

Draft National Unit Specification



Unit title: Economics of the Market (National 5)

SCQF: level 5 (6 SCQF credit points)

Unit code: to be advised

Unit outline

The general aim of this Unit is to enable learners to understand that the scarcity of resources leads to the need for individuals, firms and governments to make choices. Learners will be introduced to personal economic decisions, the basic economic problem, and demand and supply and their place in a market economy.

Learners who complete this Unit will be able to:

- 1 Examine economic choices that an individual has to make regarding whether to spend, to save or to borrow
- 2 Apply knowledge and understanding of the basic economic problem to the choices made by participants in society
- 3 Apply knowledge and understanding of the concepts of demand and supply in a market economy

This Unit is a mandatory Unit of the Economics (National 5) Course and is also available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes* which provides advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given in the *National Assessment Resource*.

Recommended entry

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ Business (National 4) Course or relevant component Units
- ◆ Numeracy (SCQF level 4)

In terms of prior learning and experience, relevant experiences and outcomes may also provide an appropriate basis for doing this Unit. Further information on relevant experiences and outcomes will be given in the *Unit Support Notes*.

Examples of other such relevant prior learning and experiences would involve an interest in the workings of the economy and current affairs.

Equality and inclusion

This Unit Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence. For further information please refer to the *Unit Support Notes*.

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Standards

Outcomes and assessment standards

Outcome 1

The learner will:

- 1 Examine economic choices that an individual has to make regarding whether to spend, to save or to borrow by:**
 - 1.1 Describing basic elements of personal income, personal spending and how they affect personal budgeting decisions
 - 1.2 Outlining the relationship between planning for uncertainty and saving, for an individual
 - 1.3 Outlining the impact of borrowing on an individual

Outcome 2

The learner will:

- 2 Apply knowledge and understanding of the basic economic problem to the choices made by participants in society by:**
 - 2.1 Describing the basic economic problem
 - 2.2 Outlining the relationship between scarcity and choice in a straightforward context
 - 2.3 Defining opportunity cost and giving an example of opportunity cost for an individual, a firm and the government

Outcome 3

The learner will:

- 3 Apply knowledge and understanding of the concepts of demand and supply in a market economy by:**
 - 3.1 Preparing and labelling a demand and a supply curve accurately
 - 3.2 Defining equilibrium point and using a diagram to illustrate it
 - 3.3 Identifying at least two determinants of demand and at least two determinants of supply
 - 3.4 Using a diagram to illustrate and explain how a change in any of the identified determinants affects the equilibrium price

Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence can be drawn from a variety of sources and presented in a variety of formats including short written responses and/or recorded oral evidence. Learners should use appropriate economic terminology at all times in their responses and include, where appropriate, the use of relevant examples.

Evidence may be presented for individual Outcomes or it may be gathered for the Unit as a whole through integrating assessment holistically in one single activity. If the latter approach is used, it must be clear how the evidence covers each Outcome.

In Outcome 3:

- ◆ determinants of demand includes changes in income, changes in consumer tastes, and changes in prices of other goods and services
- ◆ determinants of supply includes changes in costs of production, changes in technology, changes in taxation, and changes in prices of other goods and services

Exemplification of assessment will be provided in the *National Assessment Resource*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

Development of skills for learning, skills for life and skills for work

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Unit where there are appropriate opportunities.

1 Literacy

1.2 Writing

2 Numeracy

2.3 Information handling

5 Thinking skills

5.1 Remembering

5.2 Understanding

5.3 Applying

Amplification of these is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills should be at the same SCQF level of the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.

Administrative information



Published: August 2011 (draft version 1.0)

Superclass: to be advised

History of changes

Version	Description of change	Authorised by	Date

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Note: readers are advised to check SQA's website: www.sqa.org.uk to ensure they are using the most up-to-date version of the Unit Specification.