Programme of Study - Year 13 Economics (Exam Board AQA)

Autumn (1st term)	Autumn (1st2nd term)	Autumn (2nd term)	Autumn (2nd Term)	Spring (1st term)	Spring (2nd term)
Other timescale: From: Sep To: Sep	Other timescale: From: Sep To: Oct	Other timescale: From: Oct To: Nov	Other timescale: From: Nov To: Dec	Other timescale: From: Jan To: Mar	Other timescale: From: Mar To: Apr
Topic / Big Question: 1.Economic methodology and the economic problem 2. Individual economic decision making Skills (students should be able to do): Apply clearly and effectively: ➢ concepts, numerical & graphical techniques, ➢ theories & models, terminology to complex issues arising in familiar and unfamiliar situations.	Topic / Big Question: 3. Price determination in a competitive market 4. Production, costs and revenue 5 Perfect competition, imperfectly competitive markets and monopoly Skills (students should be able to do): • The interconnections between the different elements of the subject content. – institutions and models	Topic / Big Question: 6. The labour market 7. The distribution of income and wealth: poverty and inequality 8. The market mechanism, market failure and government intervention in markets Skills students should be able to do): • Development logical • Explanations for complex economic problems and issues, with focus and relevance.	Topic / Big Question: 9. The measurement of macroeconomic performance 10. How the macroeconomy works : the circular flow of income, AD/AS analysis, and related concepts 11.Economic performance Skills (students should be able to do): • Evaluate effectively complex economic arguments: prioritise evidence and arguments.	Topic / Big Question: 12. Financial markets and monetary policy 13. Fiscal policy and supply-side policies 14.The international economy Skills (students should be able to do): • evaluate straightforward • economic arguments and evidence by: • prioritising evidence and arguments • making judgements • reaching and presenting Conclusions.	Topic / Big Question: Revision and Exam technique Skills (students should be able to do): • make reasoned judgements and • reach and present supported • conclusions & recommendations
Key Learning Outcomes (students should know): 1. ● important aspects of economic methodology ● the nature and purpose of economic activity ● how resources are used to produce goods and services ● the importance of scarcity, choice and resource allocation ● the significance of production possibility diagrams 2.	Key Learning Outcomes (students should know): 3. ● the nature of demand and supply in a competitive market ● the difference between a movement along a demand or a supply curve and a shift of a demand or a supply curve ● the concept of elasticity and the different elasticities you need to know ● how demand and supply curves are brought together in a supply and	Key Learning Outcomes (students should know): 6. ● the similarities between labour markets and goods markets, but also the differences between these two sets of markets ● the demand for labour as a derived demand ● the demand for labour in a perfectly competitive labour market ● the supply of labour in a perfectly competitive labour market	Key Learning Outcomes (students should know): 9. ● the main objectives of macroeconomic policy ● how the ranking of the policy objectives has changed over time ● policy trade-offs and conflicts ● the range of data used to measure the performance of an economy ● how index numbers are used to show changes in key economic variables	Key Learning Outcomes (students should know): 12. ● the characteristics and functions of money ● the financial assets which have functioned as money, both in the present day and in the past ● the structure and functions of UK financial markets: money markets, capital markets and foreign exchange markets ● the relationship between asset prices and interest rates	Key Learning Outcomes (students should know):

