

**Edexcel Advanced Subsidiary GCE in Economics
(8121)**

For examination from Summer 2003

Edexcel Advanced GCE in Economics (9121)

For examination from Summer 2004

Issue 3 September 2002

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This specification is Issue 3 and is valid for AS examination from Summer 2003 and for A2 examination from Summer 2004. Key changes to requirements are sidelined. Centres will be informed in the event of any necessary future changes to this specification. The latest issue can be found on the Edexcel website, www.edexcel.org.uk

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Introduction

Key features

- ♥ Centres can choose from two options in the A2 specification.
- ♥ Students may choose questions in all units.
- ♥ Relevance of Economics to real world issues emphasised.
- ♥ Established assessment techniques retained
- ♥ Key skills signposted comprehensively
- ♥ Delivery supported by comprehensive INSET programme

Note

The term AS refers to the first three units of the qualification (ie units 1, 2 and 3).

The term A2 refers to the last three units of the qualification (ie units 4, 5 and 6).

The term Advanced GCE refers to all six units.

Unit availability

Unit	Unit title	Unit Code	January 2003	June 2003	January 2004	June 2004	January 2005
Unit 1	Markets – how they work	6351	*	✓	✓	✓	✓
Unit 2	Markets – why they fail	6352	*	✓	✓	✓	✓
Unit 3	Managing the economy	6353	*	✓	✓	✓	✓
Unit 4	Industrial economics	6354	*	*	*	✓	✓
Unit 5	Option A: Labour markets	6355/01		*		✓	
	Option B: Economic development	6355/02					
Unit 6	The UK in the global economy	6356		*		✓	

***In January 2003, June 2003 and January 2004, examinations for these units will continue to be based on issue 2 of the specification. Issue 2 of the specification will be available on the Edexcel website until 31 January 2004.**

Rationale for the specification

The new Edexcel Advanced Subsidiary GCE and Advanced GCE Economics specifications have been written to provide a balanced economics education for students. The study of economics enables students to understand how the material resources of an individual, a community, a country or the world are managed. This specification contributes to that understanding by enabling students to develop an appreciation of economic concepts and theories through a critical consideration of current economic issues, problems and institutions that affect everyday life. A range of assessment types are featured to achieve that purpose.

The specification supports progression from GCSE and acts as a bridge to further study at college or university, thereby contributing to the lifelong learning process.

The specification has been designed so that students can take an AS that provides broad coverage of the subject in a one year course and meets the requirements of the subject criteria for Economics.

Students can then move on to an A2 course that is more specialised, requires more searching analysis and evaluation and offers a choice between two options in unit 5. The two options allow students to choose a specialism and meet the requirements of the subject criteria. The study of economics is brought together in the synoptic unit, which covers a whole range of economic issues in relation to globalisation under the heading of ‘The Global Economy’ and shows the connections between different concepts and situations.

This specification seeks to cover economic theories and concepts in the context of ‘real world’ issues to keep the subject firmly rooted in the everyday life experience of students.

Summary of the scheme of assessment

The Advanced Subsidiary GCE has a weighting of 50 per cent when carried forward towards the full A Level.

Advanced Subsidiary GCE (AS) – 50%

Unit	Type of assessment	Weight	Time
Unit 1	Written	15%	1 hour
Unit 2	Written	15%	1 hour
Unit 3	Written	20%	1 hour

Total AS examining time: 3 hours

Advanced GCE – 50%

Unit	Type of assessment	Weight	Time
Unit 4	Written	15%	1 h 15 minutes
Unit 5	Written	15%	1 h 15 minutes
Unit 6	Synoptic written paper	20%	1 h 45 minutes

Total A2 examining time: 4 hours 15 minutes

Total Advanced GCE examining time: 7 hours 15 minutes

Summary of the specification content

AS	A2
Unit 1: Markets – how they work Unit 2: Markets – why they fail Unit 3: Managing the economy	Unit 4: Industrial economics Unit 5: Option A – Labour markets <i>or</i> Option B – Economic development Unit 6: The UK in the global economy (synoptic)

Specification overview

Subject criteria

The Qualifications and Curriculum Authority (QCA) defines subject criteria that set out the knowledge, skills, understanding, and assessment objectives common to all Advanced Subsidiary and Advanced GCE specifications in a given subject. This specification incorporates the QCA subject criteria for economics.

Aims of the specification

The aims of this specification are to encourage students to:

- ÷ develop an understanding of economic concepts and theories through a critical consideration of current economic issues, problems and institutions that affect everyday life
- ÷ apply economic concepts and theories in a range of contexts and to appreciate their value and limitations in explaining real-world phenomena
- ÷ analyse, explain and evaluate the strengths and weaknesses of the market economy and the role of government within it
- ÷ participate effectively in society as citizens, producers and consumers.

It should be noted that not all of the above aims are necessarily subject to formal assessment.

Knowledge, skills and understanding

The specification:

- ÷ provides a coherent combination of micro and macro content and methods of enquiry. This is achieved in the AS by including two units that explore the working of the market mechanism in relation to particular markets and one unit that explores markets in the context of the economy as a whole. This is achieved in the A2 by including one unit that looks at pricing and output decisions in different market situations and another unit that examines the UK in the context of the global economy
- ÷ allows students to explore a range of economic issues and to draw on data from local, national and international sources by choosing, in the A2, between the study of a labour market and the study of economic development
- ÷ develops a critical approach to economic models and methods of enquiry by emphasising, in the A2, the comparative performance of firms in different economic situations. It is also evident in the A2 by examining the performance of: individual countries; countries joined in different ways through economic ties; the world as a whole.

AS will require the use of basic models to explore current economic behaviour, eg supply and demand in units 1 and 2, and aggregate demand and aggregate supply in unit 3. Advanced GCE will require the use and evaluation of more complex modelling and its application to a wider range of contexts, eg pricing and output decisions under different market structures (unit 4) and choice of policy remedies for a country in Balance of Payments disequilibrium (unit 6).

In this specification, 'recent historical data' is broadly defined as being within the last seven to ten years.

Assessment objectives

Assessment objectives	Students will be able to:	AS Weighting	A2 Weighting	Advanced GCE Weighting
AO1	demonstrate knowledge and understanding of the specified content	30%	20%	25%
AO2	apply knowledge and critical understanding to problems and issues arising from both familiar and unfamiliar situations	30%	20%	25%
AO3	analyse economic problems and issues	20%	30%	25%
AO4	evaluate economic arguments and evidence, making informed judgements	20%	30%	25%

Synoptic assessment

Synoptic assessment will test students' understanding of the connections between different elements of the subject and will relate to all assessment objectives. It will test students' ability to:

- ÷ understand the inter-relatedness of many economic issues, problems and institutions
- ÷ understand how certain economic concepts, theories and techniques may be relevant to a range of different contexts
- ÷ apply such concepts, theories and techniques in analysing economic issues and problems and in evaluating arguments and evidence.

