

Scottish Certificate of Education

**Standard Grade Revised Arrangements in
Economics**

Foundation, General and Credit Levels in and
after 1999

STANDARD GRADE ARRANGEMENTS IN ECONOMICS

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Introduction

Presenting authorities and centres were provided with details of the arrangements for examinations in Standard Grade Economics in January 1989 and the first examination was held in 1991. Since then various amendments have been made to the original arrangements in response to concerns about the overall demands of the course.

This present document sets out the arrangements developed in the light of a two-stage consultation exercise conducted between November 1995 and February 1997 which sought the views of presenting centres on a range of alternative assessment models for the social subjects.

Examinations in Economics at Foundation, General and Credit Levels based on these Arrangements will be offered in and after 1999.

Section 1

Rationale

1 Rationale

- 1 1** The place of the social subjects in the secondary school curriculum was confirmed in the document “Curriculum Design for the Secondary Stages” (issued by the CCC in November 1987) which recommended a social and environmental studies mode as an integral part of the curriculum of all pupils in S3 and S4. The case for all pupils studying at least one social subject has therefore been established, with a view to developing in pupils both an understanding of the society in which they live and a capacity to make informed judgements on contemporary issues. Moreover, it is being increasingly argued that there is a need, during the period of compulsory education, for all pupils to be prepared for their roles as citizens, producers and consumers. Meaningful preparation implies equipping pupils with the knowledge necessary for them to come to an understanding of the functioning of society, and also with the process skills which enable pupils to be active and constructive participants in that society.
- 1 2** One of the most important aspects of society is the economic aspect, and the study of economics is therefore clearly appropriate. Indeed, it can be argued that such study should not be left to mere chance because through it pupils come to an understanding of the economic forces which will continue to shape their lives in their capacity as citizens and workers. This view of the central importance of economics is supported in the reports “Review Group on Business Education in Schools” (CCC, September 1987) and “Guidelines on Economic Awareness” (CCC, November 1987).
- 1 3** Economics is identified as both a social science and a business study, and can be seen to contribute to the vocational as well as the general education of pupils. Approval of the notion of provision of economics education for all pupils was expressed in the report of the Education for the Industrial Society Project. This report recognised the range of skills and content that economics can offer and also its vocational value. The vocational role was further highlighted by the development of the Technical and Vocational Education Initiative, which also stresses the importance of inter-subject links.
- 1 4** Economics has a distinctive body of content. Perennial matters of importance which have a large economic dimension include the balance of payments, exchange rates, trends in employment, and public and private sector finance. At a personal level, concepts such as scarcity and choice are important and relevant to pupils’ lives. It is through the grasp of key ideas and key areas of study such as these that pupils are brought to an understanding of the economic dimension of society, of the process of change in a modern economy, and of the need for people, including themselves, to adapt to changing circumstances.
- 1 5** The study of economics encourages pupils to develop process skills of acquiring, analysing and communicating data in different forms. Its methodology is useful in promoting in pupils an ability to hypothesise, to explain, and to offer solutions to economic problems. Its use of deductive and inductive reasoning encourages critical thinking. Economics also helps to inculcate in pupils a willingness to undergo and accept attitudinal change, by nurturing a respect for evidence and an acceptance of the need to test hypotheses and theories in the real world.
- 1 6** Notwithstanding the conceptual basis of the subject and the complex and contentious problems with which it often deals, it is both practical and beneficial to teach economics within the secondary school curriculum to pupils of all levels of ability.
- 1 7** The course is designed to equip pupils with knowledge and skills which will enable them to understand more fully the economic dimension of their own lives and of society in general. The course should help them to become better economic decision-makers, both at a personal level and within society as a whole. In this way, the course can make a very worthwhile contribution to pupils’ personal and social development.

Section 2

Aims of the Course

2 Aims of the Course

2 1 Economics is a social science concerned with the basic economic problem of allocating scarce resources among competing uses. It involves a study of the resources of any individual or community, the claims which are made upon those resources either for individual or communal needs, and the choices which have to be made in deploying those resources.

