



Qualifications and  
Curriculum Authority



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government



# **GCE AS and A level subject criteria for economics**

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July 2006

QCA/06/2386

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# 1. Introduction

1.1 These subject criteria set out the knowledge, understanding, skills and assessment objectives common to all Advanced Subsidiary (AS) and Advanced (A) level specifications in economics. They provide the framework within which the awarding body creates the detail of the specification.

Subject criteria are intended to:

- help ensure consistent and comparable standards in the same subject across the awarding bodies
- define the relationship between the AS and A level specifications, with the AS as a subset of the A level
- ensure that the rigour of A level is maintained
- help higher education institutions and employers know what has been studied and assessed.

Any GCE specification, which contains significant elements of economics must be consistent with the relevant parts of these subject criteria.

## 2. Aims

2.1 AS and A level specifications in economics should encourage students to:

- develop an interest in and enthusiasm for the study of the subject
- appreciate the contribution of economics to the understanding of the wider economic and social environment
- develop an understanding of a range of concepts and an ability to use these concepts in a variety of different contexts
- use an enquiring, critical and thoughtful approach to the study of economics and an ability to think as an economist
- develop skills, qualities and attitudes which will equip them for the challenges, opportunities and responsibilities of adult and working life.

## 3. Subject content

3.1 Previous study of economics should not be a requirement.

3.2 The AS course must provide a free-standing coherent course of study while also providing progression to study at A2.

- 3.3 A level specifications must extend beyond AS in terms of breadth and depth of knowledge and understanding. They will involve application to a wider range of contexts and further develop higher level skills.

### **Knowledge, understanding and skills**

The knowledge, understanding and skills set out for AS should constitute 60-100 percent of the AS specifications. The knowledge, understanding and skills set out for A2 should constitute 60 –100 percent of the A2 specifications.

- 3.4 Specifications in economics must:

- provide a coherent combination of micro-economic and macro-economic content, drawing on local, national and international contexts
- foster the appreciation of economic concepts and theories in a range of contexts and appreciate their value and limitations in explaining real-world phenomena

- 3.5 Specifications must require candidates to:

- develop an understanding of economic concepts and theories through a critical consideration of current economic issues, problems and institutions that affect everyday life
- select, interpret and use appropriate data from a range of sources
- analyse, explain and evaluate the strengths and weaknesses of the market economy and the role of government within it
- develop a critical approach to economic models and methods of enquiry

- 3.6 At **AS** candidates must be required to:

- understand simple micro-economic and macro-economic market models with a limited number of variables; use the models to explore current economic behaviour; make causal connections and develop an understanding of how the models shed light on the economy as a whole
- be aware of the assumptions of the basic model of supply and demand; explain the way it works in both words and diagrams; use the model to describe, predict and analyse economic behaviour
- develop an understanding of the range of ways in which markets may fail; understand the implications of market failure for individuals, firms and government
- use the basic AS/AD model and data to understand why supply-side and/or demand-side policies may be seen as appropriate ways of managing an economy; predict the possible impact of such policies and to recognise the assumptions involved; argue for different approaches and identify criteria for success

3.7 In addition, at **A level** candidates must be required to:

- use and evaluate more complex models involving more variables
- apply models to a wider range of contexts
- develop the ability to apply and evaluate economic models as represented in written, numerical and graphical forms
- interpret and evaluate different types of data from multiple sources
- be able to propose possible solutions to problems
- understand the relationships and linkages which underpin macro-economic models
- be able to predict the possible impact of policy changes on local, national and international economies
- be able to evaluate the effectiveness of government policies across a range of contexts

3.8 Specifications must require candidates to study:

- Economic choices and markets
- The national and international economy

#### 3.8.1 *Economic choices and markets*

The emphasis must be on the market model of resource allocation. Candidates must be required to understand the economic behaviour of consumers, producers and governments in competitive and non-competitive markets. The impact of technological innovation, environmental change, globalisation and better-informed consumers on present and future economic behaviour must be considered.