The emphasis will be on the students' ability to think as economists and to use the economist's toolkit of concepts, theories and techniques that they have built up during their course of study. The 20 per cent synoptic assessment required in this specification will be met through Unit 6: The UK in the global economy. This unit draws on material from other parts of the course, offering the opportunity to be assessed synoptically.

The mark scheme will make specific reference to synoptic skills where appropriate.

Forbidden combinations and related subjects

Every specification is assigned to a national classification code indicating the subject area to which it belongs.

Centres should be aware that students who enter for more than one GCE qualification with the same classification code, will have only one grade (the highest) counted for the purpose of the School and College Performance Tables.

The classification code for this specification is 4410.

Students entering for this specification may not, in the same series of examinations, enter for any other specification with the title ‘Economics’ at any level, or any combined specification incorporating the title ‘Economics’.

There are links and opportunities for co-teaching with the Advanced Subsidiary GCE and Advanced GCE specifications in Economics & Business Studies (Nuffield) and Business Studies and, to a lesser extent, with subjects such as Government & Politics and Social Policy.

There are also links with Advanced Vocational Certificate of Education in Business, for example:

	Common content	A/AS GCE
Unit 2: The competitive business environment	competition, markets Government policy/intervention	Unit 1: Markets – How they work Unit 2: Markets – Why they fail Unit 3: Managing the Economy Unit 5B: The role of trade unions and government intervention in labour markets

Key skills

The specification has been designed to provide opportunities for developing and generating evidence for all the key skills. These are:

- ÷ communication
- ÷ application of number
- ÷ information technology
- ÷ improving own learning and performance
- ÷ working with others
- ÷ problem solving.

See the section headed ‘key skills with Economics’ for further details on development and internal assessment opportunities for the above key skills through delivery of this specification.

Quality of written communication

The requirement for all AS and Advanced GCE specifications to assess students’ quality of written communication will be met through all four assessment objectives.

Students will be required to:

- ÷ select and use a form and style of writing appropriate to purpose and complex subject matter
- ÷ organise relevant information clearly and coherently, using specialist vocabulary where appropriate
- ÷ ensure that text is legible, and spelling, grammar and punctuation are accurate, so that meaning is clear.

Quality of written communication will be rewarded in the mark schemes for all units where discursive writing is required.

Relationship between AS and A level

AS Economics consists of 50 per cent of the total assessment for the specification and A2 consists of the other 50 per cent. Certification for AS will be available separately for those who choose not to go on to take the full A level.

Progression and prior learning

There are no prior knowledge requirements for this qualification. The specification builds on, but does not depend upon, students having followed a course in GCSE Economics and provides a solid foundation for studies at a higher level (FE or HE, for example) in this subject area.

Environmental and health education

The specification includes several references to the importance of health education and the environment in the context of the study of economics, see for example:

Unit 2	Externalities and health care
Unit 3	The desirability of economic growth
Unit 5B	The costs of economic growth

The European dimension

The specification requires students to consider a wide range of economic matters in the context of the European Union and the global economy, see for example:

Unit 3	Macroeconomic policy objectives in an EU context
Unit 4	Competition policy in the UK and EU
Unit 5A	The changing structure and flexibility of UK and EU labour markets
Unit 6	The entire unit

Ethical, spiritual, moral, social and cultural aspects

The specification gives students the opportunity to gain an understanding of these issues in relation to the whole area of economics, see for example:

Unit 1	Advantages and disadvantages of the free market.
Unit 3	Conflicts between policy objectives.
Unit 5A	Unemployment and labour market imperfections. The changing structure and flexibility of UK and EU labour markets. The distribution of income and wealth.
Unit 5B	The costs of economic growth. Constraints on economic development.

Students with particular requirements

Regulations and guidance relating to students with particular requirements are published annually by the Joint Council for General Qualifications and are circulated to Examinations Officers. Further copies of guidance documentation may be obtained by calling Customer Services on 0870 240 9800 or by writing to the address below.

In accordance with the published guidelines, Edexcel is happy to assess whether special consideration or concession can be made for students with particular requirements. Requests should be addressed to:

Special Requirements
Edexcel Foundation
Stewart House
32 Russell Square
London WC1B 5DN

Scheme of assessment

The Advanced Subsidiary GCE has a weighting of 50 per cent when carried forward towards the full A level.

Advanced subsidiary GCE (AS) – 50%

Unit	Method	Weight	Length	Objectives assessed
Unit 1: Markets – how they work	8 supported choice questions plus 1 data response from a choice of 2	15%	1 hour	1 (30%) 2 (30%) 3 (20%) 4 (20%)
Unit 2: Markets – why they fail	1 data response from a choice of 2	15%	1 hour	1 (30%) 2 (30%) 3 (20%) 4 (20%)
Unit 3: Managing the Economy	1 data response question in seven parts to include one part requiring extended prose. A choice of one from two questions.	20%	1 hour	1 (30%) 2 (30%) 3 (20%) 4 (20%)

Total AS examining time: 3 hours

Advanced GCE – 50%

Unit	Method	Weight	Length	Objectives assessed
Unit 4: Industrial Economics	10 supported choice questions plus 1 data response from a choice of 2	15%	1h 15 min	1 (25%) 2 (25%) 3 (30%) 4 (20%)
Unit 5: Option A Labour Markets or Option B Economic Development	1 data response from a choice of 2	15%	1h 15 min	1 (15%) 2 (15%) 3 (30%) 4 (40%)
Unit: The UK in the global economy (Synoptic unit)	1 structured essay from a choice of 3 and 1 data response from a choice of 2	20%	1h 45 min	1 (20%) 2 (20%) 3 (30%) 4 (30%)

Total A2 examining time: 4 hours 15 minutes

Total Advanced GCE examining time: 7 hours 15 minutes

Unit and resit rules

Each unit of assessment may be retaken once only. The better result must count towards the final award. Students may, however, retake the whole qualification more than once. Individual assessment unit results, prior to certification of the qualification, have a shelf-life limited only by the shelf-life of the specification.

Awarding and reporting

The grading, awarding and certification of this specification will comply with the requirements of the revised GCE Code of practice for courses starting in September 2002, which is published by the Qualifications and Curriculum Authority. Qualifications will be graded and certificated on a five-grade scale from A to E. Individual unit results will be reported.

Language of assessment

Assessment of this specification will be available in English only. Assessment materials will be published in English only and all written and spoken work submitted for examination and moderation must be produced in English.

Specification content

Unit 1: Markets – how they work

This unit provides an introduction to the nature of economics and examines the operation of markets for goods and services. At the end of this unit, students should be able to understand the price mechanism as a means of allocating resources and be able to apply supply and demand analysis to real world situations.