2 2 The aim of the course is to contribute to pupils' general and vocational education by means of the following.

a) **Developing in pupils:**

- knowledge and understanding of economic concepts
- appropriate enquiry skills
- ability to apply their knowledge and understanding and skills in relevant contexts.

b) **Providing opportunities for teachers to promote:**

- an enquiring attitude
- a respect for evidence as the basis for judgement
- openness of mind
- social awareness and concern.

c) **Enabling pupils to examine and tackle the economic problem as it occurs in their own lives and at various levels in and beyond their own community. This involves:**

- recognition of the problems of choice at individual, community, national and international levels
- an understanding of the variety of ways in which societies organise the productive process in determining total output of goods and services
- an acceptance that wealth creation requires people to be dependent on each other
- a realisation that change within an economy may generate costs as well as benefits.

Section 3

Course Content

3 Course Content

3 1 Introduction

The course introduces pupils to some of the knowledge and skills which economists apply to the analysis and attempted solution of economic problems. The course is designed so that pupils will acquire knowledge and understanding of key concepts, and develop enquiry skills, by applying them within prescribed Fields of Study. It is more important for pupils to understand a concept than to use the terminology associated with it. This is particularly true at Foundation Level.

As the course progresses, concepts and skills are introduced, revisited and developed. The key concepts, skills and Fields of Study are the same at all three Levels of the course. Differences between Levels lie in the range of associated concepts encountered and in the complexity of the contexts to which pupils' developing knowledge, understanding and skills are applied.

3 2 Assessable Elements

The assessable elements of the course are:

- Knowledge and Understanding
- Enquiry Skills.

3 3 Knowledge and Understanding of Key Concepts

The key concepts are Scarcity, Allocation, Distribution and Efficiency.

The key concepts collectively provide a framework of reference within which pupils can come to an understanding of the nature and purpose of economics. The fundamental economic problem is that resources are finite but the uses to which they can be put to meet consumers' needs and wants are many and varied, with the inevitable result that choice has to be exercised and opportunity costs have to be borne. This is the problem of **Scarcity**. Given that scarcity exists, decisions have to be taken on the purposes for which resources will be used (the problem of **Allocation**) which in turn determines who gets the resources (the problem of **Distribution**). Scarce resources also need to be used well, to produce in as large amounts as possible the things which consumers appear most to require. This is the problem of achieving **Efficiency**.

The key concepts are examined in relation to a real world which changes continually. Throughout the course, teachers will have ample opportunity to highlight changes which have been and are being brought about through economic forces. Given that a major cause of economic change lies in a drive for efficiency in the allocation and use of scarce resources, teachers will experience little difficulty in making the link between change and the key concepts.

In addition to the key concepts, pupils will be introduced through the Fields of Study to a large number of associated concepts which can be found, either explicitly or implicitly, in the Expansion of Fields of Study (see 3 5 2). Each of these additional associated concepts will be subordinate to one or more of the key concepts. For example, a study of choice and opportunity cost inevitably involves reference to scarcity of real resources, and a study of specialisation and division of labour is bound to include reference to the concepts of allocation, distribution and efficiency.

3 4 Skills

Enquiry skills are developed by the course.

Pupils will use data to reach conclusions and will offer solutions to economic problems; they will identify and locate relevant information and select from it; they will draw conclusions based on available evidence.

Opportunities for acquiring the above skills exist in the day-to-day work undertaken within the prescribed Fields of Study.

3 5 Fields of Study

3 5 1 Fields of Study are broad areas of context in which key and associated concepts are introduced and through which skills are developed. In this course, the Fields of Study are:

- Economic Systems
- Production
- Consumption
- Market Mechanisms
- Money, Finance and Banking
- International Trade
- Public Finance
- Economic Growth
- Inflation
- Regional Disparities
- Unemployment.

Pupils will be expected to cover all of the Fields of Study, but teachers will still have considerable freedom to choose their own preferred route through the Fields of Study and also to select (in consultation with their pupils) their own exemplar material. For example, it is likely that the illustrative material used in the study of production processes and in the study of markets will vary widely from one teacher to another, reflecting, among other things, the local environment and the consequent interests and enthusiasms of pupils, whose inputs will do much to determine the course's success. Teachers are encouraged to add a European and worldwide dimension.

Further information with regard to the Fields of Study is given below.

