



Higher National Unit specification: general information

Unit title: Economics B: Economic Theory and Application

Unit code: FJ36 34

Superclass: EB

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Unit purpose

This Unit is designed to enable candidates to have a working knowledge of certain areas of economic theory and to apply that knowledge to practical examples. This Unit is intended for those candidates who wish to develop their knowledge and understanding of economics and for those who wish to use it as a basis for further study.

On completion of the Unit the candidate should be able to:

- 1 Explain resource allocation in different economic systems.
- 2 Explain market operations, the concept of elasticity and their applications.
- 3 Explain the causes, cures and consequences associated with macroeconomic objectives.

Recommended prior knowledge and skills

Candidates should possess good communication skills. Other knowledge skills and experience relevant to the Unit would be beneficial.

The previous study of Economics through Units and National Qualifications at SCQF level 5 or 6, or other similar qualifications, is desirable but not essential. Candidates would benefit from achievement of HN Unit *Economics A: Introduction to Economics*.

Ultimately, entry is at the discretion of the centre.

General information (cont)

Credit points and level

2 Higher National Unit credits at SCQF level 7: (16 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Core Skills

There are opportunities to develop the Core Skills of *Communication* at SCQF level 6, *Working with Others* at SCQF level 5, *Numeracy* at SCQF level 5, *Information and Communication Technology* at SCQF level 5 and *Problem Solving* at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment

This Unit will be assessed using two instruments of assessments, as follows:

Outcomes 1 and 2 will be assessed by one closed-book instrument of assessment covering all evidence requirements for **one** economic system, **one** market and **one** type of elasticity and its application.

Outcome 3 will be assessed by one open-book assessment covering all evidence requirements for this outcome.

An exemplar instrument of assessment and marking guidelines has been produced to indicate the national standard of achievement required at SCQF level 7.

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Explain resource allocation in different economic systems.

Knowledge and/or Skills

- ◆ Features of market, command and mixed market economic systems
- ◆ How the fundamental choices are made in a market, command and mixed market economy

Outcome 2

Explain market operations, the concept of elasticity and their applications.

Knowledge and/or Skills

- ◆ Determinants of demand and supply
- ◆ Demand and supply curves including movements along and shifts of curves
- ◆ Market equilibrium and the process of change to equilibrium brought about by changes to the determinants of demand and supply with respect to a particular market
- ◆ Price elasticity of demand
- ◆ Price elasticity of supply
- ◆ Income elasticity of demand
- ◆ Applications of elasticity concepts to producers and governments

Evidence Requirements for Outcomes 1 and 2

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can for Outcome:

- ◆ Explain the features of a market or a command or a mixed market economic system
- ◆ Explain how the fundamental choices of what, how and for whom are made in a market or a command or a mixed market economic system
- ◆ Outline at least one determinant of demand and supply
- ◆ Explain, using diagrams, market operations in one market when there is a change in one of the determinants of each of supply and demand
- ◆ Explain one type of elasticity
- ◆ Explain one application of that one type of elasticity

Higher National Unit specification: statement of standards (cont)

Unit title: Economics B: Economic Theory and Application

This part of the Unit will be assessed by a closed-book assessment, which means candidates should be assessed without the use of notes, textbooks, VLE or other materials in a supervised setting.

The knowledge and skills for Outcomes 1, and 2 will be sampled. For Outcome 1, candidates will only be assessed on **ONE** economic system and the way in which resources are allocated within that system. For Outcome 2, candidates will only be assessed on the explanation of market operations in **ONE** market and the explanation and application of **ONE** type of elasticity.

Assessment Guidelines for Outcomes 1 and 2

There is a wide variety of methods of assessment that would allow candidates to meet the evidence requirements. The following are suggestions and there may be other methods that would be suitable. Centres are reminded that Prior Verification would help to ensure that the national standard is being met.

