

OXFORD

INTERNATIONAL  
AQA EXAMINATIONS

# INTERNATIONAL AS AND A-LEVEL ECONOMICS

(9640)

Switching from Pearson Edexcel International or Cambridge International Examinations to OxfordAQA AQA Examinations

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For this new International AS and A-level specification, OxfordAQA have blended the best of the AQA specification, which is one of the most popular specifications in England, with some new ideas, new concepts and new approaches to learning to make it more appropriate for international schools.

Teachers will find the specification an ideal vehicle to make International AS and A-level Economics enjoyable and provide the right level of challenge. It allows the freedom to teach Economics in a variety of ways and incorporates key themes and concepts throughout the specification.

The specification has been put together following consultation with teachers who will see this as the ideal choice for students who want to study and excel in Economics at AS level, A-level and beyond.

## TOPIC BY TOPIC COMPARISON

| OXFORDAQA SPECIFICATION (9625)   | PEARSON EDEXCEL INTERNATIONAL SPECIFICATION (XEC01 AND YEC01)   | CAMBRIDGE INTERNATIONAL EXAMINATIONS (CIE) SPECIFICATION (9708)  |
|--|---|--|
| <b>Overall Structure</b>   |   |  |
| <p>The A-level comprises four units, the first two of which comprise the AS level. They are:</p> <ul style="list-style-type: none"> <li>• Unit 1: The operation of markets, market failure and the role of government</li> <li>• Unit 2: The national economy in a global environment</li> <li>• Unit 3: The economics of business behaviour and the distribution of income</li> <li>• Unit 4: Economic development and the global environment.</li> </ul> | <p>The A-level comprises four units, the first two of which comprise the AS level. They are:</p> <ul style="list-style-type: none"> <li>• Unit 1: Markets in action</li> <li>• Unit 2: Macroeconomic performance and policy</li> <li>• Unit 3: Business behaviour</li> <li>• Unit 4: Developments in the global economy.</li> </ul> | <p>The AS and the A-level both comprise five topics. The A-level contains greater depth than the AS qualification and introduces some new concepts. The five topics are:</p> <ul style="list-style-type: none"> <li>• Basic economic ideas and resource allocation</li> <li>• The price system and the micro economy</li> <li>• Government microeconomic intervention</li> <li>• The macro economy</li> <li>• Government macro intervention</li> </ul> |

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|---|--|--|
| <b>Assessment</b>   |  |  |
| <p>AS</p> <p>Two 90 minute papers both comprising 15 multiple choice questions and one data response context with short answer, calculations and longer, essay style, questions.</p> <p>(Each paper has a 50% weighting for AS and contributes 20% towards the A-level)</p> | <p>AS</p> <p>Two 90 minute papers both comprising supported multiple choice questions and the choice of one data response question from a choice of two.</p> <p>(Each paper has a 50% weighting for AS and contributes 25% towards the A-level)</p>  | <p>AS</p> <p>One 60 minute paper comprising 30 multiple choice questions.</p> <p>(40% weighting for AS and 20% towards A-level)</p> <p>One 90 minute paper where students are asked to attempt one data response question and one structured essay from a choice of three.</p> <p>(60% weighting for AS and 30% towards A-level)</p> |
| <p>A2</p> <p>Two 120 minute papers both comprising 10 multiple choice questions, short answer questions, one data response question and one essay style question selected from a choice of two.</p> <p>(Each paper has a 30% weighting for the A-level)</p>                 | <p>A2</p> <p>Two 120 minute papers.</p> <p>For unit 3 students must select two essay style questions from a choice of four and one data response question from a choice of two.</p> <p>For unit 4 students must select one, two part, essay style question from a choice of three topic areas and one data response question from a choice of two.</p> <p>(Each paper has a 25% weighting for the A-level)</p> | <p>A2</p> <p>One 75 minute, 30 question, multiple choice paper</p> <p>(15% weighting for A-level)</p> <p>One 135 minute paper where students are asked to attempt one data response question and two essays from a choice of six.</p> <p>(35% weighting for A-level)</p>   |

**General overview****General note:**

OxfordAQA and Pearson International specifications both divide their subject matter into four units with Units 1 and 2 taught at AS and Units 3 and 4 taught at A2. The Cambridge International divides syllabus content into five units, all of which are all taught at AS and repeated at A2, but in greater depth in the A2 course.