● the significance of utility maximisation for individual economic decision making ● the importance of the margin when making choices ● how imperfect information and asymmetric information affect choice decisions ● the emergence of behavioural economics as an important recent development in economic theory ● important elements of behavioural economics such as bounded rationality, biases in individual decision making and the role of altruism ● how behavioural economics relates to government economic policy	demand diagram ● market equilibrium and disequilibrium in a supply and demand diagram ● interrelationships between markets 4. ● the meaning of production and the difference between production and productivity, especially labour productivity ● the concepts of specialisation and the division of labour ● how the law of diminishing returns and returns to scale respectively help explain short-run and long-run production theory ● how short-run total, average and marginal cost curves are derived from short-run production theory ● how long-run cost curves are affected by the nature of returns to scale ● economies and diseconomies of scale in the economic long run ● the nature of the revenue curves facing a firm ● how revenue curves are dependent on the type of market structure in which the firm sells its output ● the role of profit in the economy ● how technological change can affect production and costs, and also competitiveness and market structure	● how wage rate and the level of employment are determined in a perfectly competitive labour market ● the similarities of and differences between a monopsony labour market and a monopoly goods market ● how wage rate and the level of employment are determined in a monopsony labour market ● the impact of trade unions on wage rates and employment ● the national minimum wage ● the effects of wage discrimination and other forms of discrimination in labour markets 7. ● the nature and causes of inequalities in the distribution of income and wealth in the UK ● how government policies such as progressive taxation, transfers and the national minimum wage attempt to make the distribution of income more equal ● the meaning of poverty ● absolute poverty and relative poverty ● the main causes of poverty in the UK ● how progressive taxation 8.	● the uses of national income data 10. ● the circular flow macroeconomic model of how the economy works ● the effect of changes in injections and withdrawals of demand on national income ● the accelerator and multiplier processes ● the aggregate demand/aggregate supply (AD/AS) macroeconomic model ● aggregate demand and aggregate supply in greater detail 11. ● the demand-side and supply-side determinants of economic growth ● the economic cycle and output gaps ● the benefits and costs of economic growth ● the effects of economic shocks on the economy ● the main types of unemployment ● demand-side and supply-side causes of unemployment ● how global events can impact on UK unemployment and inflation ● demand-pull and cost-push inflation, and the monetarist theory of inflation ● how changes in world commodity prices affect domestic inflation	● the roles of different types of bank: commercial banks, investment banks and central banks ● how a commercial bank creates credit and new bank deposits ● how the Bank of England, the UK's central bank, implements monetary policy ● the regulation of the UK's financial markets 13. ● what is meant by fiscal policy ● the difference between macroeconomic and microeconomic fiscal policy ● how fiscal policy can be used to influence both aggregate demand and aggregate supply ● how government spending and taxation can affect the pattern of economic activity ● the types of and reasons for public expenditure and taxation ● direct and indirect taxation, and progressive, proportionate and regressive taxes ● the principles of taxation ● the role and relative merits of different UK taxes ● budget deficits, surpluses and the national debt ● the role of the Office for Budget Responsibility ● the consequences of budget deficits and surpluses for macroeconomic	

	5. ● profit maximisation in different market structures ● whether perfect competition is more efficient than monopoly ● how monopolistic competition and oligopoly are forms of imperfect competition ● the use of concentration ratios to define oligopoly in terms of market structure ● oligopoly in terms of market behaviour or conduct, in the context of interdependence among oligopolists ● the difference between competitive and collusive oligopoly ● why and how firms undertake price discrimination ● the different forms of economic efficiency ● how dynamic efficiency relates to the process of creative destruction and how firms compete in real-world markets ● the welfare criteria of consumer surplus and producer surplus and how they can be used to evaluate the different market structures	the four functions that prices perform and how markets and prices affect resource allocation ● the meaning of market failure ● the difference between a private good and a public good ● the difference between a merit good and a demerit good ● how externalities lead to market failure ● the concepts of marginal private, external and social cost and benefit ● how these concepts are used to analyse externalities, and merit and demerit goods ● how to apply the concept of allocative efficiency to market failure ● a number of environmental market failures ● the importance of property rights in the public policy response to externalities ● merit and demerit goods in the context of information failures ● how monopoly may lead to market failure and resource misallocation ● how income and wealth inequalities lead to market failure ● the ways government intervention in the economy tries to correct market failure and why it may fail	● the effect of deflation on the economy ● how conflicts that arise from trying to achieve different macroeconomic policy objects affect economic performance in the short run and the long run ● the Phillips curve relationship	performance ● supply-side policies and supply-side improvements ● the difference between free-market and interventionist supply-side policies ● the role of supply-side policies in reducing the natural rate of unemployment and in achieving the government's macroeconomic objectives ● the distinction between the microeconomic and macroeconomic effect of supply-side policies 14. ● the meaning of globalisation and its main elements ● the principle of comparative advantage and the case for free trade ● the different forms of protectionism ● patterns of trade, both globally and for the UK ● the main features of a customs union, the Single European Market (SEM) and the UK's membership of the European Union (EU) ● the role of the World Trade Organization (WTO) ● the different sections of the balance of payments account and the relationship between them ● the significance of balance of payments deficits and surpluses	