Content	Students should be able to:
<p>Positive and normative economics.</p> <p>Scarcity and opportunity cost.</p> <p>The production possibility boundary or frontier.</p> <p>Specialisation and the division of labour.</p> <p><i>['Economies of Scale' section moved to Unit 2]</i></p> <p>The advantages of international trade: the principle of comparative advantage.</p> <p>Consumer and producer surplus.</p> <p>The price mechanism as a means of allocating resources.</p> <p>The role of the price mechanism in resource allocation in free market and mixed economies.</p> <p>The supply of, and demand for, goods and services.</p>	<p>Distinguish between objective statements and value judgements.</p> <p>Understand the problem of unlimited wants and finite resources.</p> <p>Use this analysis to illustrate the concept of opportunity cost and the efficient allocation of resources.</p> <p>Understand the benefits of specialisation and its significance for trade between countries.</p> <p>Understand the gains from trade, eg increased choice for consumers, larger markets for firms, and be able to distinguish between absolute and comparative advantage.</p> <p>Define and distinguish between these concepts and be able to illustrate them.</p> <p>Explain the functions of the price mechanism. Examine how prices respond to changes in consumer preferences and provide incentives to producers.</p> <p>Analyse the advantages and disadvantages of the free market economy and why there are mixed economies.</p> <p>Understand the economic effects of the transition of Eastern European economies away from central planning.</p> <p>Understand the distinction between a shift of, and movement along, demand and supply curves. They should also understand the causes of such movements and shifts.</p>

<p>The concept of elasticity with respect to both supply and demand.</p>	<p>Define, measure and interpret price elasticity of supply, price, income and cross elasticity of demand. They should understand the distinction between normal and inferior goods.</p>
<p>Applications of supply and demand analysis in the product and factor markets.</p>	<p>Apply the price mechanism in markets, such as commodities, agriculture, housing, labour and exchange rates.</p>
<p>Entry and exit of firms.</p>	<p>Understand the impact of a new supplier and/or new product on price and output.</p>
<p><i>['Government Intervention' section moved to Unit 2]</i></p>	
<p>Indirect taxes and subsidies.</p>	<p>Use supply and demand analysis to demonstrate the impact and incidence of taxes and subsidies on consumers, producers and the government.</p>

Unit 2: Markets – why they fail

This unit examines the nature of market failure, its causes and possible policy remedies. At the end of this unit, students should be able to understand why markets might not allocate resources efficiently and the methods of dealing with market failure, together with an evaluation of their effectiveness.

Content	Students should be able to:
<p>Economies of scale.</p> <p>Market failure.</p> <p>Government intervention in markets: rationale for such intervention and the effects on consumers, producers and the government.</p> <p>Types of market failure:</p> <p>÷ monopoly: reasons for market dominance.</p> <p>÷ Public, merit and demerit goods.</p> <p>Externalities. The distinction between private costs and social costs (= external costs). The distinction between private benefits and social benefits (= external benefits). The reasons for government intervention in markets, such as transport and the environment, health and education. The case for and against an expansion of the private sector in such markets.</p> <p>Information problems.</p>	<p>Give examples of economies of scale and understand that they will result in lower average costs.</p> <p>Explain reasons why the price mechanism may not allocate resources efficiently, eg when there is only one supplier or when externalities are present. (Detailed knowledge of productive and allocative efficiency is not required.)</p> <p>Explain the reasons for government intervention in different markets. In the case of commodity markets, the analysis of buffer stocks to offset fluctuations in prices and output; in the case of agricultural markets, measures to stabilise farm income – the analysis of the impact of minimum guaranteed prices in agricultural markets; in the case of labour markets, the analysis of the effects of a national minimum wage.</p> <p>Explain barriers to entry of new firms, eg ownership of raw materials, patents, economies of scale. Analyse the implications of the existence of a single supplier and absence of competition for the firm and for consumers. A diagrammatic treatment is NOT required.</p> <p>Define and give appropriate examples of government provision.</p> <p>Explain the impact of production and consumption on third parties. Consider examples such as road congestion, environmental pollution, health care and provision of education.</p> <p>Examine factors that might cause market failure in the markets for health and education, eg information problems, unequal income distribution.</p> <p>Illustrate external costs and benefits with appropriate diagrams.</p> <p>Asymmetric information; unequal distribution of income</p>

<p>Remedies for market failure:</p> <ul style="list-style-type: none"> ÷ for monopoly: regulation and encouragement of entry of new firms ÷ for external costs and demerit goods: regulation; taxation; extension of property rights; tradable permits. ÷ for external benefits and merit goods: subsidies to producers and consumers. ÷ Government failure 	<p>Understand the broad methods of regulating monopolies, eg by regulations relating to market share and mergers; by government measures to promote the growth of new firms. However, detailed knowledge of legislation concerning UK and EU competition policy is NOT required.</p> <p>Analyse the application of these policies using supply and demand diagrams where appropriate. Evaluate the arguments for and against public transport provision.</p> <p>Understand how government action may reduce economic efficiency by inappropriate responses or lead to unintended results, eg outcomes of agricultural stabilisation policies. They should also examine other sources of government failure, eg administrative costs; how subsidies might prevent exit from the industry.</p>
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Unit 3: Managing the economy

This unit provides an introduction to the key measures of economic performance and the main objectives and instruments of government policy. At the end of this unit, students should have an understanding of the key goals of government policy, the basic aggregate demand/aggregate supply model and the policies that can be used in the management of the economy.

Content	Students should be able to:
<p>Measures of the economic performance of countries:</p> <ul style="list-style-type: none"> ÷ The Retail Price Index ÷ The Level of Unemployment ÷ The Balance of Payments ÷ Gross Domestic Product <p>Economic growth:</p> <ul style="list-style-type: none"> ÷ causes of differences of growth rates between countries. ÷ the desirability and costs of economic growth. <p>Aggregate demand:</p> <ul style="list-style-type: none"> ÷ components of aggregate demand – consumption, investment, government expenditure, exports-imports. <p>Aggregate supply: The short-run and long-run aggregate supply curves.</p> <p>The relationship between aggregate demand and the price level and between aggregate supply and the price level.</p>	<p>Understand how the rate of inflation is measured by the Retail Price Index and consider its limitations.</p> <p>Understand alternative methods of measuring unemployment and consider their limitations.</p> <p>Understand the main components of the Balance of Payments with special reference to the current account (trade in goods, trade in services, investment income).</p> <p>Understand the meaning of GDP and be able to distinguish between nominal and real GDP. (Detailed knowledge of the measurement of GDP is NOT required.) Understand the limitations of GDP as an indicator of comparative living standards between countries and over time.</p> <p>Understand the limitations of GDP as an indicator of comparative living standards between countries and over time. Contrast growth rates between the rich and poor countries.</p> <p>Understand the meaning of each of these components of aggregate demand and of the factors influencing their size. (The income/expenditure approach of the basic Keynesian model is NOT required.) The multiplier effect should also be understood using a descriptive approach.</p> <p>Explain the factors influencing aggregate supply, such as technological advances, improvement in skills of the workforce.</p> <p>Understand the distinction between shifts of, and movements along, the aggregate demand curve and between shifts of, and movements along, the aggregate supply curve.</p>