Although many topic areas are the same across the different specifications, the way in which they are organised and assessed varies, sometimes significantly. This means, for example, certain topics may be at specified at AS level in one specification and at A2 level with another. Some topics are unique to a particular specification. For example Unit 4 of the OxfordAQA specification devotes a large section to *Financial Markets* which is not found anywhere in either the Pearson International specification or the Cambridge International specification. Similarly, the Pearson specification, in unit 4, devotes a large section to the role of the state which is not found, as one topic, in the OxfordAQA or Cambridge International specifications, although the relevant topics are addressed elsewhere, across the two specifications. The Cambridge International specification has a section comparing Keynesian and Monetarist theories; a topic that is not covered explicitly by the other two International specifications.

All three specifications have their assessment regime underpinned by four Assessment Objectives (AOs). In each case the wording of the AOs differ slightly but essentially they correspond exactly and relate to: **knowledge and understanding**; **applying** that knowledge and understanding; **analysing** events and issues and finally **evaluating** economic arguments, issues and policies. Interestingly, where the specifications do differ is in in the weighting given to the four AOs and the table below indicates these differences.

**A COMPARISON OF THE PERCENTAGE WEIGHTING GIVEN TO EACH AO BY THE THREE SPECIFICATIONS**

|                               | OxfordAQA |         | Pearson International |         | Cambridge International |         |
|-------------------------------|-----------|---------|-----------------------|---------|-------------------------|---------|
|                               | AS        | A-level | AS                    | A-level | AS                      | A-level |
| AO1 – Knowledge/Understanding | 28 – 32   | 24 – 28 | 30                    | 25      | 30                      | 30      |
| AO2 – Application             | 28 – 32   | 25 – 29 | 30                    | 25      | 20                      | 20      |
| AO3 – Analysis                | 22 – 28   | 26 – 30 | 20                    | 25      | 30                      | 30      |
| AO4 – Evaluation              | 12 – 18   | 18 – 22 | 20                    | 25      | 20                      | 20      |

The OxfordAQA and Pearson International specifications are the most similar. Both have four units covering largely the same subject matter. The Pearson International specification tends to be less detailed than the OxfordAQA specification. This is not to suggest that the Pearson International specification is lighter on content, for much will be implied (that is explicit in the OxfordAQA specification) from specification statements.

Clearly the greatest differences between the three specifications are found in the style and nature of assessment.

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| <b>Unit 1 – The operation of markets, market failure and the role of government</b>  | <b>Unit 1 – Markets in action</b>  | <b>AS</b>  |
| <p><b>3.1.1</b></p> <p><b>The economic problem and methodology</b></p> <p>The basic economic problem, factors of production, scarcity and possible solutions are central to this section. The extent to which economics is a science is covered, as is the construction of a production possibility frontier to represent the basic economic problem and opportunity cost.</p> | <p>This unit covers largely the same topics in the OxfordAQA specification but, in addition, it introduces:</p> <ul style="list-style-type: none"> <li>• Role of money (OxfordAQA do not introduce this until unit 4)</li> <li>• The concept of diminishing marginal utility (OxfordAQA do not introduce this until unit 3)</li> <li>• qualifications to the concept of consumer rationality (OxfordAQA do not introduce this until unit 3)</li> </ul> | <p>A unit by unit comparison of the Cambridge International specification with the OxfordAQA specification is difficult, as the Cambridge International requires teachers to teach the same five units at both AS and A2 level – but in a greater level of detail at A2.</p> <p><b>The simplest way to make a valid comparison between the two specifications is to look at topics studied at AS and then carry out the same exercise for A2.</b></p> <p>This reveals:</p> |
| <p><b>3.1.2</b></p> <p><b>How markets work</b></p> <p>Factors affecting both demand and supply; shifts in curves; elasticity; substitutes, complements; normal and inferior goods are form the basis of this section. Market equilibrium and shifts in equilibrium along with</p>  | <ul style="list-style-type: none"> <li>• consumer and producer surplus (OxfordAQA do not introduce this until unit 3)</li> <li>• impact of tax and subsidy on market equilibrium (there is no explicit reference to this in the OxfordAQA specification although the impact of indirect taxation on the SRAS curve is listed</li> </ul>  | <p>Topics covered by the Cambridge International specification at AS level and not included in the OxfordAQA AS level specification are:</p> <ul style="list-style-type: none"> <li>• types and functions of money (OxfordAQA introduce this topic at A2)</li> <li>• consumer and producer surplus</li> </ul>  |