3 5 2 **Expansion of Fields of Study**

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
1	Economic Systems		
a)	<p><i>The basic economic problem</i></p> <p>Resources: human, natural, man-made</p> <p>Human economic needs and wants.</p> <p>Scarcity: its meaning, significance.</p> <p>Choice: What? How? For Whom?</p> <p>Allocation, Distribution and Efficiency in an economic system</p> <p>Scales of Preference for consumers and for producers.</p> <p>Opportunity cost: sacrifice of the best of the alternatives.</p>	<p>The key concepts of Scarcity, Allocation, Distribution and Efficiency underpin and permeate the whole course at all Levels. The nature of the concepts does not change at different Levels of the course. What does change is the complexity of the contexts in which the concepts are met and examined, and the consequent degree of difficulty in identifying them.</p>	
b)	<p><i>The meaning of a “mixed economy”</i></p> <p>The components of a mixed economy.</p> <p>The balance between private and public ownership and control of means of production in the UK.</p>	<p>Means of allocating resources and output in the private sector.</p> <p>Means of allocating resources and output in the public sector.</p>	<p>Arguments for and against a free market economy.</p> <p>Arguments for and against a command economy.</p> <p>Arguments for and against different mixes in a “mixed economy”.</p>
c)	<p><i>Economic Models</i></p> <p>Model of real and money flows between producers and consumers in a closed economy.</p>	<p>Model of real and money flows between producers and consumers in an open economy with government.</p>	<p>Causes and effects of fluctuations in the level of economic activity in an economy, as illustrated by the flow model.</p>

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
2	Production		
a)	<i>Production defined</i> Distinction between goods and services, capital goods and consumer goods, durable and single-use goods.	Distinction, and its significance, between output and supply.	The costs and benefits to businesses of stockholding.
b)	<i>Resources used in production</i> Human, natural, man-made. Substituting one resource for another. Why? How? Examples. Interdependence of resources.	Distinctive characteristics of each resource. Limits to resource substitution. Mobility of resources.	Measures to improve resource substitution and mobility.
c)	<i>The chain of production</i> Primary, secondary, tertiary.	Changes in the pattern of UK production between and within the three main sectors. Changes in the pattern of employment in the UK between and within the sectors.	Reasons for changes in the pattern of UK production and employment.
d)	<i>Costs and Revenue</i> Fixed cost, variable cost, total cost. Normal profit. Total revenue. Profit. An extra unit of output produced will add to total costs but may not add to profit.	Average cost. Average revenue. Relationship between size of production unit and average cost.	Average fixed cost, average variable cost. Profit maximisation where $\text{Marginal Revenue} = \text{Marginal Cost}$. Output decisions in the short run and in the long run. Short-run average cost, long-run average cost. Relationship between level of output and average cost of production.

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
e)	<p><i>Production methods and processes</i></p> <p>Specialisation and the division of labour.</p> <p>Advantages and disadvantages to employees, employers, consumers.</p>	<p>Division of labour by product and by process.</p>	<p>Contribution of specialisation and division of labour to achieving economies of scale (see <i>d</i> above).</p>
f)	<p><i>The growth of firms and industries</i></p> <p>How firms grow.</p> <p>Why firms grow.</p>	<p>Advantages and disadvantages of large firms (including conglomerates) and small firms, and large and small workplaces/ production units for consumers, employees and employers.</p>	<p>Multinational companies and how they operate.</p> <p>Advantages and disadvantages of multinationals to consumers, employees, employers, governments.</p>
3	Consumption		
a)	<p><i>Consumers in an economy</i></p> <p>Final consumption by individuals.</p> <p>Patterns of final consumption among UK individuals.</p>	<p>The relationship between income and patterns of consumption.</p> <p>The relationship between age and patterns of consumption.</p> <p>Consumption by firms: intermediate and final consumption.</p>	<p>The significance for consumers of changes in the level and pattern of expenditure on capital goods by firms and governments.</p>

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
		Consumption by governments of resources, and final goods and services.	
		Firms' and governments' desire to reduce the costs of consumption (production inputs) to a minimum, and ways of doing so.	
	<i>b) People as savers</i>		
	Why and where people save.	Advantages and disadvantages of different forms of saving.	The main factors which influence the extent to which people save.
	<i>c) People as borrowers</i>		
	Why and where people borrow.	Advantages and disadvantages of different forms of borrowing.	The main factors which influence the extent to which people borrow.
4	Market Mechanisms		
	<i>a) Demand</i>		
	The nature of effective demand.	The General Law of Demand.	Factors influencing the degree to which consumers respond to changes in the price of a good or service.
	Factors influencing market demand for individual goods and services.	Demand schedules, demand curves.	The relationship between changes in levels of income and aggregate demand for goods and services, individually and collectively.
	How consumers respond to changes in the price of individual products.	Changes in conditions of demand; impact on demand schedules and on demand curves.	
	Consumers' desire to maximise the benefits from consumption.	The relationship between changes in price and revenue from sales.	