				● how deflation, import controls, devaluation and supply-side measures and policies can be used to try to correct a current account imbalance	
End of term 1 assessment to cover: • Past paper - Paper 1: Markets and market failure • **Assessed** •written exam: 2 hours, 80 marks • **Questions -** Section A: data response questions requiring written answers, choice of one from two contexts worth 40 marks. Section B: essay questions requiring written answers, choice of one from three worth 40 marks		**End of Term Assessment to Cover:** • Past paper - Paper 2: National and international economy • **Assessed** - written exam: 2 hours, 80 marks • **Questions -** Section A: data response questions requiring written answers, choice of one from two contexts worth 40 marks. Section B: essay questions requiring written answers, choice of one from three worth 40 marks		End of year assessment to cover: • Past paper - Paper 3: Economic principles and issues • **Assessed** •written exam: 2 hours, 80 marks • **Questions** - Section A: multiple choice questions worth 30 marks. Section B: case study questions requiring written answers, worth 50 marks	
Building understanding: Rationale / breakdown for your sequence of lessons: 1. Economics is the study of choice and decision making in a world with limited resources. It tries to explain the economic behaviour of both individuals and groups of people, and the economic relationships between individuals and groups. Related to the noun 'economics' is the verb 'to economise'. In large part, economics is the study of economising — the study of how people make choices about what to produce, how to produce	**Building understanding: Rationale / breakdown for your sequence of lessons:** 3. Topic 1 introduced students to one of the fundamental economic problems: how to allocate scarce resources between competing uses in conditions in which there are limited resources and unlimited wants. In a market economy, resource allocation is undertaken by the price mechanism operating in the system of markets that make up the economy. This is also true in the 'market sector' of a mixed economy. However, in a mixed economy there is also a 'non-market sector' in which goods and services such as	**Building understanding: Rationale / breakdown for your sequence of lessons:** 6. This topic reintroduces the analysis which occupied topic 3, namely the role of the price mechanism in allocating scarce resources between competing uses. However, unlike topic 4, which looked solely at markets for goods, or markets for outputs, this topic focuses on the price mechanism and the labour market, which is a market for a factor of production or input into the production process. An important part of this topic is the analysis of perfect competition and imperfect competition in	**Building understanding: Rationale / breakdown for your sequence of lessons:** 9. This is the first of the seven remaining topics covering macroeconomics. The subject area of the previous eight topics in microeconomics describes, explains and analyses the 'little bits' of the economy: for example, individual markets, firms and industries. By contrast, macroeconomics looks at 'the economy as a whole', or in aggregate. Consider the question 'what determines the price of bread?' This is a microeconomic question, focusing on supply and demand in a single market *within* the economy. By	**Building understanding: Rationale / breakdown for your sequence of lessons:** 12. Like all the economies of nation states in the world today, the UK's economy is a monetary economy, in which most of the goods and services produced are traded or exchanged via the intermediary of money. This topic begins by describing the nature and functions of money in the UK economy and then explains the structure of UK financial markets and the characteristics of some of the important financial assets that are traded in these markets. The topics goes on to explain how bank deposits, which	**Building understanding: Rationale / breakdown for your sequence of lessons:**