This assessment could take the form of a set of unseen structured questions requiring a response of approximately 1,000 words across all questions *or* an essay, also requiring approximately 1,000 words *or* an oral response to set questions requiring the candidate to respond in sustained detail for approximately 8 minutes *or* an oral presentation of approximately 8 minutes duration *or* another method decided by the Centre. As this is a closed-book assessment, it would not be appropriate for candidates to use visual aids (such as Powerpoint presentations or posters) in the oral presentation, rather it would be sustained presentation without aid of notes. Broad guidance on the area to be assessed will be given one week prior to the assessment date. It is likely that if it is a written assessment it will take between 90 minutes and two hours to complete.

It is recommended that oral presentations are recorded in some form for external verification purposes.

NB: It is important that the language used in the assessment instrument reflects SCQF level 7 in each type of task.

Outcome 3

Explain the causes, cures and consequences associated with macroeconomic objectives.

Knowledge and/or Skills

- ◆ Definition of **one** macroeconomic objective
- ◆ Causes of **one** macroeconomic objective
- ◆ Cures for **one** macroeconomic objective
- ◆ Impact of **one** macroeconomic objective on economic agents
- ◆ Problems of reconciling **two** macroeconomic objectives

Higher National Unit specification: statement of standards (cont)

Unit title: Economics B: Economic Theory and Application

Evidence Requirements

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can:

- ◆ Explain **one** macroeconomic objective
- ◆ Explain two causes of **one** macroeconomic objective
- ◆ Explain two cures of **one** macroeconomic objective
- ◆ Explain four impacts of **one** macroeconomic objective on two economic agents
- ◆ Explain a problem of reconciling two macroeconomic objectives

The knowledge and skills for Outcome 3 will be assessed in one open-book assessment, which means that candidates will be allowed access to materials (eg text books, notes, VLE). Regardless of the assessment method chosen, the candidate must submit a bibliography presented in a standard referencing format such as, Harvard.

Assessment Guidelines

There is a wide variety of methods of assessment that would allow candidates to meet the evidence requirements. The following are suggestions and there may be other methods that would be suitable. Centres are reminded that Prior Verification would help to ensure that the national standard is being met.

This assessment could take the form of an open-book essay with an expected candidate response of approximately 2000 words *or* an individual oral presentation *or* poster exhibition with expected candidate's response of approximately 15 minutes in presentation *or* explanation of poster *or* any other method that is appropriate to meet the evidence requirements. Candidates could also provide the evidence requirements in the form of an individual Blog or creation of a website, with approximately 2,000 words.

Tutors should ensure candidates are aware of the importance of the judicious selection of appropriate academic sources.

NB: It is important that the language used in the assessment instrument reflects SCQF level 7.

Higher National Unit specification: support notes

Unit title: Economics B: Economic Theory and Application

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 80 hours.

Guidance on the content and context for this Unit

This is one of a suite of Economics Units within HNC/D Social Sciences Group Awards. This Unit leads on from *Economics A: Introduction to Economics* and prepares candidates for *Economics C: Applied Economics — The Global Perspective*. The Unit can be taught as a free-standing Unit or as part of the HNC/D Social Sciences Group Awards.

Outcome 1 explores how different economic systems respond to the basic economic problem of scarcity. An outline of the basic economic problem and the choices it leads to will be given. The unit provides opportunities to link the theoretical aspects of economic systems to actual economic systems. This outcome provides opportunities to consider different perspectives in economics, if time permits, by introducing political economic thinking behind the different types of economic systems. This might be linked to work candidates may have undertaken in Economics A on key ideas of economic thinkers.

Outcome 2 covers the market mechanism. Although sufficient theory of economic concepts needs to be taught, the outcome should be approached practically so that candidates appreciate that economics is not only theoretical, but also practical. The operation of markets should be related to particular market examples. Teaching may include reference to inferior goods, goods of ostentation, income and substitution effects. There is also the possibility of linking the work to economic thinkers again such as Adam Smith (invisible hand) and Thorstein Veblen (goods of ostentation).

In Outcome 2 the important economic concept of elasticity is also introduced. Definitions, determinants and applications are all included. Again, although the theory is important the emphasis is on the application to show that economics is not just theoretical in nature. The concepts of elasticity could be related to the rationale, formulation and implementation of agricultural policy, taxation policy and industrial policy.