At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
<p>b) <i>Supply</i></p> <p>Factors influencing market supply of individual goods and services: price, costs of production, availability of resources.</p>	<p>The General Law of Supply.</p>	<p>Short-run constraints on supply.</p>
	<p>Supply schedules, supply curves.</p>	<p>Factors which influence the degree to which firms adjust supply in response to changes in the price of goods and services.</p>
	<p>Changes in conditions of supply; impact on supply schedules and on supply curves.</p>	
	<p>Distinction between supply and output (see also 2a above).</p>	
<p>c) <i>Markets</i></p> <p>The different ways in which producers and consumers get, or are put, in touch with each other to form a market.</p> <p>The setting of prices by market forces of demand and supply, by individual firms or by groups of firms.</p>	<p>Market equilibrium; determination of equilibrium price and output.</p>	<p>Market intervention by firms in their role as producers of goods and services; forms, and purposes, of intervention.</p>
	<p>Illustration of market equilibrium using graphs and schedules of demand and supply.</p>	<p>Forms of market intervention by governments, eg taxes, subsidies, quotas, rationing, price fixing, quality control.</p>
	<p>Impact of changes in conditions of demand and/or supply on market equilibrium, price and output.</p>	<p>Reasons for government intervention.</p>
		<p>Impact of market intervention on output, consumption, resources used</p>

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
<i>d) The market for labour</i>	<p>Factors influencing an individual firm's demand for labour.</p> <p>Factors influencing the ability of an individual firm to obtain the labour it requires.</p> <p>Factors limiting the total amount of labour available to UK firms.</p> <p>Distinction between wages and earnings, and between wages/earnings and take-home pay.</p>	<p>Factors leading to wage differences between different occupations.</p>	<p>Forms of intervention in labour markets: by trade unions, employers and government.</p> <p>Reasons for intervention and its effect on the labour market.</p>
5	Money, Finance and Banking		
<i>a) The nature of money</i>	<p>The main forms of modern money.</p> <p>The functions of money.</p> <p>The characteristics of "good" money.</p> <p>Different forms of payment for goods and services.</p>	<p>The functions of money and the nature of these functions do not change at different Levels of the course. What does change is the complexity of the contexts in which the functions are met and examined.</p>	
<i>b) Finance</i>	<p>Reasons why firms need to borrow money.</p>		<p>The main sources of borrowing for firms in order to raise short-term and long-term funds.</p>

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
<i>c) Banking</i>	A commercial bank's services offered to customers.	The main functions of a commercial bank as a: <ul style="list-style-type: none"> • borrower of funds • lend of funds • provider of money transfer services • provider of other financial and advisory services. 	The main liabilities of a bank. The main financial assets of a bank. The pattern of bank lending. The need for a commercial bank to be both liquid and profitable.
6	International Trade		
<i>a) The nature and purpose of trade</i>	Benefits which countries, and their citizens, enjoy as a result of international trade. Reasons why countries need to trade with each other. The notion of absolute productive advantage.	Barriers to trade, and the reasons for barriers being established.	The notion of comparative productive advantage. The gains from specialisation and exchange, even where a country enjoys absolute advantage in all products.
<i>b) Recording international trading activity</i>	Distinction between imports and exports, between visible and invisible trade, and between real flows of goods and services and the consequent money flows. Composition of the current balance.	Analysis of the current pattern of UK trade in terms of: <ul style="list-style-type: none"> • composition of exports and imports • destination of exports • countries of origin of imports. 	Trends in the composition of the current balance, and reasons for the trends.

