

# ECONOMICS

**Exam board:** Edexcel

**Assessment methods:** All written papers

**Length of exams:** 3 x 2 hour papers

## **Breakdown of units**

The course content is organised around four themes:

### **Theme 1. Introduction To Markets And Market Failure**

This is one of the two themes that focus on microeconomics. This theme introduces students to the microeconomic nature of economics, looking at economic problems and the ways economists think and work. This theme involves developing an understanding of the way in which markets allocate resources in local, national and international markets through the operation of demand and supply. Having investigated how markets work in real world situations, students then look at a range of situations in which markets might fail before considering possible government intervention to correct market failure.

### **Theme 2. The Uk Economy-Performance And Policies**

This theme is one of the two that focuses on macroeconomics. An understanding of macroeconomics is developed through aggregate demand/aggregate supply analysis. This model is used to analyse changes in output and the price level. Students then go on to examine the use of a range of government policies that can be used to achieve government macroeconomic objectives. Both demand side and supply side policies are examined.

### **Theme 3. Business Behaviour And The Labour Market**

This theme builds on the content of Theme 1 and focuses on business economics. This involves considering the size and growth of firms, and how the structure of markets affects pricing decisions and the nature of competition among firms. Consideration is also given to the various possible business objectives of firms. Supply and demand analysis is applied to the labour market to examine how wages are determined in competitive and non-competitive markets.

The theme also involves an analysis of the ways governments intervene in business in order to promote competition.

### **Theme 4. A Global Perspective**

This is the second macroeconomic theme; as such, it builds on the knowledge and skills gained in Theme 2. Students examine the significance of globalisation, international trade, the balance of payments and exchange rates. The Theme also considers public finance, macroeconomic policies and the role of the financial sector in a global context. Finally, students consider the growth and development of emerging and developing economies.

### **Assessment-Consists Of Three Papers**

PAPER 1. Assesses microeconomics. Based on Themes 1 and 3. Two hours.

PAPER 2. Assesses macroeconomics. Based on Themes 2 and 4. Two hours.

PAPER 3. Assesses content across all four themes. Two hours.

*Updated 19/6/20*