

# OxfordAQA

# International GCSE

## Economics (9214)

## Scheme of work

For teaching from September 2023 onwards  
For International GCSE exams in June 2025 onwards

# Introduction

This outline scheme of work is intended to help teachers plan and implement the teaching of the Oxford AQA International GCSE Economics (9214) specification. The purpose of this outline scheme is to provide advice and guidance to teachers, not to prescribe and restrict their approach to the specification. Each scheme has been produced by a practicing subject teacher. There are obviously many other ways of organising the work, and there is absolutely no requirement to use this scheme.

## Assumed coverage and teaching hours

This scheme assumes that the GCSE Economics 9214 content is a two year GCSE course, with approximately 65 taught hours per year (approximately 2 hours per week). Work would also need to be completed outside of lessons, although this would ultimately depend on the amount of contact time available and the extent to which assessment activities take place within lesson time.

The scheme of work has been broken down into the following for each year:

- How markets work (80 hours total, 65 hours teaching time).
- How economies work (80 hours total, 65 hours teaching time).

# How markets work

## Specification reference

- 3.1.1 Economic foundations

## Total teaching time

- Approximately 5 hours + 2 hours for assessment activities

## Specification content

- 3.1.1.1 Economic activity
- 3.1.1.2 The factors of production
- 3.1.1.3 Making choices

## Skills developed

- Note-making, note-taking plus appropriate use of textbooks and other resources.
- Subject specific terminology.
- Critical thinking and reasoning through understanding the rewards of each factor of production.
- Thinking critically about the motivations for and effects of choices and use of analysis and reasoning to formulate conclusions.

## Learning outcomes

- **Economic activity**  
Students will be able to understand:
  - the difference between a need and a want, and how these can change over time
  - the central purpose of economic activity is the production of goods and services to satisfy needs and wants
  - the key economic decisions are: what to produce, how to produce, and who is to benefit from the goods and services produced
  - consumers, producers and government are the main economic groups, the interactions between the main economic groups.
- **The factors of production**  
Students will be able to:
  - understand the nature of an economic resource
  - identify and understand examples of the four factors of production (land, labour, capital and enterprise) and the reward accrued to each.
- **Making choices**  
Students will be able to understand:
  - how and why choices are made, and how costs and benefits can be weighed up to make a choice
  - the concept of opportunity cost in the context of economic activity.

## Suggested activities

- **Economic activity**

Introduction: non-economic ice-breakers, course administration, ground rules and looking at preparatory tasks.

Interactions between the main economic groups: teacher-led discussion giving examples of the main economic groups and how they interact with each other.

- **The factors of production**

Economic resources: Student activity separating resources into categories of land, labour, capital and enterprise.

- **Making choices**

The basic economic problem: teacher-led presentation of the basic economic problem and what, how and for whom to produce.

Scarcity: teacher-led look at how choices have an opportunity cost. This could be in the context of the students' lives for example buying a new phone.

## Resources

- Camping decisions – have a list of items for a camping weekend. Which items are needs and which items are wants?
- For reference – [factors of production](#)
- [Marshmallow challenge – choices and opportunity cost](#)

## Specification reference

- 3.1.2 Resource allocation

## Teaching time

- Approximately 5 hours + 2 hours for assessment activities

## Specification content

- 3.1.2.1 Markets and allocation of resources
- 3.1.2.2 Economic sectors
- 3.1.2.3 Specialisation, division of labour and exchange.

## Skills developed

- Subject specific terminology.
- Note-making, note-taking, plus appropriate use of textbooks and other resources.

## Learning outcomes

- **Markets and allocation of resources**

Students will be able to understand:

- a market is an opportunity for buyers and sellers to interact in order to establish price
- the role of markets in allocating scarce resources
- the difference between factor and product markets.

- **Economic sectors**

Students will be able to understand:

- the meaning of primary, secondary and tertiary sectors and how their relative sizes may change over time
- the difference between a good and a service.

- **Specialisation, division of labour and exchange**

Students will be able to understand:

- the meaning and types of specialisation and the division of labour
- how and why individuals and producers specialise
- the costs and benefits associated with the division of labour, both to the worker and to the firm.
- the costs and benefits to countries of specialising in the production of a narrow range of goods/services.

## Suggested activities

- **Markets and allocation of resources**

Factor and product markets: student activity separating markets into product or factor markets.