Area of study	Amplification
Scarcity and choice	<ul style="list-style-type: none"> <li>• the basic economic problem</li> <li>• opportunity cost</li> </ul>
How competitive markets work	<ul style="list-style-type: none"> <li>• allocation of resources</li> <li>• the objectives of economic agents</li> <li>• supply and demand</li> <li>• elasticity</li> <li>• productive and allocative efficiency</li> <li>• the interaction of markets</li> </ul>
Competition and market power	<ul style="list-style-type: none"> <li>• business objectives</li> <li>• market structures and their implications for the way resources are allocated</li> </ul>

	<ul style="list-style-type: none"> <li>• interdependence of firms</li> </ul>
Market failure and government intervention	<ul style="list-style-type: none"> <li>• externalities</li> <li>• market power</li> <li>• information asymmetries</li> <li>• alternative methods of government intervention</li> <li>• government failure</li> </ul>

### 3.8.2 *The national and international economy*

The emphasis must be on the use of economic models to develop critical understanding of macro-economic and international issues. AS and A level specifications must use contemporary and recent historical data. (Awarding bodies must define clearly 'recent historical' in their AS and A level specifications.) Candidates must be required to understand government objectives and policies as they relate to stability and growth in local, national and global terms.

Area of study	Amplification
The determination of output, employment and prices	<ul style="list-style-type: none"> <li>• aggregate demand and aggregate supply</li> </ul>
Economic policy objectives and indicators of macro-economic performance	<ul style="list-style-type: none"> <li>• for example: economic growth, employment, inflation, the balance of payments, income distribution and welfare</li> <li>• policy conflicts and trade-offs</li> </ul>
The global context	<ul style="list-style-type: none"> <li>• specialisation and trade</li> <li>• globalisation and sustainability</li> <li>• trade policies and negotiations</li> <li>• exchange-rate changes</li> </ul>
The application of policy instruments	<ul style="list-style-type: none"> <li>• the nature and impact of fiscal, monetary, exchange rate and supply side policies</li> </ul>

## 4. Key skills

AS and A level specifications in economics should provide opportunities for developing and generating evidence for assessing relevant key skills from the list below. Where appropriate, these opportunities should be directly cross-referenced, at specified level(s) to the key skills standards which may be found on the QCA website ([www.qca.org.uk](http://www.qca.org.uk)).

- Application of number
- Communication

- Improving own learning and performance
- Information and communication technology
- Problem solving
- Working with others.

## 5. Assessment objectives

5.1 Candidates must be required to meet the following assessment objectives. The assessment objectives are to be weighted in all specifications as indicated.

Assessment objectives		Weighting		
		AS level	A2 level	A level
<b>AO1</b>	Demonstrate knowledge and understanding of the specified content	25–35%	15–25%	20–30%
<b>AO2</b>	Apply knowledge and understanding of the specified content to problems and issues arising from both familiar and unfamiliar situations	25–35%	15–25%	20–30%
<b>AO3</b>	Analyse economic problems and issues	15–25%	25–35%	20–30%
<b>AO4</b>	Evaluate economic arguments and evidence, making informed judgements	15–25%	25–35%	20–30%

## 6. Scheme of assessment

6.1 Assessment must be entirely through external assessment.

### 6.2 Synoptic assessment

All specifications must include synoptic assessment at A2. Synoptic assessment in economics will test candidates' understanding of the connections between different elements of the subject. It will relate to all the assessment objectives. In particular, synoptic assessment should test candidates' ability to:

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

The emphasis in synoptic assessment should be on candidates' ability to think as economists and to use effectively the economist's 'tool kit' of concepts, theories and

techniques. Synoptic assessment could be conducted through the use of an extended case study or essay questions.

### 6.3 **Quality of written communication**

AS and A level specifications will be required to assess the candidates' quality of written communication in accordance with the guidance document produced by QCA.