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| <p>the three functions of price are considered.</p> <p>Construction of demand and supply diagrams are developed as are the calculation of numerical values for elasticities.</p>   | <p>under section 3.2.2.5)</p> <ul style="list-style-type: none"> <li>wage determination in labour markets (OxfordAQA do not introduce this until unit 3).</li> </ul>   | <p>(OxfordAQA introduce this topic at A2)</p> <ul style="list-style-type: none"> <li>maximum and minimum pricing (OxfordAQA consider the issue of minimum wages at A2)</li> <li>diminishing marginal utility (OxfordAQA introduce this topic at A2).</li> </ul>   |
| <p><b>3.1.3</b></p> <p><b>An introduction to production, costs, revenue and profit</b></p> <p>Converting inputs into outputs; productivity; specialisation and the division of labour; an introduction to costs and the calculation of total and average cost along with a consideration of economies and diseconomies of scale.</p> | <p>Topics that are explicit in the OxfordAQA specification but not mentioned in the Pearson Specification Unit 1:</p> <ul style="list-style-type: none"> <li>normal and inferior goods</li> <li>causes of fluctuations in commodity prices, including speculation</li> <li>how changes in one market may affect another eg joint demand, composite demand, derived demand and joint supply</li> <li>the 'tragedy of the commons'</li> <li>the Pearson specification, Unit 1 has little that corresponds to 3.1.3 and 3.1.4 leaving these topics until Unit 3 at A2.</li> </ul> | <p>Topics explicitly covered by the OxfordAQA specification at AS level and not formally included in the Cambridge International AS level specification :</p> <ul style="list-style-type: none"> <li>productivity (Cambridge International consider the issue of labour productivity at A2).</li> </ul> |
| <p><b>3.1.4</b></p> <p><b>Competitive and concentrated markets</b></p> <p>An introduction to various market structures; profit maximisation and other possible objectives of firms through the study of perfect competition, monopoly and monopoly power without drawing diagrams to represent these market structures.</p>          |  |   |

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| <p><b>3.1.5</b></p> <p><b>Market failure and government intervention in markets</b></p> <p>Types of market failure including positive and negative externalities, public and merit goods. Students are not required to draw MSB / MSC diagrams. Also, in this section inequality of income and wealth are considered, along with government intervention in markets and the possibility of government failure.</p> |   |   |

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| <b>Unit 2 – The national economy in a global environment</b>   | <b>Unit 2 – Macroeconomic performance and policy</b>   | <b>AS</b>   |
| <p><b>3.2.1</b><br/><b>The measurement of macroeconomic performance</b><br/>Government objectives, possible conflicts along with economic indicators are introduced in this section.</p> | <p>The OxfordAQA and Pearson International Unit 2 specifications are very similar.</p> <p>It is clear that the OxfordAQA specification is much more detailed, often providing a number of bullet points for a topic which warrants only one short sentence in the Pearson International specification. A good example of this can be found under the heading of “Fiscal Policy, where the OxfordAQA specification lists nine points to the single statement in the Pearson International specification for this topic.</p> <p>For this reason it is difficult to make assumptions of what might not be implied the Pearson International specification, in certain areas.</p> <p>Topics that are clearly explicit in the OxfordAQA specification but not mentioned in the Pearson Specification Unit 2:</p> <ul style="list-style-type: none"> <li>• Gini coefficient and Lorenz curve (The Pearson International specification introduces this in Unit 4)</li> <li>• Basic accelerator process</li> </ul> |   |
| <p><b>3.2.2</b><br/><b>How the macroeconomy works</b><br/>The circular flow of income and simple AD/AS analysis.</p>   |  |   |
| <p><b>3.2.3</b><br/><b>Economic performance</b><br/>Short and long run growth, output gaps are developed along with a consideration of the main macroeconomic targets.</p>               |  |   |
| <p><b>3.2.4</b><br/><b>Macroeconomic policy</b><br/>An introduction to monetary, fiscal and supply-side policies.</p>  |  |   |