- **Economic sectors**

Primary, secondary and tertiary sectors: teacher-led presentation on the nature of the sectors and how to identify them. Could give examples and ask the students to correctly classify them.

Goods and services: student activity identifying examples as either goods or services.

- **Specialisation, division of labour and exchange**  
Specialisation: teacher-led discussion on the nature of specialisation and the division of labour.

## Resources

- [Primary, secondary and tertiary sectors](#)
- Goods vs services – [BBC Bitesize webpage](#)
- [Specialization at Henry Ford](#)

## Specification reference

- 3.1.3 How prices are determined

## Teaching time

- Approximately 20 hours + 4 hours for assessment activities

## Specification content

- 3.1.3.1 Demands for goods and services
- 3.1.3.2 Supply of goods and services
- 3.1.3.3 Equilibrium price
- 3.1.3.4 Intermarket relationships
- 3.1.3.5 Price elasticity of demand
- 3.1.3.6 Price elasticity of supply.

## Skills developed

- Basic demand diagrams, calculations, including percentage changes. Analysing and reasoning skills.
- Use of supply and demand diagrams to show the effects of changes in supply and/or demand plus accompanying logical analysis.
- Diagrammatical analysis and interpretation.
- Group work skills.

## Learning outcomes

- **Demand for goods and services**  
Students will be able to understand:
  - what is meant by the demand for a good or service
  - the factors which influence demand
  - how to construct an individual demand curve from consumer data
  - the difference between shifts of, and movements along, the demand curve.
- **Supply of goods and services**  
Students will be able to understand:
  - what is meant by the supply of a good or service
  - the factors which influence supply
  - how to construct an individual firm's supply curve from production data
  - the difference between shifts of, and movements along, the supply curve.
- **Equilibrium price**  
Students will be able to understand:
  - how the interaction between supply and demand determines equilibrium price using a supply and demand diagram
  - why excess demand and excess supply can lead to changes in price
  - how to use supply and demand diagrams to understand the impact of changes in equilibrium market prices
  - how demand and supply curves can be applied to a variety of real-world markets
  - how to demonstrate revenue on a demand and supply diagram.

- **Intermarket relationships**

Students will be able to understand:

- the meaning of complementary and substitute goods
- the impact of changes in demand, supply and price in one market on other related markets.

- **Price elasticity of demand**

Students will be able to understand:

- that changes in price do not always cause equivalent changes in demand
- the factors that affect price elasticity of demand
- the difference between price elastic demand and price inelastic demand
- that price elasticity of demand is measured as the percentage change in quantity demanded, divided by the percentage change in price and be able to perform calculations from given data
- the implications of price elasticity of demand for producers and consumers
- that cross elasticity of demand is measured as the percentage change in quantity demanded of one good, divided by the percentage in price of a second good and be able to perform calculations from given data.

- **Price elasticity of supply**

Students will be able to understand:

- that changes in price do not always cause equivalent changes in supply
- the factors that affect price elasticity of supply
- the difference between price elastic supply and price inelastic supply
- that price elasticity of supply is measured as the percentage change in quantity supplied, divided by the percentage change in price and be able to perform calculations from given data
- the implications of price elasticity of supply on producers and consumers.

## Suggested activities

- **Demands for goods and services**

Demand: teacher-led discussion introducing the concept of demand.

Factors affecting demand: teacher-led activity asking students to choose between two items, introducing this result as the demand. The quality and price of the items can be changed to demonstrate how these can influence demand.

Plotting demand: student-focused activities based upon plotting demand curves based upon provided figures for demand.

Real world scenarios: examples of real-world scenarios and the effects on demand using combinations of current news clips or articles from the news.

- **Supply of goods and services**

Supply: teacher-led discussion introducing the concept of supply.

Plotting supply: student- focused activities based upon plotting supply curves based upon provided figures for supply.



- **Equilibrium price**

Equilibrium price: teacher-led explanation and presentation of the concept of equilibrium and explanation of market forces determining the price of goods and services.

Equilibrium on demand and supply curves: use of demand and supply curves to identify equilibrium.

Real world examples: teacher-led presentation and use of real-world examples found in newspapers to illustrate how events affect the equilibrium price in various markets.