For Outcome 3 the macroeconomic objectives of unemployment, inflation, economic growth and balance of payments on current account may be considered. Although, in the main, the assessment covers one macroeconomic objective it requires more than one to be taught as there is a requirement to explain the difficulty in reconciling two macroeconomic objectives. If more than two objectives are taught, this will allow flexibility in assessment and re-assessment or indeed candidate choice in assessment. This outcome also allows differing schools of economic thought to be considered. Although Classical/neo-classical and/or Keynesian/neo-Keynesian theory are likely to be the approaches studied there is flexibility within the unit to consider other schools. Thus if, in the framework, Marxist ideas are being taught, eg, in sociology, the practitioner may choose to outline the main features of Marxist theory in relation to the objectives to allow synthesis in the overall HN course.

Higher National Unit specification: support notes (cont)

Unit title: Economics B: Economic Theory and Application

Guidance on the delivery and assessment of this Unit

This unit stresses that economics is a social science and it is designed to allow practitioners to make links between economic theory and society. In terms of subject matter connections can be made with other social science subjects such as politics, sociology, history and geography.

Assessment will be by two instruments of assessment. The first of these will be a closed-book assessment to cover Outcomes 1 and 2. This means that candidates should be assessed without the use of notes, textbooks, VLE or other materials in a supervised setting.

The second assessment is open-book to cover Outcome 3. This means that candidates will be allowed access to materials (eg text books, notes, VLE). The research task should be handed out to be completed at a date specified by the Centre. It should be completed according to a prescribed format.

Centres should structure the teaching programme to allow time for development of Core Skills and other transferable skills and for assessment practice within the notional hours suggested.

Centres should design an appropriate assessment instrument based on a method that is suitable in allowing candidates to meet the evidence requirements. This can be written or oral (depending on the needs of the candidates and the organisational aspects for the Centre in choosing particular methods). If an oral method is chosen, it is recommended that Centres record this (either by DVD or digital recorder etc) or provide assessor notes on the presentation for External Verification purposes. Oral presentations must be done individually as each candidate has to show evidence of meeting all evidence requirements, so a group presentation would not be suitable.

If the Centre is using a Blog or creation of a website as the way to gather evidence, this should not be in the public domain. Rather it should be on an intranet or private area of a VLE to reduce the likelihood plagiarism. Authenticating a candidate's work is essential. It would be helpful to collect notes or PPT presentation materials from a candidate as further evidence of meeting SCQF level 7 in the presentation.

A Centre can choose to use a mixture of methods across a cohort, as it may be more suitable for some candidates to give a written response and for others to use an oral method.

Centres should make sure they can authenticate a candidate's work for Outcome 3 (open-book). This may be done by questioning a candidate about their work, by seeing drafts of work under construction, by having partial write-up in presence of assessor or by using an anti-plagiarism tool, such as Turnitin or SafeAssign, which checks Internet sites.

Higher National Unit specification: support notes (cont)

Unit title: Economics B: Economic Theory and Application

Remediation for Outcomes 1 and 2 could be done by oral clarification for minor omissions or to clarify minor detail. If additional information is required this can be added, as long as it is in total approximately 100 words or less per outcome. If these conditions cannot be met, then the candidate should be reassessed using a different set of questions for Outcome 1.

Remediation for Outcome 3 should be done by a review of the original work. Candidates should be asked to hand in a complete piece of work, with amendments incorporated in the appropriate context, rather than a large add-on at the end, or asked to fully rewrite their work to a prescribed format if it did not meet requirements. Oral clarification could be used for minor omissions or to clarify minor detail. If it is thought appropriate that a candidate tackle a different topic or question, then that new submission would count as a reassessment.

In oral work, candidates can be questioned by the assessor at the end of their presentation or explanation, where minor omissions occur, or where clarity is required. This would help to reduce the need for reassessment. However, where more work is required to meet the evidence requirements (eg where the quality of evidence is poor in a presentation) another presentation of the same duration, on the same topic or question as the original would be required. Only where a different topic or question is attempted would this be classed as reassessment.