and for whom to produce, in a world in which most resources are limited or scarce. How best can people make decisions on how scarce resources should be allocated among competing uses so as to improve and maximise human happiness and welfare? This is the economic problem, which is the main focus of these sequence of lessons. 2. These lessons introduces two extremely significant aspects of individual economic decision making. The first is utility theory, an old-established body of theory which underlies the development of demand theory. Then, following a brief discussion of how imperfect information affects individual decision making, then introduce students to the second important part of this lesson, behavioural economics. Behavioural economics is a relatively new part of the subject which provides significant insights into how individuals make economic decisions.	roads and police are produced and delivered to final users 'outside the market'. This topic focuses on competitive markets in which the price mechanism operates. Topic 5 examines the less competitive markets of monopoly and imperfect competition, as well as perfectly competitive market structures. The final Topic of Microeconomics, Topic 8, introduces the various market failures in which the price mechanism either does not work at all or produces resource misallocation. 4. This is the first of two topics which cover an important part of microeconomic theory that economists often call the 'theory of the firm'. This topic begins by looking at the nature of production, before going on to link production theory to the costs of production a firm incurs when it produces output. The topic then explains the sales revenue a firm earns when it sells its output to customers, with the aim of making a profit. The theory covered in this topic leads seamlessly into topic 5, which explains the different market structures	the labour market. The imperfectly competitive labour market that we shall examine is an example of monopsony. The topic explains the similarities between, but also the differences that separate, perfect competition in the economy's goods market, studied in topic 5, and in its labour market. The topic concludes by examining how trade unions, the national minimum wage and wage discrimination affect labour markets. 7. The way the labour market operates, which was analysed in topic 6, contributes significantly to inequalities in the distribution of income. This topic builds on this analysis, covering also wealth inequalities and causes of poverty, which result partially from income and wealth inequalities. As the experience of many poor countries shows, unregulated market forces tend to produce highly unequal distributions of income and wealth, which many economists believe to be an important form of the market failures investigated in topic 8. However, a minority of	contrast, 'what determines the average price level of *all* goods and services?' is a macroeconomic question. Similarly, 'what determines the annual rate of change of the overall price level, i.e. the rate of inflation?' is a macroeconomic rather than a microeconomic question. This and similar questions relating to the levels and rates of change of economic variables such as output, consumption, investment, and exports and imports, lie at the heart of macroeconomics. 10. This topic is about *macroeconomic theory*. The two main bodies of macroeconomic theory, or macroeconomic models, are explained in some detail. These are the circular flow and the aggregate demand/aggregate supply (*AD*/*AS*) models of the economy. The topic then goes on to look at related macroeconomic concepts, such as the components of aggregate demand (consumption, investment etc.) and the multiplier concept. The following three topics PoS, which cover economic performance, monetary policy and fiscal policy, will continue the task introduced in this topic of applying macroeconomic	form the largest part of the money supply in modern economies, are created by the free enterprise banking system. It then surveys the changes that have recently taken place in UK monetary policy, showing how current monetary policy has developed out of the monetary policies implemented by UK governments and the Bank of England over the last 20–35 years. 13. Fiscal policy is the part of economic policy in which the government attempts to achieve policy objectives using the fiscal instruments of government spending, taxation and the government's budgetary position (balanced budget, budget deficit or budget surplus). Supply-side economic policy is the set of government policies that aim to change the underlying structure of the economy and improve the economic performance of markets and industries, and also of individual firms and workers within markets. Supply-side fiscal policy is an important supply-side policy, but supply-side policies encompass more than just fiscal policy measures. Topic 13.1 offers an in-depth explanation of certain key	

	such as perfect competition and monopoly in which firms sell their output. 5. Topic 4 has already introduced students to the two market structures of perfect competition and monopoly, and briefly mentioned the imperfectly competitive market structures of monopolistic competition and oligopoly that lie between the two extremes on the market structure spectrum. This topic draws on the information about cost and revenue curves explained in topic 4 to explain profit maximisation in perfect competition and monopoly. After evaluating these two market structures using efficiency criteria, the topic then looks at the two intermediate market structures of monopolistic competition and oligopoly. The order in which we cover the different market structures differs from how they are set out in the A-level specification. This is because we believe that it is easier to appreciate the nature of monopolistic competition and oligopoly after first understanding monopoly. The topic concludes with an explanation of the pricing	economists disagree. Extreme pro-free-market economists sometimes argue that people who end up poor deserve to be poor. According to this view, the market does not fail; it simply creates incentives that cause people to generate income and wealth which end up benefiting most of the population. They also argue that attempts by governments to redistribute income and wealth from the rich to the poor usually end up, through the distortion of personal incentives, in government failure which harms national economic performance. Nevertheless, the mainstream economic view is that some form of intervention to moderate the extreme inequalities that would occur in a completely free-market economy is desirable. The arguments are about the *extent* to which governments should intervene to reduce inequality, and the methods of intervention. For households at the bottom of the income distribution, severe income inequalities are an important cause of poverty (although, as mentioned above, pro-free market economists argue that the resulting incentives provide a route out of poverty). However,	theory to the analysis of current economic problems and the evaluation of government economic policies. 11. This topic returns to a number of topics mentioned briefly in topics 9 and 10. It focuses on the core macroeconomic topics of economic growth, unemployment and inflation, explaining and exploring the topics in greater detail than was the case in the earlier topics. In particular, the *AD*/*AS* macroeconomic model introduced in topic 10 is used to analyse various issues related to each of the topics. The topic is about economic performance. A country's macroeconomic performance can be judged by how successful the economy is at achieving the four main objectives of macroeconomic policy outlined in topic 9. Can the economy achieve and then sustain a satisfactory rate of economic growth, relatively full employment, relative price stability and control of inflation, and a degree of trading competitiveness in international markets? The meaning of economic performance having been explained here,	aspects of fiscal policy. Topic 13.2, which makes up the second half of the topic, provides a similar coverage of supply-side policies. 14. Although we have made brief reference to aspects of the international economy in earlier topics, particularly those on macroeconomics, we have not explained international economics in any systematic way. The purpose of the two remaining topics in the PoS is to explain the key elements of the international economy and to examine their impact on the UK economy. This Topic looks first at globalisation, and then at trade and the balance of payments. This is followed in topic 15 by an explanation of exchange rate systems and a discussion of various international issues related to economic growth and the development of low-income countries.	