- **Intermarket relationships**

Complements and substitutes: teacher-led discussion using examples of complementary and substitute goods. Students could be asked to provide a complementary or substitute good in response to an example good, or to state whether two examples are complementary or substitute.

Teacher-led discussion on inter-market relationships. For example, if the demand for electric cars goes up, what will happen to the demand for petrol?

More able students will be able to appreciate the variety of ways that markets could be linked and how changes in one could affect changes in others, and express this using appropriate economic terminology.

- **Price elasticity of demand**

Elasticity: teacher-led discussion focusing on how changes in price can affect the demand for example items, for example a necessity compared to a luxury good.

Student activity and discussion involving identifying different goods as more likely to have elastic or inelastic demand.

Real world examples: teacher-led discussion focusing on real world examples such as food and/or fuel prices. Students could be asked whether they would still buy a snack or pen that cost x amount more.

- **Price elasticity of supply**

Elasticity: teacher-led discussion focusing on how changes in price can affect the supply in example situations, for example when a firm has lots of spare stock or when they have no more raw materials.

## Resources

- [Article on supplies of spinach running out](#)
- [Tutor2u presentation on factors influencing supply](#)
- [Record high price for avocado](#)
- [Tutor2u presentation on demand and supply for strawberries](#)
- [Electric cars and diesel cars - Sky news article](#)
- [Tutor2u presentation on intermarket relationships](#)
- [For reference: PED](#)

## Specification reference

- 3.1.4 Production, costs, revenue and profit

## Teaching time

- Approximately 10 hours + 2 hours for assessment activities

## Specification content

- 3.1.4.1 The importance of cost, revenue and profit for producers
- 3.1.4.2 Production and productivity
- 3.1.4.3 Economies of scale

## Skills developed

- Calculations of totals and averages.
- Group work skills.
- Analytical and reasoning skills.
- Subject specific terminology.

## Learning outcomes

- **The importance of cost, revenue and profit for producers**  
Students will be able to understand:
  - business objectives, including profit, sales growth and increasing market share
  - how to identify and calculate Total and Average, Fixed and Variable costs
  - how to identify and calculate Total and Average Revenues
  - that total revenue – total costs = profit, and that a firm may aim to increase its profits by reducing average costs and/or increasing revenues
  - that higher prices imply higher profits and that this will provide the incentive for producers to expand production
  - that the motivations of producers may conflict with ethical and moral interests and how producers might respond.
- **Production and productivity**  
Students will be able to understand:
  - the difference between production and productivity
  - how to measure productivity using simple data
  - the benefits of increased productivity.
- **Economies of scale**  
Students will be able to understand:
  - economies of scale as the effect on average costs of a rise in production
  - the implications and effects of economies of scale on business behaviour
  - the costs and benefits of growth for a business
  - the different types of economy of scale, including managerial, purchasing, financial, technical and risk-bearing
  - the meaning and causes of diseconomies of scale.

## Suggested activities

- **The importance of cost, revenue and profit for producers**

Costs: teacher-led discussion on the types of cost: total, average, fixed and variable.  
Student activity sorting a list of different costs into their appropriate groups.

Revenues: teacher-led discussion on the types of revenues: Total and Average.  
Student activity calculating total and average costs for a variety of given example data.

- **Production and productivity**

Production: teacher-led activities explaining the nature of production.

Productivity: Teacher introduces the concept of productivity. Students can be told to consider output per input, and as a group suggest examples of benefits of increased productivity.

- **Economies of scale**

Economies of scale: teacher-led discussion to introduce the concept of economies of scale and their link to increased production.

Student activity discussing examples of economies of scale such as 'bulk buying', leading to possible discounts from the supplier.

Diseconomies of scale: students to identify why firms may not always benefit from growing because of communication problems or issues with control.

## Resources

- [BBC Bitesize article on business costs and revenues](#)
- [BBC Bitesize article on economies of scale](#)

## Specification reference

- 3.1.5 Competitive and concentrated markets

## Teaching time

- Approximately 15 hours + 3 hours for assessment activities

## Specification content

- 3.1.5.1 The importance of market structures on producers and consumers
- 3.1.5.2 Competitive markets
- 3.1.5.3 Non-competitive markets
- 3.1.5.4 The labour market.

## Skills developed

- Evaluative skills.
- Reasoning.
- Research skills.
- Note making.
- Group work skills
- Diagrammatical analysis and interpretation.