Opportunities for developing Core Skills

The delivery and assessment of this Unit may contribute towards the development of Core Skills. It can also support the development of other transferable skills, such as, essay writing, referencing, citation and bibliography skills and thinking, analytical and critical skills.

The Core Skill of Communication can be developed through the delivery and assessment of this unit. If the assessment for Outcome 3 is an essay it may contribute towards the component Written Communication at SCQF level 6. **For written communication at SCQF level 6 the skill is: produce well structured written communication on complex topics.** In addition, the reading component may be developed through the interpretation of stimulus material. **The general skill for this component of communication is 'Read and understand complex written communication'**. Opportunity also exists for the development of the **oral component of communication 'Produce and respond to oral communication on a complex topic'** through oral presentation assessment or by setting tasks for group activity and arranging joint information feedback sessions.

In both formative and summative assessment the candidate should be encouraged to present all essential ideas/information and supporting detail in a logical and effective order; use a structure that takes account of purpose and audience and links major and minor points in ways which assist the clarity and impact of the writing; use conventions which are effective in achieving the purpose and adapted as necessary for the target audience and use spelling, punctuation and sentence structures which are consistently accurate. These skills can be developed through formative activities, such as short essays, without being formally assessed for Core Skill certification. The topics under examination in this unit are sufficiently complex to fit with SCQF level 6.

Higher National Unit specification: support notes (cont)

Unit title: Economics B: Economic Theory and Application

It is important to develop essay-writing skills for candidates' future progression. In doing this candidates should also be encouraged to use an appropriate referencing method, such as Harvard or citation, for any formative or summative essays. Referencing, citation and bibliography skills are best developed using the vehicle of formative essay writing.

For the Core Skill of *Information and Communication Technology* at SCQF level 5 the skills are: 'Accessing Information, use ICT independently, effectively, and responsibly to access information within a range of tasks' and 'Providing/Creating Information, use ICT independently, effectively, and responsibly to carry out a range of processing tasks'. This Unit can help to develop such skills by the use of mini formative presentations using PowerPoint or other ICT presentation tool that will also support the development of oral communication. A summative assessment using ICT presentation methods is also possible. Specific areas of accessing information using Internet searches or VLE use and providing and creating information can be developed in such tasks. Creating a Blog or a website for the summative assessment is another way in which this Core Skill can be developed. This could be used where candidates (and their lecturer) have particular skills and interest in ICT.

The Core Skill of *Problem Solving* can be developed at SCQF level 6 throughout this unit particularly in planning the tasks. Tutors should encourage learners to explore appropriate strategies for managing their time and evaluating the considerable amount of data available on the topics contained in this unit. Tutors may actively choose to further develop this skill by setting tasks for group activity and arranging joint information feedback sessions. This could contribute towards the component **Critical Thinking** where the general skill of **'analysing a complex situation or issue'** will be developed, the component **Planning and Organising** where the general skill of **'planning, organising and completing a complex task'** and the component **Reviewing and Evaluating** where the general skill of **'reviewing and evaluating a complex problem solving activity'** can be developed. This Core Skill could be developed without formal certification.

The Core Skill of *Working with Others* can be developed at SCQF level 5. The general skills are **'Working Co-operatively with Others**, in interactions, work with others co-operatively on an activity and/or activities and **Reviewing Co-operative Contribution**, review work with others in a co-operative activity and/or activities. A tutor could set tasks for group activity and arrange joint information feedback sessions. Candidates could be encouraged to collaborate at the early stages of their search activities for assessment purposes.

The Core Skill of *Numeracy* at SCQF level 5 can be developed in the following ways. The component **Using Number** could be developed without formal certification within the teaching, learning and assessment contributing to Outcome 2. The component **Using Graphical Information** could be developed. The general skill of **'Interpreting and communicating graphical information in everyday situations'** could be developed when teaching all three outcomes.

Thinking, analytical and critical skills could be developed by posing questions at appropriate points in the delivery, enabling discussion and promoting the need for candidates to take responsibility for learning by encouraging the development of research skills via the Internet or using text books.

