up-to-date data from David Smith and Financial Times); and Extended writing – to include AO1 to AO4. Textbook questions and other questions written specifically with regard to current economic policy.