## Learning outcomes

- **The importance of market structures on producers and consumers**  
Students will be able to understand:
  - that there is a range of market structures
  - factors such as the number of producers, the degree of product differentiation and ease of entry as being used to distinguish between different market structures.
- **Competitive markets**  
Students will be able to understand:
  - what is meant by a competitive market
  - how producers operate in a competitive market
  - the economic impact of competition on consumers, producers and workers
  - why profits are likely to be lower in a competitive market than one that is dominated by a small number of producers.
- **Non-competitive markets**  
Students will be able to understand:
  - what is meant by a non-competitive market
  - how producers operate in a non-competitive market
  - the meaning of monopoly
  - the meaning of oligopoly
  - the causes and consequences of monopolistic and oligopolistic power.
- **The labour market**  
Students will be able to understand:
  - wage determination using simple demand and supply analysis
  - wage differentials within and between occupations

## Suggested activities

- **The importance of market structures on producers and consumers**

Comparing structures: students to read about how the different structures can be compared, including factors such as number of producers and the degree of product differentiation.

Structures: teacher-led presentation of the 'spectrum of competition'. Students to identify characteristics of each market. A table could be used with blanks for the different characteristics.

Real world firms: students to identify where real-world examples fall on the spectrum of competition.

- **Competitive markets**

Competitive markets: students to complete a case study of an individual market which may be in perfect competition. Explanation of what makes a market competitive such as an absence of the barriers to entry.

Teacher-led discussion on how competition affects consumers, producers and workers.

- **Non-competitive markets**

Non-competitive markets: students to complete a case study of an individual market which may be a monopoly or oligopoly. Explanation of what makes a market non-competitive such as large barriers to entry.

Advantages and disadvantages of monopoly and oligopoly: student-focused activity looking at costs and benefits of monopoly and oligopoly.

Monopoly: teacher-led activity explaining monopoly and market failure. Analysis of why firms may wish to gain monopoly power.

Real world examples: investigation of examples of a range of industries with different market structures, including how they have been affected by recent changes, such as the internet and globalisation.

- **The labour market**

The labour market: teacher-led discussion on how wages are determined and the causes of differentials between professions.

Wage determination: student activity identifying the factors that influence the wages of real-life professions such as doctors and cleaners.

## Resources

- [Tutor2u presentations introducing market structures \(ignore monopolistic competition\)](#)

## Specification reference

- 3.1.6 Market failure

## Teaching time

- Approximately 10 hours + 2 hours for assessment activities

## Specification content

- 3.1.6.1 Misallocation of resources
- 3.1.6.2 Externalities

## Skills developed

- Evaluation and reasoning skills.
- Note making and research skills.
- Presentation skills.
- Application of economic reasoning.

## Learning outcomes

- **Misallocation of resources**  
Students will be able to understand:
  - market failure as the inability of the market system to allocate resources efficiently
  - the costs associated with misallocation of resources
  - methods of government intervention to counter misallocation of resources.
- **Externalities**  
Students will be able to understand:
  - externalities as the difference between social costs/benefits and private costs/benefits
  - that production and consumption can lead to negative externalities.
  - the difference between positive and negative externalities.

## Suggested activities

- **Misallocation of resources**  
Misallocation of resources: teacher-led discussion on the subject of why the market may not work efficiently or why government intervention may sometimes be required.  
  
Methods of intervention: teacher-led discussion on the methods of government intervention including subsidies and indirect taxation.  
  
Real world examples: using news sources, students research and consider markets which may not be working well, or situations where the government has intervened.
- **Externalities**  
Costs and benefits: teacher-led discussion on the nature of social costs/benefits and private costs/ benefits.  
  
Student activity identifying whether example costs and benefits are social or private.  
  
Externalities: teacher-led discussion on the nature of externalities giving examples of both positive and negative.

Real world examples: students to research and assess real world examples of externalities to support the idea that production and consumption can lead to negative externalities.

## Resources

- [Tutor2u introduction to market failure, including externalities](#)

# How economies work

## Specification reference

- 3.2.1 Introduction to the national economy

## Teaching time

- Approximately 9 hours + 2 hours for assessment activities

## Specification content

- 3.2.1.1 Interest rates, saving, borrowing, spending and investment
- 3.2.1.2 Government income and expenditure

## Skills developed

- Analytical and reasoning skills
- Subject-specific terminology
- Group-work skills.