Higher National Unit specification: support notes (cont)

Unit title: Economics B: Economic Theory and Application

Curriculum for Excellence

The Curriculum for Excellence aspires to place learners at the centre of the curriculum and develop their capacities as Successful Learners, Confident Individuals, Responsible Citizens and Effective Contributors. The four capacities will be developed throughout this unit.

This unit will develop the literacy and communication skills of the learners by way of formative and summative assessments. Independent learning is required throughout this unit, whilst the opportunity is available for group learning through formative tasks and in the summative assessment for Outcome 2. The subject of economics demands independent thinking, and through reasoned evaluation encourages learners to reach satisfactory conclusions. Further opportunity is offered to develop technological skills by way of researching via the internet, the production of word documents, PowerPoint presentations, blogs and/or the creation of a website. Collectively these skills contribute towards the creation of a **Successful Learner**.

Time management skills should improve during the delivery of this Unit, as should the ability to relate to others through formative tasks. The topics in Economics B should allow the learner to develop their own thoughts of the world around them, and they will be given the opportunity to express these views within the classroom setting. This should lend to the emergence of a **Confident Individual**, particularly if they gain success in the achievement of the Unit.

Economics B can also contribute to learners becoming **Responsible Citizens** by allowing the opportunity to develop knowledge and understanding of the key ideas that underpin modern economies/societies.

Learners can become **Effective Contributors** to society by learning to work together effectively in teams within the class setting. This can be achieved through group-work where they can apply critical thinking within new contexts. In planning group tasks, evaluating data and presenting their findings, learners will also develop problem solving skills. Both oral and written communication skills will also be developed. This can be achieved through written work, individual PowerPoint presentations, and the creation of blogs and websites.

All these skills can be developed within the Unit.

Open learning

This Unit could be delivered by open or distance learning; however, it will require planning by the centre to ensure sufficiency and authenticity of candidate evidence.

For the open-book assessment a written response in the form of an essay or answers to structured questions could be posted or e-mailed to the assessor or uploaded onto a VLE. An oral presentation could be used that would be recorded on DVD and sent to the assessor, or could be done using video-conferencing or web-link and observed by the assessor.

Arrangements would have to be made to ensure that the assessment for Outcomes 1 and 2 was conducted closed-book and under supervision.

Higher National Unit specification: support notes (cont)

Unit title: Economics B: Economic Theory and Application

Disabled candidates and/or those with additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

History of changes to Unit

Version	Description of change	Date
02	Clarification of remediation and reassessment statements.	07/11/12
03	Time for closed book assessment extended to two hours.	08/05/13

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General information for candidates

Unit title: Economics B: Economic Theory and Application

This Unit allows you to study some economic theory and, perhaps more importantly, it allows you to apply economic theory to show that economics is a practical aspect of everyday life in society.

The first two outcomes of the Unit will be assessed by a closed-book assessment, which means you will be assessed without the use of notes, textbooks, VLE or other materials in a supervised setting. This could take the form of a set of unseen structured questions requiring a response of approximately 1,000 words across all questions *or* an essay, also requiring approximately 1,000 words *or* an oral response to set questions requiring you to respond in sustained detail for approximately 8 minutes *or* an oral presentation of approximately 8 minutes duration *or* another method decided by your Centre. Your centre will inform you of the chosen method in good time. You will know the broad area to be assessed one week prior to the assessment date. It is likely that if it is a written assessment it will take between 90 minutes and two hours to complete.

For Outcome 3 the assessment will be *open-book*. This means that you will be allowed access to materials (eg text books, notes, VLE). The assessment will be handed out to be completed at a date specified by your lecturer. It should be completed according to a prescribed format given by your lecturer. It is expected that if you have been asked to provide a written response it will be approximately 2,000 words in length and if an oral presentation is the given assessment it would be approximately 15 minutes in duration.

As you progress through the Unit material, you will be encouraged to develop the Core Skills of *Communication* at SCQF level 6, *Working with Others* at SCQF level 5, *Numeracy* at SCQF level 5, *Information and Communication Technology* at SCQF level 5 and *Problem Solving* at SCQF level 6 by the types of activities you will experience.

You will also be given opportunities throughout the Unit to develop as a successful learner, a confident individual, a responsible citizen and an effective contributor.