

## Course Profile

Economics is, at its very heart, the study of people. It is an inquiry into how people succeed, what makes us happy or content, and ultimately how humanity has managed over generations to become more healthy and prosperous than ever before. Economics examines what drives human beings to do what they do, and looks at how they react when faced with difficulties or success. It investigates choices people make when given a limited set of options and how they trade them off against each other. It is a science that encompasses history, politics, psychology and at times, the odd equation or two. If it is history's job to tell us what mistakes we have made in the past, then it is up to economics to work out how to do things differently in the future. Through the study of economics you will be able to apply economic concepts and theories, giving you a greater understanding of commercial life in local, national and international contexts. The Edexcel AS and A2 syllabus followed provides opportunities to explore critically issues such as:-

- Why do footballers earn more than nurses?
- Should the National Health Service provide free IVF treatment for childless couples?
- Is it right that 10 million people in the UK are living in poverty today?
- Will carbon trading schemes help to reduce the impact of global warming?
- Is it fair that the world's richest 8% earn half of the planet's income?

**The following units are studied and assessed in Year 12 within the AS Economics course.**

### Theme 1 – Introduction to markets and market failure

50% of AS

90 minute written paper

80 marks

In this theme students will consider how markets work, looking at how supply and demand interact to allocate resources in local, national and international markets. They will learn how to apply supply and demand analysis to real-world situations and be able to offer explanations of consumer behaviour. This will involve looking at both how consumers act in a rational way to maximise utility and how firms maximise profit, but also why consumers may not behave rationally. Having investigated how markets work, students will then look at market failure. They will look at the nature and causes of market failure before considering the strengths and weaknesses of possible government intervention to remedy market failures.

### Theme 2 – The UK economy: performance and policies

50% of AS

90 minute written paper

80 marks

This theme introduces the key measures of economic performance and the main instruments of economic policy primarily in a UK context. Students will be introduced to the aggregate demand / aggregate supply model so that they can use it to analyse changes in real output and the price level. They will examine the use of demand-side policies, supply-side policies and direct controls as means of improving an economy's performance; recognise the underlying assumptions; predict the likely impact and effectiveness of such policies; and consider these in a historical context. They will consider the different approaches that may be used by policy makers to address macroeconomic issues and be able to identify the criteria for success.

**A level Economics includes the content carried forward from AS in the form of Themes 1 & 2 and in addition, the following units are studied in Year 13 within the A level Economics course.**

### Theme 3 – Business behaviour and the labour market

This theme develops the microeconomic concepts introduced in Theme 1 and focuses on business economics. Students will look at the rational assumption that firms are profit maximisers and then challenge this by looking at alternative business objectives. Revenues, costs and profits are explored before linking these ideas to different markets structures. Students will then be able to analyse and evaluate pricing and output decisions of firms in different contexts and understand the role of competition in business decision making. Supply and demand analysis is specifically applied to the labour market to see how wages are determined in competitive and non-competitive markets.

### Theme 4 – A global perspective

This theme builds on the knowledge and skills gained in Theme 2, and applies them in a global context. Students will understand the significance of globalisation, international trade, the balance of payments and exchange rates. They will also examine public finance, macroeconomic policies and the role of the financial sector in a global context. Students will consider the factors influencing the growth and development of emerging and developing countries. Students will also be expected to develop an awareness of trends in the global economy over the last 25 years through wider reading and research so that they can include relevant examples in their analysis and evaluation.

### A level assessment

The A level course is assessed using three papers as follows:

- Paper 1: Markets and Business Behaviour – questions draw on topics from across Themes 1 and 3.  
35% of total A level qualification
- Paper 2: The national and global economy – questions draw on topics from across Themes 2 and 4.  
35% of total A level qualification
- Paper 3: Microeconomics and macroeconomics – questions draw on topics from across Themes 1,2,3 and 4.  
30% of total A level qualification

All three exams are two hours long and are worth 100 marks each.

We strongly recommend that if you are considering the study of Management or a related business discipline such as Business Studies, IT or Marketing at university you take Economics to at least AS level to enable you to cope with the compulsory study of Economics present on all of these courses.

In the sixth form Economics mixes particularly well with other Social Sciences such as Politics, History and Business Studies and is particularly useful if you are considering a career in Business Management or Law. It is also *very* useful with Mathematics and Science subjects as preparation for careers in Engineering, Accountancy and Medicine. Arts subjects such as Languages and English Literature also mix well with Economics if you are considering careers in organisations with overseas links or careers related to the Media such as Journalism. It is acknowledged as a strong 'A' level by many key employers in the UK and overseas, and this is because it is a 'hard' A level. Success at Economics requires good number skills and a willingness to analyse in detail and write at length on each area of study. It also requires a comprehensive knowledge of economic developments in the real, wider world.