<p>The equilibrium level of real output.</p> <p>Macroeconomic policy objectives in an EU context: Full employment, price stability, economic growth, Balance of Payments equilibrium, income redistribution and concern for the environment. Reasons why these objectives might not be achieved.</p> <p><i>[Section on ‘conflict between objectives’ moved to Unit 6.]</i></p> <p>The relative merits of supply side and/or demand side policies as means of realising policy objectives:</p> <p>Supply side policies to include reference to education and training, reduction in trade union power, reduction in unemployment benefits.</p> <p>Demand side policies to include reference to fiscal policy, monetary policy (use of interest rates), and exchange rates.</p>	<p>Illustrate and explain the interaction of aggregate demand and aggregate supply. Analyse causes of changes in the equilibrium level of real output, eg changes in world oil prices, financial crises within the global economy.</p> <p>Understand the causes, costs and effects of unemployment, inflation, Balance of Payments disequilibrium and inequality in income distribution.</p> <p>Analyse the short-run and long-run effects of supply side and demand side policies on the rate of inflation, the level of unemployment, the rate of growth and on the Balance of Payments.</p> <p>Use the aggregate demand/aggregate supply model in analysis.</p>
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Unit 4: Industrial economics

This unit develops the content of units 1 and 2 and examines how the pricing of, and nature of competition between, firms is affected by the number and size of market participants. At the end of this unit, students should be able to analyse the pricing and output decisions of firms in different contexts. They should also be capable of making an appraisal of government intervention aimed at promoting competitive markets.

Content	Students should be able to:
<p>The birth and growth of firms.</p> <p>The motives for the growth of firms.</p> <p>Internal and external growth:</p> <ul style="list-style-type: none"> ÷ internal expansion: vertical, horizontal and conglomerate mergers. ÷ the increased importance of multinational/transnational firms (MNCs). <p>Alternative motives of firms:</p> <p>Profit maximisation, revenue maximisation and sales maximisation.</p> <p>Productive efficiency.</p> <p>Allocative efficiency.</p> <p>Measures of market concentration.</p> <p>Pricing and output decisions under different market structures and different motives.</p> <ul style="list-style-type: none"> ÷ perfect competition ÷ imperfect competition ÷ oligopoly ÷ monopoly. <p>The conditions necessary for price discrimination in monopoly.</p>	<p>Understand how firms begin and the constraints on their development.</p> <p>Understand the reasons why firms seek an expansion in market shares and may derive monopoly power.</p> <p>Distinguish between different methods of the growth of firms.</p> <p>Understand the significance of MNCs as major sources of the output of goods and services in a global context.</p> <p>Distinguish between different corporate objectives and exemplify these diagrammatically.</p> <p>Understand that a market is productively efficient when output is produced at lowest possible average cost.</p> <p>Understand that a market is allocatively efficient when output is produced at a price paid by consumers that is equal to the marginal cost incurred in producing that output.</p> <p>Interpret the meaning of concentration ratios.</p> <p>Compare different market structures with reference to economic efficiency and market performance.</p> <p>Analyse the conditions for, and the implications of, price discrimination for both producer and consumer surplus.</p>

<p>Pricing and Non-pricing strategies:</p> <ul style="list-style-type: none"> ÷ cost-plus pricing ÷ predatory pricing ÷ limit pricing ÷ advertising and sales promotion policies ÷ collusion and cartels. 	<p>Recognise the distinction between various forms of market behaviour and the contexts in which they might be employed.</p>
<p>Barriers to entry and exit.</p>	<p>Explain factors that may inhibit the entry of firms into a market and also exit, eg sunk costs (links with unit 2).</p>
<p>Contestable markets.</p>	<p>Understand how the threat of new entry may influence behaviour and market performance of existing firms.</p>
<p>Competition policy in the UK and EU.</p>	<p>Analyse the effects of measures aimed at enhancing competitive markets on both consumers and producers. Detailed knowledge of legislation concerning UK and EU competition policy is NOT required.</p>
<p>Regulation of privatised industries.</p>	<p>Analyse how the creation of regulatory agencies, eg Ofcom and Ofwat, aim to influence the behaviour of suppliers in markets where there were formerly state-owned undertakings.</p>

Unit 5A: Labour markets

This unit provides a framework for the analysis of labour markets with particular reference to the UK and EU. It also examines the associated issues of the distribution of income and wealth. At the end of this unit, students should be able to analyse wage determination and understand the reasons for wage differentials and factors that determine differences in the distribution of both income and capital in the UK.

Content	Students should be able to:
<p>The supply of labour: the working population.</p> <p>The choice between work and leisure: income and substitution effects.</p> <p>The demand for labour. Labour as a derived demand.</p> <p>Wage determination in competitive markets.</p> <p>Differentials in different occupations; between men and women; skilled/unskilled workers; ethnic groups. Discrimination.</p> <p>The role of trade unions.</p> <p>Government intervention in labour markets.</p> <p>The effects of equal pay and other legislation on labour markets such as the Minimum Working Time Directive.</p> <p>The case of monopsony.</p> <p>Unemployment and labour market imperfections.</p> <p>Government policies to influence geographical mobility and occupational mobility.</p> <p>The changing structure and flexibility of UK and EU labour markets.</p>	<p>Understand the factors affecting the size, age profile and sex distribution of the working population.</p> <p>Describe these effects but knowledge of indifference curves is NOT required.</p> <p>Understand the factors influencing the demand for labour, including marginal productivity theory and also the elasticity of demand for labour.</p> <p>Explain the interaction of the supply of, and demand for, labour in the determination of wage rates.</p> <p>Explain wage differentials in terms of a variety of contexts, eg productivity, educational qualifications and environment.</p> <p>Analyse the impact of labour organisations on wages and the level of employment.</p> <p>Analyse the repercussions of such government policies in the light of their intended objectives.</p> <p>Analyse the implications of a single buyer of labour on wage rates and level of employment.</p> <p>Explain the structure, duration and incidence of unemployment in the UK.</p> <p>Understand the implications of training schemes and other measures to enhance labour mobility in the UK.</p> <p>Explain changes in labour participation rates and the factors influencing change in labour markets, eg the impact of new technology; migration; the Social Chapter; regional policies.</p>

Ageing populations in developed economies.	Examine the significance of an ageing population for both labour markets (flexibility) and governments (public expenditures).
Factors influencing the distribution of income and wealth.	Explain inequalities resulting from inheritance of owner-occupation, age, education, pensions, state benefits and expenditures.
Changes in the distribution of income and wealth.	Evaluate the significance of government policies affecting income and wealth distribution.
Measurement of inequality. The Lorenz curve.	Interpret the significance of a Lorenz curve diagram.
Aggregate and disaggregated data.	Interpret the meaning of data in different income situations, eg deciles, quintiles.
Policy issues associated with poverty and inequality.	Analyse and explain the impact of incentives, eg lowering marginal tax rates.