## Learning outcomes

- **Interest rates, saving, borrowing, spending and investment**

Students will be able to understand:

- what is meant by an interest rate
- how changes in interest rates affect consumers' decisions to save, borrow or spend
- how changes in interest rates affect producers' decisions to save, borrow or invest.

- **Government income and expenditure**

Students will be able to understand:

- the main sources of government revenue
- the main areas of government spending
- the difference between direct and indirect taxation
- that some taxes can be progressive and others regressive.

## Suggested activities

- **Interest rates, saving, borrowing, spending and investment**

Interest rates: teacher-led discussion on the nature of interest rates including sharia compliant alternatives and how they will affect savers and borrowers.

Student activity identifying the likely effects on savers, borrowers and spenders of increases/decreases in the interest rate.

- **Government income and expenditure**

Government revenue and spending: teacher-led discussion on the main sources of government revenue and spending.

Taxation: teacher-led activity on the different types of taxation. Students can be given examples of taxes and how they work and be asked to correctly classify these as direct or indirect.

Teacher led discussion on the nature of progressive and regressive taxes, using the example of income tax.



## Specification reference

- 3.2.2 Government objectives

## Teaching time

- Approximately 20 hours + 3 hours for assessment activities

## Specification content

- 3.2.2.1 Economic objectives of a government
- 3.2.2.2 Economic growth and development
- 3.2.2.3 Employment and unemployment
- 3.2.2.4 Inflation and price stability
- 3.2.2.5 Balance of payments
- 3.2.2.6 Distribution of income

## Skills developed

- Subject specific terminology.
- Research skills.
- Note making.
- Presentation skills.
- Diagrammatical analysis and interpretation of growth rates.
- Quantitative skills
- Reasoning and analytical skills
- Analytical skills and understanding of inflation.
- Real world application of economic theory.

## Learning outcomes

- **Economic objectives of a government**

Students will be able to understand:

- the principal objectives of government policies (maintaining full employment, ensuring price stability, achieving economic growth & having a balance of payments)
- that policies used to achieve one objective can have a negative impact on achieving other objectives
- that there are other government objectives such as reducing inequality and managing environmental change
- how the pursuit of a government objective can negatively affect groups of people and conflict with other objectives.

- **Economic growth and development**

Students will be able to understand:

- what is meant by economic growth and its significance to economies
- the difference between GDP and real GDP and GDP per capita and be able to perform simple calculations involving these measurements.
- the meaning of economic development and how this differs from economic growth

- **Employment and unemployment**

Students will be able to understand:

- the main types of unemployment, such as structural, seasonal, frictional and cyclical, and be able to explain the factors that cause these
- the consequences of unemployment for different groups within the economy.

- **Inflation and price stability**  
Students will be able to understand:
  - what is meant by inflation and the rate of inflation
  - how the rate of inflation can be measured using price indices
  - how to perform simple calculations using price index figures
  - the causes of inflation, including cost-push and demand-pull inflation
  - the consequences of inflation to different groups within the economy.
- **Balance of payments**  
Students will be able to understand:
  - how to perform simple calculations using current account balance of payments figures
  - the meaning and significance of a balance of payments deficit and surplus on the current account
  - the reasons for a balance of payments deficit or surplus on the current account.
- **Distribution of income**  
Students will be able to understand:
  - the distribution of income
  - how inequality in the distribution of income can occur
  - how redistribution of income and wealth can be achieved through taxation and government spending

## Suggested activities

- **Economic objectives of a government**  
Main government objectives: teacher-led discussion to explain the four main government objectives and why they are desirable.

Teacher-led activity on how pursuit of one objective can lead to a worsening of another objective.

Real world examples: students can research into latest figures and/or recent trends for each of the government's objectives.

- **Economic growth and development**  
GDP: teacher-led activities on interpreting GDP figures, explaining issues such as 'per capita' and 'real'.

Student activity with simple calculations of real GDP and GDP per capita from provided example data.

Costs and benefits of growth: teacher-led presentation on the costs and benefits of economic growth possibly using clips from developing economies.

Real world examples: student activity researching the data for several countries demonstrating relative economic growth.

- **Employment and unemployment**  
Unemployment: students introduced to the topic of unemployment through the use of contemporary news clips.