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
c)	<p><i>National and international currencies</i></p> <p>Currency units of USA and Europe and Japan.</p> <p>Using £s to purchase foreign currency.</p> <p>Using foreign currency to purchase £s.</p>	<p>Changes in the foreign exchange value of the £; implications for UK citizens travelling abroad and for foreign visitors to the UK.</p>	<p>The effect of changes in the foreign exchange value of the £ on the prices of exports and imports and on the profitability of exporting and importing.</p>
7	Public Finance		
a)	<p><i>Government expenditure</i></p> <p>Main areas of government expenditure:</p> <ul style="list-style-type: none"> • provision of goods • provision of services • provision of loans, grants, pensions and benefits. <p>The distinction between capital expenditure and current expenditure.</p>	<p>Arguments for and against public provision of goods, services and transfer payments.</p>	<p>Trends in the public provision of goods, services and transfer payments; and reasons for the trends.</p>
b)	<p><i>Government income</i></p> <p>Sources of government income:</p> <ul style="list-style-type: none"> • the main taxes (in outline) • the main charges (in outline) • the main forms of borrowing (in outline). 	<p>Progressive and regressive taxation.</p> <p>The balance between taxes on income and taxes on expenditure within the UK economy.</p>	<p>The characteristics of a “good tax” and a “good tax system” in terms of equity and efficiency.</p>
c)	<p><i>Government budgeting</i></p> <p>The budget is an opportunity for government to:</p> <ul style="list-style-type: none"> • alter its spending programme • alter the level and pattern of taxes • raise or lower or leave unchanged its need to borrow. 	<p>The impact of budgetary changes on aggregate demand.</p>	<p>The impact of changes in aggregate demand on:</p> <ul style="list-style-type: none"> • total output of the economy • employment within the economy • important and the current balance • general price level.

	At Foundation Level	And, in addition, at General Level	And, in addition, at Credit Level
8	<p>Economic Growth</p> <p>The relationship between changes in total output and changes in the standard of living.</p> <p>Indicators of standard of living.</p>	<p>Costs associated with the pursuit and achievement of higher standards of living.</p>	<p>Means of increasing national output.</p> <p>The distinction between output and productive capacity.</p> <p>Means of increasing productive capacity.</p>
9	<p>Inflation</p> <p>Inflation seen as a rise in the general price level.</p> <p>Effect of inflation on the purchasing power of money.</p>	<p>The measurement of inflation (percentage changes annually in Retail Price Index).</p> <p>The distinction between real and money prices, incomes and profits.</p>	<p>Effects of inflation on:</p> <ul style="list-style-type: none"> • exporting • importing • saving • borrowing • cost of living • standard of living.
10	<p>Regional Disparities</p> <p>The nature of disparities between regions.</p> <p>Reasons why some regions are more attractive to businesses than others.</p>	<p>Ways open to government of reducing regional disparities.</p>	<p>The case for and against government intervention in an attempt to reduce regional disparities.</p>
11	<p>Unemployment</p> <p>Unused resources: human, natural and man-made.</p> <p>General reasons for resources becoming and remaining unused.</p> <p>Economic and social effects of unemployment on the individual.</p>	<p>How unemployment of labour is measured.</p> <p>Ways of improving the job prospects of unemployed persons.</p>	<p>The economic and social costs resulting from the existence of unused resources.</p>

Section 4

Course Design

4 Course Design

4 1 This section offers guidelines on course design and implementation.

4 2 The course is intended to be offered over a period of about 160 hours spread across two school years. Teachers should plan to cover the assessable elements in this time.

Teachers are advised that they are expected to introduce pupils to all the Fields of Study. Forward planning should therefore ensure provision for this requirement. It is by no means essential to adopt an approach to the course which involves studying each Field of Study discretely and in the sequence such as the one shown (see 3 5 1). The course should be planned to lead to maximum benefit being derived at each stage from the learning that has preceded that stage. It follows from this that teachers will find some routes through the Fields of Study preferable to others.

4 3 The Fields of Study are not ends in themselves but, taken together, are vehicles for acquiring skills, and for coming to an understanding of key economic concepts and associated concepts. The teacher should plan units of work with a view to ensuring that opportunities are made for the key concepts to be highlighted. For example, when pupils are learning about banking, some activities can be directed towards establishing that banks seek to make the best use of the funds at their disposal by allocating them between alternative uses as efficiently as they can. By the same token, governments try to gain maximum benefits from the finite tax revenues available to them. In both cases, the key concepts of scarcity, allocation and efficiency are highlighted within different Fields of Study.