Unit 5B: Economic development

This unit explores issues associated with economic development of those countries mainly in the southern hemisphere seeking to achieve faster economic growth and an enhanced quality of life for rapidly growing populations. At the end of this unit, students should be able to understand the causes, costs and benefits of economic growth in developing countries. They should also be able to appraise the benefits and disadvantages to those countries of alternative sources of finance from developed countries.

Content	Students should be able to:
<p>Indicators of development in developing countries in sub-Saharan Africa, Asia and Latin America.</p> <p>Absolute and relative poverty.</p> <p>The causes of economic growth in developing countries.</p> <p>The significance of economic growth for development:</p> <ul style="list-style-type: none"> ÷ the role of both physical and human capital ÷ technological progress <p>Differences between developing countries.</p> <p>The costs of economic growth.</p> <p>Constraints on economic growth.</p> <p>Development strategies.</p> <p>The development of particular sectors of the economy:</p> <ul style="list-style-type: none"> ÷ agriculture ÷ industry 	<p>Compare and contrast GDP per capita and other measures of economic and social development, eg life expectancy, literacy rates, the proportion of population employed in agriculture.</p> <p>Understand the distinction between these terms.</p> <p>Examine the sources of economic growth and the extent to which they can be affected by government intervention.</p> <p>Compare how the record of economic development differs in sub-Saharan Africa, Asia and Latin America and explain reasons for these differences.</p> <p>Analyse the external costs associated with development, eg deforestation, environmental degradation.</p> <p>Evaluate the impact of different obstacles to economic growth, eg rapid population growth, lack of finance dependency on primary products, debt, corruption.</p> <p>Analyse the problem of primary product dependency.</p> <p>Examine the nature and impact of inward- and outward-looking trade strategies; import substitution and export promotion policies.</p>

<p>÷ tourism.</p> <p>Sources of external finance.</p> <p>Private sector finance especially from multinational firms.</p> <p>Government assistance.</p> <p>The IMF and IBRD (World Bank).</p> <p>Structural adjustment policies.</p>	<p>Analyse the benefits and costs of developing tourism.</p> <p>Evaluate the role, benefits and disadvantages of foreign direct investment (FDI) by MNCs in the developing countries.</p> <p>Evaluate the role, benefits and disadvantages of official development assistance (aid). Examine the case for and against debt forgiveness.</p> <p>Evaluate the roles of both of the Bretton Woods institutions in providing financial assistance to developing countries.</p> <p>Explain the repercussions of such policies, eg trade liberalisation and expenditure reductions on the economy and human welfare.</p>
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Unit 6: The UK in the global economy

This unit develops the content of units 1 and 3 by examining the position of the UK in the context of the world economy. It focuses on international trade and exchange rate issues. At the end of this unit, students should be able to evaluate the macroeconomic performance of the UK in a European Union and global perspective.

Content	Students should be able to:
<p>Factors contributing to globalisation.</p>	<p>Understand the significance of the factors that have enhanced the interdependence of economies, eg the reduction in trade barriers, capital mobility, the growth of MNCs and technological developments, eg the Internet.</p>
<p>International exchange.</p>	<p>Understand the importance of trade between developed economies, relative to world trade as a whole.</p>
<p>Trade liberalisation and protectionism. Reasons for tariffs, quotas and non-tariff barriers and the consequences of their use.</p>	<p>Explain the global efforts to reduce tariff barriers and analyse the impact of protectionist measures on resource use in an international context, eg the impact of the CAP on world trade in commodities.</p>
<p>Sources of possible conflict between trading blocs and the role of the World Trade Organisation (WTO).</p>	<p>Explain how membership of the WTO constrains the use of protectionist policies by countries particularly in times of global recession.</p>
<p>The Balance of Payments.</p>	<p>Understand the main elements of the current account. Only a brief knowledge of capital transactions is required.</p> <p>Understand recent trends in the UK's accounts (links with unit 3).</p>
<p>International competitiveness.</p>	<p>Understand various measures of the competitive position of the leading countries in international trade, eg unit costs and relative export prices.</p>
<p>The UK's changing international competitive situation.</p>	<p>Make an appraisal of the competitiveness of British industry in both home and overseas markets.</p> <p>Explain the UK's export performance and import penetration.</p>
<p>Factors affecting international competitiveness and government policies to enhance the UK's relative position.</p>	<p>Understand how successive UK governments have taken measures to enhance competitiveness, eg through deregulation measures, encouragement of inward investment and the enhancement of labour skills.</p>

<p>Balance of payments disequilibrium.</p> <p>Policy remedies including:</p> <ul style="list-style-type: none"> ÷ exchange rate adjustment ÷ demand management ÷ supply side policies. <p>Exchange rate systems.</p> <p>Fixed and floating rates.</p> <p>Factors affecting exchange rates.</p> <p>Exchange rates as a policy instrument.</p> <p>European Monetary Union.</p> <p>The costs and benefits of monetary union in the EU.</p> <p>Inward foreign investment by MNCs.</p> <p>External shocks to the global economy.</p> <p>Public expenditure and taxation.</p> <p>Different types of taxes.</p> <p>The impact of public expenditure and taxation on income distribution.</p> <p>Public sector borrowing.</p> <p>International comparisons of public finances.</p> <p>The working of fiscal, monetary and supply side policies.</p>	<p>~ Evaluate the impact of these alternative policy measures (links with unit 3).</p> <p>Explain how exchange rates are determined under a system of floating rates (links with unit 1).</p> <p>Understand influences on exchange rates such as relative interest rates, relative inflation rates and speculative capital flows.</p> <p>Explain the effects of changes in exchange rates on the level of economic activity in different countries.</p> <p>Evaluate the implications of monetary union for the conduct of monetary and fiscal policies by individual countries in Europe.</p> <p>Analyse the role, benefits and disadvantages of capital inflows from MNCs in an EU context.</p> <p>Examine adverse impacts on the world level of economic activity, eg higher oil prices.</p> <p>Explain reasons for the changing size and composition of public expenditure in the UK.</p> <p>Evaluate the relative merits of direct and indirect taxation and examine the effects of changes in fiscal policy for different groups in the UK.</p> <p>Explain the factors influencing the size of public sector borrowing.</p> <p>Explain and evaluate the implications of differences between countries in their public finances.</p> <p>Appraise policy instruments in achieving policy objectives and evaluate associated problems that may be encountered, eg time lags; the accuracy of economic data on the state of the economy.</p>
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<p>Conflicts between these objectives.</p>	<p>Explain possible trade-offs between inflation and unemployment with the application of the simple Phillips curve. Other possible conflicts should also be considered, eg between economic growth and Balance of Payments equilibrium.</p>
<p>Unemployment and inflation in an EU and global context.</p>	<p>Understand the causes and consequences of trends in the numbers out of work and the rate of increase in the price level within the EU (links with unit 3).</p>
<p>The relationship between real output and the non-accelerating inflation rate of unemployment (NAIRU).</p>	<p>Understand the distinction between the short-run Phillips curve and the long-run Phillips curve.</p>

Grade descriptions

The following grade descriptions indicate the level of attainment characteristic of grades A, C and E at Advanced GCE. They give a general indication of the required learning outcomes at each specified grade. The descriptions should be interpreted in relation to the content specified in the specification; they are not designed to define that content. The grade awarded will depend in practice on the extent to which the student has met the assessment objectives overall. Shortcomings in some aspects of the examination may be balanced by better performances in others.