	policies, such as price discrimination, that firms may use in imperfectly competitive market structures, followed by comparison of perfect competition and monopoly markets in terms of the welfare criteria of consumer surplus and producer surplus.	poverty has causes other than those associated with income inequality, and we shall examine these later in the course. While this topic explains inequalities and poverty in a microeconomic way, they reappear in macro of the course, first in the discussion of macroeconomic problems and policies, and later in topic 13 when, for example, investigating the role of fiscal policy in both creating and trying to solve inequalities and poverty. 8. Earlier topics have explained how markets work. This lesson adds another dimension by introducing and explaining the four functions that prices perform in a market economy, or in the market sector of a mixed economy. It then explains how, when one or more of these four functions breaks down, market failure occurs. The next sections look in some detail at the main forms of market failure: public goods, externalities, and merit and demerit goods. Externalities and merit and demerit goods are analysed with the help of the concepts of marginal private and external cost and benefit. The topic also looks	Topics 12 and 13 will go on to investigate how monetary policy and fiscal policy are used to try to improve economic performance.		

		at environmental externalities, property rights and information failures associated with market failure. We then explain how income and wealth inequalities are a form of market failure. In developed countries such as the UK, the existence of market failure leads to government intervention in the economy to make markets function better, and in some cases to replace the market with state provision of goods and services. The last parts of the topics introduce some 'industrial policy' issues. These are government competition policy, public ownership versus the privatisation of industries and services, and the regulation and deregulation of markets.			
Home – Learning: • Economic methodology and the economic problem • Individual economic decision making • Practice exam questions	Home – Learning: • Price determination in a competitive market • Production, costs and revenue • Perfect competition, imperfectly competitive markets and monopoly • Practice exam questions	Home – Learning: • The labour market • The distribution of income and wealth: poverty and inequality • The market mechanism, market failure and government intervention in markets • Practice exam questions	Home – Learning: • The measurement of macroeconomic performance • How the macroeconomy works : the circular flow of income, AD/AS analysis, and related concepts • Economic performance • Practice exam questions	Home – Learning: • Financial markets and monetary policy • Fiscal policy and supply-side policies • The international economy • Practice exam questions	Home – Learning: Practice exam questions
Reading / literacy: AQA A-level Economics Book 2 by Ray Powell - James Powell. AQA A-level Economics Book 1 Ray Powell - James Powell. AQA Economics A2 textbook Jim Lawrence - Steve Stoddard					

AQA Economics AS Textbook Alasdair Copp - Jim Lawrence - Steve Stoddard
AQA AS A-Level Year 1 Economics John Wolinski Malcolm Surridge-Cross Academe
AQA AS A-Level Year 2 Economics John Wolinski Malcolm Surridge-Cross Academe
Bank of Keywords - Subject specialist vocabulary.

Numeracy:

- calculate, use and understand ratios and fractions
- calculate, use and understand percentages and percentage changes
- understand and use the terms mean, median and relevant quantiles
- construct and interpret a range of standard graphical forms
- calculate and interpret index numbers
- calculate cost, revenue and profit (marginal, average, totals)
- make calculations to convert from money to real terms
- make calculations of elasticity and interpret the result
- interpret, apply and analyse information in written, graphical and numerical forms.

Enrichment / opportunities to develop cultural capital (including careers, WRL and SMSC):

- Curriculum day / week visit: Private and Government Economic institutions
- External visitors: Private and public sector
- Enrichment: Boosters, Debating Society, Essay and Blog competitions, University Open Days and Taster courses
- Visit to the Bank of England