4 4 Another area which needs to be considered is the balance of activity, and the opportunities given to pupils to make progress in enquiry skills. For example, every Field of Study provides opportunities for analysis and for open-ended problems to be set. A well-designed course will include provision for monitoring the pattern of activities which pupils undertake. A checklist is a simple but adequate monitoring device. The skills which are to be developed through the range of activities offered by the course are set out in 3 4 and 4 5.

4 5 Enquiry skills to be developed during the course are: identifying, locating and selecting appropriate information, drawing conclusions and offering solutions to problems. Opportunities for developing these skills should be offered to pupils from the start and throughout the course, so that they can acquire confidence and proficiency prior to attempting the external examination. In every Field of Study, a range of enquiry skills can be practised independently of each other. There is no need for every task undertaken to encompass all the skills, and even where an activity is undertaken through to a report stage, the report need not always be written – it could be oral or visual.

4 6 Assessment should be regarded as an integral part of the course and teachers should incorporate regular assessment into their course plan. This does not mean that undue emphasis need be placed on formal summative testing. Where pupils are expected to work their way systematically through a piece of work, there is normally scope within that work for self-assessment so that pupils may check for themselves that the learning outcomes have been achieved and that they have added to their knowledge, understanding and skill development. Appropriate methods of assessment should be used throughout the course, with a view to compiling a record of attainment for each pupil across the assessable elements of the course.

- 4 7** Thought needs to be given to the resources which are necessary for the course plan to be put into practice. Most obvious is forward planning of the use of equipment which may be in short supply and located in a central supply base for the school. The course plan should therefore include reference to the resources which will be necessary at every stage of the course.
- 4 8** Course design is likely to have to take account of the need to cope with groups of pupils who are at different stages within the course, and probably also working at different levels. The case for cooperative ventures by teachers in course design and materials production is very strong. Teachers should also consider involving learning support services in the planning and delivery of the course.

Section 5

Assessment for Certification

5 Assessment for Certification

5.1 Certification

Candidates will be assessed by a system common to all Levels.

The Certificate will record an overall award on a 7-point scale of grades, grade 1 being the highest. The Certificate will also record attainment in each assessable element. The overall award will be derived from the mean of the element grades, with the elements being weighted Knowledge and Understanding 40% and Enquiry Skills 60%.

5.2 Pattern of Assessment

Grades in Knowledge and Understanding and in Enquiry Skills will be based on external assessment, using written examination papers.

5.3 External Assessment of Knowledge and Understanding, and Enquiry Skills

Three external papers designated as Foundation, General and Credit will be offered as follows:

<i>Paper</i>	<i>Grades Assessed</i>	<i>Time Allocation</i>
Foundation	6, 5	1 hour
General	4, 3	1¼ hours
Credit	2, 1	1¾ hours

In all papers the elements Knowledge and Understanding, and Enquiry Skills will be assessed with weighting of 40%: 60% and the totals of marks allocated to each element within a paper may differ. The questions set will sample the Fields of Study.

Marks will be allocated to all questions, and a total mark obtained for each element. The two grades associated with each Level will be distinguished by setting two cut-off scores. The lower score will reflect a satisfactory overall standard of performance within the Level, the upper score a high overall standard of performance.

5.4 Presentation for External Papers

Candidates presented for the examination may attempt the written papers at two adjacent Levels, ie Foundation and General or General and Credit, but may not attempt both the Foundation and Credit Level papers. Candidates are not obliged to attempt papers at two Levels. Other than as the result of an appeal, candidates can only be awarded one of the grades assessed by the paper(s) attempted, or Grade 7 for the element(s) concerned. Candidates who attempt papers at two Levels will be awarded the better of the two grades achieved on these papers. Performance at one Level will not be taken into account in grading at the other Level.

5 5 Grade 7 and No Overall Award

For any element, Grade 7 will indicate that the candidate has, in the element concerned, completed the course but has not demonstrated achievement of any specified level of performance as defined by the Grade Related Criteria.

The Scottish Qualifications Authority (SQA) will regard the submission of an estimate grade for an externally assessed element as evidence that the course has been completed in that element.

Unauthorised absence from the external examination will result in no award for the subject.