Grade A

Students will demonstrate in-depth knowledge and critical understanding of a wide range of economic theories and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, issues and problems, using appropriate numerical and non-numerical techniques accurately. They will effectively evaluate evidence and arguments, making reasoned judgements to present appropriate and well-supported conclusions.

Grade C

Students will demonstrate knowledge and understanding of a range of economic theories and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, issues and problems, using appropriate numerical and non-numerical techniques. They will evaluate evidence and arguments to present reasoned conclusions.

Grade E

Students will demonstrate knowledge and understanding of a limited range of economic theories and concepts. They will show some ability to use this knowledge and understanding in order to analyse familiar and unfamiliar situations, issues and problems, making use of numerical and/or non-numerical techniques. Students' evaluation of evidence and arguments will be limited.

Textbooks and other resources

The following is a selected list of reading materials that cover the requirements of the Advanced Subsidiary GCE and Advanced GCE Economics specifications. It is acknowledged that teachers and students may wish to follow different approaches in their studies, using books with different emphases. The list is not exhaustive but it does represent a range of books written at the appropriate level. A full reading list will be issued with other materials in due course.

Texts

Most of the following texts cover all the topics found in the specification. Some of the texts focus more on microeconomics than on macroeconomics, while others pay more attention to the economic system as a whole.

Anderton A – *The Economy in Focus* (Causeway Press, 1997/8) ISSN 1 873929 70 6

Anderton A – *Economics* – 2nd Ed (Causeway Press, 1995) ISSN 0 873929 374

Davies B, Hale G, Smith C, Tiller H – *Investigating Economics* (Macmillan, 1996)
ISSN 0 333 63808 5

Maunder P. et al – *Economics Explained* – 3rd Ed (Collins, 1995) ISSN 0 00 327503 5

Mulhearn C, Vane H – *Economics* (Macmillan, 199) ISSN 0 333 69183 0

Sloman J – *Essentials of Economics* (Prentice Hall, 1998) ISSN 0 13 779844 X

Applied economics

Curwen P – (Understanding the Economy) – 3rd Ed (Macmillan, 1994) ISSN 0 333 61526 3

Griffiths A, Wall S – *Applied Economics* – 7th Ed (Longman, 1997) ISSN 0 582 30602 7

The Economist – *Britain, a survey*, 21 September 1996.

Reference texts

The reference and supplementary sources listed will contain material that is in greater depth than is needed for AS/A GCE but it is felt that some sections in these books will be of considerable value.

Begg D et al – *Economics* – 5th Ed (McGraw Hill, 1997) ISSN 0 07 709412 3

Lipsey R G, Crystal K A – *An Introduction to Positive Economics* – 8th Ed (Oxford University Press, 1997) ISSN 0 19 877425 7

Sexton R – *Exploring Economics* (Dryden Press, 1999) ISSN 0 03 018329 4

Sloman J – *Economics (plus workbook)* (Prentice Hall, 1998) ISSN 0 13 989708 9

Publications on particular topics that correspond to parts of the specification

Cook G – *The Student Guide to the Economy- Economics Update* (Sterling book, 1998)
ISSN 1 874190 05 4

Cramp P – *Economic Development* (Anforme, 1998) ISSN 0 907529 45 3

Economics and Business Dataset (Trigon Publishing, 1998)

Glanville A – *Introduction to Development Economics*, (1995) ISSN 0 952 4746.03
Available direct from the author: 31 Hobson Road, Summertown, Oxford OX2 7JX

Ingham B – *Economics and Development* (McGraw Hill, 1995) ISSN 007707873 X.

Keefe J, Riley G – *A Revision Guide to A Level Economics – 2nd Ed* (Anforme, 1999)
ISSN 0 907529 47X

Nixson F – *Development Economic* (Heinemann, 1996) ISSN 0 435 33033 0

Smith C – *Economic Development, Growth and Welfare* (Macmillan, 1994) ISSN 0333 592689

The Studies in the UK Economy series published by Heinemann

Todaro M – *Economic Development in the Third World – 5th Ed* (Longman, 1994)
ISSN 058 223 1604

World Bank – *Adjustment in Africa: Reforms, Results and the Road Ahead* (Oxford University Press, 1994) ISSN 1020 0851

Support and training

Training

Each year Edexcel provides a programme of training covering aspects of the specifications and assessment. These courses take place throughout the country. For further information on what is planned, please consult the annual Training and Professional Development Guide, which is sent to all centres, or contact:

Professional Development and Training
Edexcel Foundation
Stewart House
32 Russell Square
London WC1B 5DN

Tel: 020 7758 5620
Fax: 020 7758 5950
E-mail: trainingenquiries@edexcel.org.uk

Publications

- ÷ teachers' guide – offering support on how to deliver the content of this specification with particular reference to possible course design and further help with key skills.
- ÷ specimen papers – giving examples of how Edexcel might examine the content of this new specification.

Past papers and mark schemes with examiner's comments will be available after the first examination of the specification.

Support materials and further copies of this specification can be obtained from:

Edexcel Publications
Adamsway
Mansfield
Notts
NG18 4FN

Tel: 01623 467467
Fax: 01623 450481
E-mail: publications@linneydirect.com

Key skills with Economics

The AS/Advanced GCE in Economics offers a range of opportunities for students to both:

- ÷ develop their key skills
- ÷ generate assessed evidence for their portfolios.

In particular the following key skills at level 3 can be developed and assessed through this specification:

- ÷ application of number
- ÷ communication
- ÷ information technology
- ÷ improving own learning and performance
- ÷ working with others
- ÷ problem solving.

Copies of the key skills specifications can be ordered through the publications catalogue. The individual key skills units are divided into three parts:

- ÷ Part A: what you need to know – this identifies the underpinning knowledge and skills required
- ÷ Part B: what you must do – this identifies the evidence that students must produce for their portfolios
- ÷ Part C: guidance – this gives examples of possible activities and types of evidence that may be generated.