Types of unemployment: teacher-led presentation on the types of unemployment, causes and solutions.

Student activity discussing the effects of the different types of unemployment on different groups in the economy.

- **Inflation and price stability**

Inflation: teacher-led presentation of inflation and the various ways it can be measured, focusing on price indices.

Types of inflation: teacher-led activity discussing the nature of cost push and demand pull inflation.

Inflation and government policy: a brief introduction to how inflation can be controlled using government policy.

Real world examples: students to conduct research to find cases of inflation or hyperinflation, or historical data on the rates of inflation in recent years.

- **Balance of payments**

Trade: an introduction to trade possibly looking at major export and import partners and the value of trade with other countries.

The balance of payments: students to develop an understanding of the trade in goods and services and understand the importance of the current account in terms of a deficit or surplus.

Real world examples: students could conduct an investigation into recent figures and trends in the balance of payments on current account.

- **Distribution of income**

Inequality: teacher-led activity on the nature of inequality and definitions of wealth and income inequality.

Students can conduct research into real world cases of these kinds of inequality and present their findings about the consequences.

Government policies involving inequality: teacher-led presentation on how governments can seek to address inequality and redistribute income and wealth.

## Resources

- [Economic growth in Africa - BBC article](#)
- [World Bank website](#)
- [Bank of England Inflation Calculator](#)
- [Bank of England Educational resources](#)
- [IMF website, useful for researching international price indices](#)
- [UNCTAD website \(United Nations Conference on Trade and Development\)](#)
- [Video - income inequality UK](#)
- [World Bank website](#)
- [UNDP \(United Nations Development Programme\) website](#)

## Specification reference

- 3.2.3 How governments manage their economies

## Teaching time

- Approximately 20 hours + 3 hours for assessment activities

## Specification content

- 3.2.3.1 Fiscal policy
- 3.2.3.2 Monetary policy
- 3.2.3.3 Supply-side policies
- 3.2.3.4 Policies to correct positive and negative externalities

## Skills developed

- Research skills
- Subject-specific terminology
- Presentation skills
- Real-world application of economic theory
- Analytical skills

## Learning outcomes

- **Fiscal policy**  
Students will be able to understand:
  - how fiscal policy can affect levels of income and expenditure within the economy
  - how fiscal policy can be used to achieve government objectives
  - the meaning of a balanced budget and explain the consequences of operating a budget surplus and deficit.
- **Monetary policy**  
Students will be able to understand:
  - what is meant by monetary policy
  - how monetary policy can be used to achieve the government objective of controlling inflation.
  - how monetary policies can be used to achieve other government economic objectives.
- **Supply-side policies**  
Students will be able to understand:
  - the advantages and disadvantages of supply-side policies
  - supply-side policies such as: investment in education and training, lower direct taxes, lower taxes on business profits and privatisation/de-regulation
  - how supply-side policies can be used to help achieve government objectives.
- **Policies to correct positive and negative externalities**
  - Students will be able to understand government policies designed to influence positive and negative externalities.

## Suggested activities

- **Fiscal policy**

Fiscal policy introduction: a suitable starting point may be to identify the major areas of government spending or major taxes. Students to identify why spending in these areas is important.

Teacher-led activities explaining how fiscal policy affects the levels of income and expenditure within the economy.

The budget: students can conduct research into the government budget. Teacher-led explanation of budget surplus and deficit, and the consequences of each.

- **Monetary policy**

Monetary policy introduction: teacher-led presentation of monetary policy.

Controlling inflation: teacher-led activity on the subject of how interest rates are linked with inflation. Students can be asked to identify how a decrease in interest rates would first affect spending, saving and borrowing, and then how these could affect inflation.

Real world examples: students to research recent monetary policy and consider the reasons for and effects of this policy.

- **Supply-side policies**

Supply side policy: teacher-led presentation of supply-side policy and the objectives of such policies.

Student activity identifying possible effects of specific supply side policies such as investment in education and training, lower direct taxes, and lower taxes on business profits.

Government objectives: students to assess the effects on the government objectives of supply side policy. For example, how would investment in education and training affect the level of unemployment?

- **Policies to correct positive and negative externalities**

Government policies: teacher-led discussion on the tools used by governments to influence positive and negative externalities.

Real world examples: students should conduct research into negative externalities in the real world and how the government has attempted to reduce the impact of these.