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| <b>Unit 3 – The economics of business behaviour and the distribution of income</b>  | <b>Unit 3 – Business behaviour</b>  | <b>A2</b>   |
| <p><b>3.3.1</b></p> <p><b>The objectives of individuals and firms</b></p> <p>Utility theory is developed to explain the likely shape of demand curves alongside behavioural influences on decision making.</p> <p>The various possible objectives of firms are considered, followed by a section on how and why firms grow.</p> | <p>As with the AS units, both the OxfordAQA and Pearson International, Unit 2, specifications are very similar.</p> <p>It is clear that the OxfordAQA specification is again, much more detailed. For example, the Pearson International specification lists nine bullet points under the general heading “costs” whereas the OxfordAQA specification gives a whole page of detail for the same topic.</p> <p>The Pearson International specification Unit 3 has a specific section on TNCs. The OxfordAQA specification introduces a consideration of TNCs in Unit 4. Whereas the Pearson International specification introduces monopsony in the section on markets, the OxfordAQA specification does not consider monopsony until later in Unit 3 under the section on labour markets.</p> <p>Finally, the OxfordAQA specification, Unit 3, includes a section on Poverty and Inequality. The Pearson International specification introduces this in Unit 4.</p> | <p>Topics covered by the Cambridge International specification at A2 and not included in the OxfordAQA A2 specification:</p> <ul style="list-style-type: none"> <li>• indifference curves</li> <li>• Keynesian and Monetarist schools of thought</li> <li>• the demand for money and liquidity preference theory</li> <li>• the Laffer Curve.</li> </ul> <p>Topics covered by the OxfordAQA specification at A2 and not included in the Cambridge International A2 specification:</p> <ul style="list-style-type: none"> <li>• technological change</li> <li>• a formal section on globalisation</li> <li>• financial markets.</li> </ul> |

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| <p><b>3.3.2</b></p> <p><b>Costs, revenues and profits</b></p> <p>The law of diminishing returns is developed and used derive cost curves. The concepts of short and long run are explained and students are expected to consider the concept of “the margin”; marginal cost and revenue. Finally, this section covers the role of profit and the role of technological change.</p>  |   |   |
| <p><b>3.3.3</b></p> <p><b>Perfect competition, imperfectly competitive markets and monopoly</b></p> <p>A much more detailed consideration, than was the case at AS, of the main market structures is central to this section. Monopolistic competition, oligopoly, collusion, price discrimination and contestable markets are all included, followed by a consideration of efficiency, consumer and producer surplus and the regulation of market power, including public ownership.</p> |   |   |

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| <p><b>3.3.4</b></p> <p><b>The labour market</b></p> <p>Marginal productivity theory is developed to derive the demand curve for labour. This is then developed to consider the determination of wages in competitive and imperfectly competitive labour markets. The section concludes with an analysis of government intervention in the determination of wages.</p> |   |   |
| <p><b>3.3.5</b></p> <p><b>Poverty and inequality</b></p> <p>The distribution of income and wealth; Lorenz curves and the Gini coefficient are developed before a consideration of governmental attempts to reduce poverty and reduce inequality.</p>  |   |   |

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| <b>Unit 4 – Economic development and the global environment</b>  | <b>Unit 4 – Developments in the global economy</b>   | <b>A2</b>   |
| <p><b>3.4.1</b><br/><b>Globalisation and trade</b></p> <p>Characteristics and causes of globalization; the role of TNCs; the justification for promoting trade – the theory of comparative advantage; protectionism and trading blocs and WTO form the basis of this section.</p>  | <p>In many respects Unit 4 for both the Oxford and Pearson International specifications are covering the same material with the following differences:</p> <p>The OxfordAQA specification includes a section on Financial markets.</p> <p>Topics that are explicit in the Pearson International Specification but not mentioned in the OxfordAQA Specification Unit 4 are:</p> |   |
| <p><b>3.4.2</b><br/><b>The balance of payments, exchange rates and financial markets</b></p> <p>The current account of the balance of payments is examined along with the causes and effects of imbalance in the accounts.</p> <p>Floating and managed exchange rate systems are compared and evaluated along with the role of the IMF.</p> <p>Characteristics and functions of money; money, capital and foreign exchange markets are considered alongside the role of central banks and financial stability.</p> | <ul style="list-style-type: none"> <li>• The role of the state in the macroeconomy (OxfordAQA first addresses this topic in Unit 2, followed by many subsequent references)</li> <li>• Poverty and Inequality (OxfordAQA covers this in unit 3)</li> </ul>   |   |

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| <p><b>3.4.3</b></p> <p><b>Economic growth and development</b></p> <p>Measuring growth, development and living standards using a variety of indicators and a consideration of factors that impact upon economic development, including policies to promote development.</p> |   |   |



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