This specification signposts development and internal assessment opportunities that are based on Part B of the level 3 key skills units. The evidence generated will be internally assessed and contribute to the students' key skills portfolio. In addition, in order to achieve the key skills Qualification, students will need to take the additional external tests associated with communication, information technology and application of number.

Each unit within the specification will provide opportunities for the development of some or all of the key skills identified. This section identifies the key skills evidence requirements and also provides a mapping of those opportunities. Students will need to have opportunities to develop their skills over time before they are ready for assessment. For each skill you will find illustrative activities that will aid this key skill development and facilitate the generation of appropriate portfolio evidence. To assist in the recording of key skills evidence Edexcel has produced recording documentation, which can be ordered from the publications catalogue.

Mapping of key skills – summary table

Key skills (Level 3)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
Communication						
C3.1a	✓	✓	✓	✓	✓	✓
C3.1b	✓	✓	✓	✓	✓	✓
C3.2	✓	✓	✓	✓	✓	✓
C3.3	✓	✓	✓	✓	✓	✓
Information technology						
IT3.1	✓	✓	✓	✓	✓	✓
IT3.2	✓	✓	✓	✓	✓	✓
IT3.3	✓	✓	✓	✓	✓	✓
Application of number						
N3.1	✓	✓	✓	✓	✓	✓
N3.2	✓	✓	✓	✓	✓	✓
N3.3	✓	✓	✓	✓	✓	✓

Key skills (Level 3)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
Working with others						
WO3.1	✓	✓	✓	✓	✓	✓
WO3.2	✓	✓	✓	✓	✓	✓
WO3.3	✓	✓	✓	✓	✓	✓
Improving own learning and performance						
LP3.1	✓	✓	✓	✓	✓	✓
LP3.2	✓	✓	✓	✓	✓	✓
LP3.3	✓	✓	✓	✓	✓	✓
Problem solving						
PS3.1	✓	✓	✓	✓	✓	✓
PS3.2	✓	✓	✓	✓	✓	✓
PS3.3	✓	✓	✓	✓	✓	✓
PS3.4	✓	✓	✓	✓	✓	✓

Key skills development suggestions

Communication – level 3

Key skill evidence requirement	AS/A2 unit	Opportunities for development
C3.1a Contribute to a group discussion about a complex subject.	1, 2, 3, 4, 5, 6	During group discussion on a complex subject, students should make clear and relevant contributions and develop points and ideas while listening and responding to others. There are many topics throughout the specification that could be used to form the basis of a group discussion, eg solving the economic problem (unit 1); the advantages and disadvantages of the free market economy (unit 1); possible trade-offs between unemployment and inflation (unit 3); a number of items in both the Options, eg factors influencing the distribution of income and wealth OR constraints on economic development; the costs and benefits of monetary union in Europe (unit 6).
C3.1b Make a presentation about a complex subject, using at least one image to illustrate complex points.	1, 2, 3, 4, 5, 6	Students could choose a topic from their chosen option (unit 5) and build a presentation around it, eg ‘the changing structure of UK and EU labour markets’ or ‘the distribution of income and wealth’ (labour markets) or ‘the costs of economic growth’ or ‘sources of external finance’ (economic development). Presentations could, however, be made on a number of topics from other units, eg those specified in C3.1a above. The presentation should have a logical structure that allows the audience to follow the sequence of information and ideas. Where appropriate, images should be used both to illustrate points and help engage the audience. Images could include charts, tables, diagrams, or pictures.

Key skill evidence requirement	AS/A2 unit	Opportunities for development
<p>C3.2 Select and synthesise information from two extended documents that deal with a complex subject.</p> <p>One of these documents should include images.</p>	1, 2, 3, 4, 5, 6	<p>Students will have a number of opportunities to read and synthesise information from two extended documents. For example as part of their preparation for the discussion and presentation of a complex subject, students will need to carry out preliminary research. Extended documents may include textbooks and reports and articles of more than three pages. At least one of these documents should contain an image from which students can draw appropriate and relevant information.</p>
<p>C3.3 Write two different types of documents about complex subjects.</p> <p>One piece of writing should be an extended document and include at least one image.</p>	1, 2, 3, 4, 5, 6	<p>Students are required to produce two different types of document. At least one of these should be an extended document, for example a report or an essay of more than three pages. The document should have a form and style of writing that is fit both for its purpose and the complex subject matter covered. At least one of the documents should include an appropriate image that contains and effectively conveys relevant information.</p> <p>Specialist vocabulary should be used where appropriate and the information in the document should be clearly and coherently organised, eg through the use of headings, paragraphs, etc. Students should ensure that the text is legible and that spelling, punctuation and grammar are accurate. All parts of units 3 and 6 offer naturally occurring opportunities for students to synthesise information in preparing to write structured essays.</p>

Evidence

Student evidence for communication key skill could include:

- + tutor observation records
- + preparatory notes
- + audio recordings or video tapes
- + notes based on documents read
- + essays.

Information technology – level 3

Key skills evidence requirement	AS/A2 unit	Opportunities for development
<p>IT3.1 Compare and use different sources to search for, and select, information required for two different purposes.</p>	<p>1,2,3,4,5,6</p>	<p>When producing work, students will have numerous opportunities to use relevant information technology in all Units. The internet, CD-ROM, etc could be used to collect information. Students will need to plan, and document, how they are to use IT as part of the activity, including how they will search for and incorporate relevant information from different electronic sources. Information selected must be relevant and of the appropriate quality. Examples of activities might be:</p> <ul style="list-style-type: none"> ÷ measuring the economic performance of countries (unit 3) ÷ comparing market structures with reference to economic efficiency and market performance (unit 4).
<p>IT3.2 Explain, develop, and exchange information and derive new information to meet two different purposes.</p>	<p>1,2,3,4,5,6</p>	<p>Students are required to bring together, in a consistent format, their selected information and use automated routines as appropriate. For example using icons and macros to generate standard forms of lists, tables, images, etc.</p> <p>Students should sort and group the information generated, producing graphs and charts if appropriate, to allow them to draw conclusions. For example, students could be working towards giving a presentation based on their findings. Information could be presented in handouts and/or as part of an automated slide show. Early drafts could be E-mailed to their tutor for feedback, or could be stored on a shared drive for access by others.</p>

Key skills evidence requirement	AS/A2 unit	Opportunities for development
<p>IT3.3 Present information from different sources for two different purposes and audiences.</p> <p>Your work must include at least one example of text, one example of images and one example of numbers.</p>	<p>1,2,3,4,5,6</p>	<p>In presenting information students will need to develop a structure that may involve the modification of templates, the application of page numbers, or dates, etc. Tutors may provide early feedback on layout on content and style that will result in formatting changes (early drafts should be kept as portfolio evidence).</p> <p>The final format should be suitable for its purpose and audience eg AS coursework, OHTs/handouts for a presentation, etc. The document should have accurate spelling (use of spell-checker) and have been proof-read.</p>

Evidence

Student evidence for information technology could include:

- ÷ tutor observation records
- ÷ preparatory plans
- ÷ print-outs with annotations
- ÷ draft documents.