## Resources

- [UK Treasury website](#)
- [Bank of England Educational Resources](#)
- [Bank of China website \(English language version\)](#)
- [Sugar tax article](#)
- [Daily Mail article on cigarette packaging](#)

## Specification reference

- 3.2.4 International trade and the global economy

## Teaching time

- Approximately 15 hours + 2 hours for assessment activities

## Specification content

- 3.2.4.1 Why countries trade and the importance of international trade
- 3.2.4.2 Exchange rates
- 3.2.4.3 Globalisation benefits and drawbacks

## Skills developed

- Analytical skills.
- Real world application of economic theory.
- Research skills.
- Reasoning skills
- Real world application of economic theory
- Group work
- Presentation skills

## Learning outcomes

- **Why countries trade and the importance of international trade**  
Students will be able to understand:
  - the importance of trade to economies
  - the meaning of exports and imports
  - the advantages of trade and the consequences of global interdependence
  - the arguments for and against free-trade
  - the significance and benefits of free-trade agreements
- **Exchange rates**  
Students will be able to understand how exchange rates are determined through the interaction of demand and supply.
- **Globalisation benefits and drawbacks**  
Students will be able to understand:
  - the factors that have contributed to the growth of globalisation, including new technology and the operations of multinational companies
  - the benefits and drawbacks of globalisation to producers, workers and consumers
  - that there are moral, ethical and sustainability considerations when producers trade with other countries.

## Suggested activities

- **Why countries trade and the importance of international trade**  
Benefits of trade: teacher-led presentation on the nature of trade and how it is possible to benefit from trade.

Students should conduct research into the main imports and exports and present their results.

Free trade agreements: teacher-led presentation on the nature of free trade agreements outlining the various features, benefits and costs.

Students can conduct research into examples of free trade agreements and the effects these have had on the relevant economies.

- **Exchange rates**

How exchange rates are determined: teacher-led discussion on the nature of exchange rates and how they are determined through supply and demand.

Students should be asked to assess likely factors that influence the level of supply and demand for a currency.

Consumers and producers: teacher-led activity on the subject of changing exchange rates. Students should be asked to consider the difference between purchasing an item from their home country and purchasing an item from abroad.

- **Globalisation benefits and drawbacks**

Globalisation: starting with a definition of globalisation. Teacher-led discussion on the growth of globalisation including the factors that have contributed to this growth.

Using a list of the main features of globalisations. Students to work in groups to outline possible effects of globalisation on producers, workers and consumers

Moral and ethical considerations: students should conduct research into the moral and ethical issues surrounding globalisation and increased trade between countries and present their results.

## Resources

- [UK Trade statistics from the ONS](#)
- [UNCTAD website \(United Nations Conference on Trade and Development\)](#)
- [BBC Article "Pound plunges after leave vote"](#)
- [Trading Economics website](#)
- [For reference - GCSE Bitesize impact of globalisation](#)
- [BBC article on impact of globalisation on incomes.](#)
- [The Guardian globalisation links](#)

## Specification reference

- 3.2.5 The role of money and financial markets

## Teaching time

- Approximately 5 hours + 1 hour for assessment activities

## Specification content

- 3.2.5.1 The role of money
- 3.2.5.2 The role and importance of the financial sector for the economy

## Skills developed

- Subject-specific terminology
- Real-world application of economic theory.

## Learning outcomes

- **The role of money**  
Students will be able to understand:
  - the use of money as a means of deferred payment, store of value, a unit of account and a medium of exchange
  - that money can be defined as more than the amount of banknotes and coins in circulation.
- **The role and importance of the financial sector for the economy**  
Students will be able to understand:
  - the main agents in the financial sector such as the central bank and commercial banks
  - the role of the central bank in influencing interest rates and ensuring stability of the financial system
  - the role of commercial banks in helping to fund investment and providing a service for savers and borrowers.

## Suggested activities

- **The role of money**  
Function of money: teacher-led presentation on the usefulness of money, focusing on its features and how these are better than historical alternatives such as barter.
- **The role and importance of the financial sector for the economy**  
The financial sector: teacher-led discussion on the main agents in the financial sector and a brief description of their role in the economy.

## Resources

- [Tutor2u presentation on the characteristics and functions of money](#)
- [Bank of England Knowledge Bank](#)