Application of number – level 3

Key skill requirement	AS/A2 unit	Opportunities for development
Plan and carry through at least one substantial and complex activity that includes tasks for N3.1, N3.2 and N3.3		
N3.1 Plan and interpret information from two different types of sources, including a large data set.	1, 2, 3, 4, 5, 6	Students must plan how to obtain and use the information required to meet the purpose of the activity. They must ensure that the relevant information is obtained. There are many examples of activities arising from the specification content that could be used, eg measuring the economic performance of countries with reference to the Retail Price Index, the level of unemployment, the Balance of Payments and Gross Domestic Product (unit 3).
N3.2 Carry out multi-stage calculations to do with: <ul style="list-style-type: none"> a amounts and sizes b scales and proportion c handling statistics d re-arranging and using formulae. <p>You should work with a large data set on at least one occasion.</p>	1, 2, 3, 4, 5, 6	Students need to carry out calculations to appropriate levels of accuracy, clearly showing methods used. Students must ensure that they incorporate checking into the process. Opportunities here could include: measurements and interpretations of price elasticity of supply, price, income and cross elasticity of demand (unit 1).

Key skill requirement	AS/A2 unit	Opportunities for development
<p>N3.3 Interpret results of your calculations, present your findings and justify your methods. You must use at least one graph, one chart and one diagram.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students must select appropriate methods of presentation and justify their choice. Findings must be presented effectively. They must be able to explain how the results of their calculations relate to the purpose of the activity.</p>

Evidence

- ÷ Student evidence for application of number could include:
- ÷ copies of students plans
- ÷ records of information obtained
- ÷ justification of methods used
- ÷ records of calculations showing methods used
- ÷ reports of findings.

Improving own learning and performance – level 3

Key skills requirement	AS/A2 unit	Opportunities for development
<p>Carry through tasks for LP3.1, LP3.2, and LP3.3 over an extended period of time, that include at least:</p> <ul style="list-style-type: none"> ÷ two examples of study-based learning, including at least one complex subject ÷ two examples of activity-based learning, including at least one complex task ÷ one example of using learning from at least two different tasks to meet the demands of a new situation. <p>At least two of these examples must include a period of self-directed learning.</p>	<p>1,2,3,4,5,6</p>	<p>In the AS specification, understanding the application of supply and demand analysis (unit 1) offers the opportunity for each student to set their own particular skills targets in an action plan and work to meet those targets, with appropriate support from others, eg their tutor. In the A2 specification, students could plan to improve their essay writing, examination or data response skills. This key skill can form an effective focus for a tutorial programme or a study skills unit. It can be used to monitor progress and develop career awareness and skills.</p>
<p>LP3.1 Agree targets and plan how these will be met, using support from appropriate others.</p>		

Key skills requirement	AS/A2 unit	Opportunities for development
<p>LP3.2 Use your plan, seeking feedback and support from relevant sources to help meet your targets, and use different ways of learning to meet new demands.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students use their plan effectively when improving their skills. This will involve prioritising action, managing their time effectively and revising their plan as necessary. The student should seek and use feedback and support and draw on different approaches to learning</p>
<p>LP3.3 Review progress establishing evidence of achievements, and agree action for improving performance.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students should review their own progress and the quality of their learning and performance. They should identify targets met, providing evidence of achievements from relevant sources. They should identify with others, eg their tutor, action for improving their performance.</p>

Evidence

Student evidence for improving own learning and performance key skill could include:

- ÷ tutor records
- ÷ annotated action plans
- ÷ records of discussions
- ÷ learning log
- ÷ work produced.

Working with others – level 3

Key skills requirement	AS/A2 unit	Opportunities for development
WO3.1 Plan the activity with others, agreeing objectives, responsibilities and working arrangements.	1, 2, 3, 4, 5, 6	Students could work in groups of 6–8 and investigate a given topic. Initial work will require identifying and agreeing objectives and planning how to meet these, including any necessary action and resources required. The group needs to agree responsibilities and working arrangements. There are examples of topics that could be suitable for group work in each unit in the specification – see, for example, many of those listed under communication, application of number and IT above.
WO3.2 Work towards achieving the agreed objectives, seeking to establish and maintain co-operative working relationships in meeting your responsibilities.	1, 2, 3, 4, 5, 6	When working towards their agreed objectives students could work in pairs with each pair taking a specific perspective(s). Students will need to plan and organise their work effectively so that they meet agreed deadlines and maintain appropriate working relationships.
WO3.2 Review the activity with others against the agreed objectives and agree ways of enhancing collaborative work.	1, 2, 3, 4, 5, 6	Once completed the full group needs to review outcomes against the agreed objectives. In doing this they should identify factors that have influenced the outcome and agree on the ways in which the activity could have been carried out more effectively.

Evidence

Student evidence for working with others key skill could include:

- ✦ tutor observation records
- ✦ preparatory plans
- ✦ records of process and progress made
- ✦ evaluative reports.

Problem solving – level 3

There are numerous economic ‘problems’ that could be used as a focus for this key skill. It is worth noting, however, that such opportunities will not necessarily arise naturally in the delivery of the specification.

Key skills requirement	AS/A2 unit	Opportunities for development
Carry through a complex activity, which includes tasks for PS3.1, PS3.2, PS3.3, and PS3.4, for each of TWO problems.		
PS3.1 Recognise, explore and describe two problems, and agree the standards for their solution.	1, 2, 3, 4, 5, 6	Students will need to identify the problem and explore its main features and agree standards that have to be met to show successful resolution of the problem.
PS3.2 Generate and compare at least two options which could be used to solve each of two problems, and select the best options for taking forward.	1, 2, 3, 4, 5, 6	Students are required to select and use appropriate methods for generating different options for tackling the problem and compare the features of each option, selecting the most suitable one.
PS3.3 Plan and implement at least one option for solving each of two problems, and review progress towards their solution.	1, 2, 3, 4, 5, 6	The implementation of the chosen option will need to be planned and permission gained to implement it. Implementation of the plan should involve full use of support and feedback from others with progress reviews and alterations to the plan as necessary.

Key skills requirement	AS/A2 unit	Opportunities for development
<p>PS3.4 Agree and apply methods for checking whether two problems have been solved, describe the results and review the approaches taken.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>On completion the outcomes need to be checked against the standards agreed at the start. The results of this should be recorded and the approach taken reviewed.</p>

Evidence

Student evidence for problem solving key skill could include:

- ÷ description of the problem
- ÷ tutor records and agreement of standards and approaches
- ÷ annotated action plans
- ÷ records of discussions
- ÷ descriptions of options
- ÷ records of reviews.

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