5 6 Estimates

Presenting centres must submit to the SQA, by 31 March of the year of the examination, an estimate grade for each candidate for each of Knowledge and Understanding and Enquiry Skills. The teacher should determine the estimate grades on the basis of each candidate's actual work. Estimates may be used by the SQA for its internal procedures, including such cases as absence from external examinations, adverse circumstances and appeal. Evidence in support of these estimates should be retained by centres for submission to the SQA if required.

Section 6

Grade Related Criteria

6 Grade Related Criteria

6.1 Definition

Grade Related Criteria (GRC) are positive descriptions of performance against which a candidate's achievement is measured. Direct comparisons are not made between the performance of one candidate and that of another.

6.2 Application of GRC

GRC are defined at three Levels of performance: Foundation, General and Credit.

Awards will be reported on six grades, two grades being distinguished at each Level. The upper of the two grades at a given Level will be awarded to candidates who meet the stated criteria demonstrating a high standard of performance; the lower grade to those who demonstrate a lower, but still satisfactory standard of performance.

There will be a seventh grade for candidates who complete the course but fail to meet the criteria for any Level.

6.3 Types of GRC

Summary GRC are broad descriptions of performance. They are published as an aid to the interpretation of the profile of attainment by candidates, parents, employers and other users of the Certificate.

Extended GRC are more detailed descriptions of performance. They are intended to assist teachers in making their assessments for each element and in identifying targets for course construction, and by examiners when conducting external assessment.

6.4 Use of Extended GRC in Knowledge and Understanding and in Enquiry Skills

For the purposes of assessment and course construction, Extended GRC are designed to be used not in isolation but in conjunction with the Expansion of Fields of Study (see 3.5.2). This process is the basis for producing question papers. Taking these sources of information, teachers should use their professional judgement to devise tasks and assessments which they consider appropriate for the Level of the course.

6.5 Knowledge and Understanding – Summary GRC

Foundation Level (Grades 6, 5)

The candidate has demonstrated basic knowledge and understanding of a limited range of the concepts of the course in a variety of straightforward contexts.

General Level (Grades 4, 3)

The candidate has demonstrated knowledge and understanding of a range of the concepts of the course in a variety of contexts.

6 5 *(continued)*

Credit Level (Grades 2, 1)

The candidate has demonstrated extensive knowledge and understanding of the course content in a variety of complex contexts.

6 6 **Enquiry Skills – Summary GRC**

Foundation Level (Grades 6, 5)

In relation to straightforward economic contexts, the candidate has demonstrated ability to identify key features, reach valid conclusions and suggest solutions to straightforward economic problems.

General Level (Grades 4, 3)

In relation to economic contexts, the candidate has demonstrated ability to identify key features, reach valid conclusions and suggest solutions to economic problems.

Credit Level (Grades 2, 1)

In relation to complex economic contexts, the candidate has demonstrated ability to identify key features, reach valid conclusions and suggest solutions to complex economic problems.

6 7 **Descriptions of Grades**

These describe performance within Levels. They apply to each element.

Grade 6 The candidate has met the criteria for Foundation Level, demonstrating a satisfactory overall standard of performance.

Grade 5 The candidate has met the criteria for Foundation Level, demonstrating a high overall standard of performance.

Grade 4 The candidate has met the criteria for General Level, demonstrating a satisfactory overall standard of performance.

Grade 3 The candidate has met the criteria for General Level, demonstrating a high overall standard of performance.

Grade 2 The candidate has met the criteria for Credit Level, demonstrating a satisfactory overall standard of performance.

Grade 1 The candidate has met the criteria for Credit Level, demonstrating a high overall standard of performance.

6 8 Knowledge and Understanding – Extended GRC

Foundation Level
(Grades 6, 5)

General Level
(Grades 4, 3)

Credit Level
(Grades 2, 1)

In relation to the concepts and contexts stated for the appropriate Level within the Fields of Study of the Course (see 3 5 2) the candidate can:

identify and describe a limited range of economic concepts in a variety of straightforward contexts;

identify and describe a range of economic concepts in a variety of contexts;

identify and describe a wide range of economic concepts in a variety of complex contexts;

use economic concepts to interpret and explain straightforward economic situations.

use economic concepts to interpret and explain economic situations.

use economic concepts to interpret and explain complex economic situations.

Descriptions of grades are given in 6 7.

6 9 Enquiry Skills – Extended GRC

Foundation Level
(Grades 6, 5)

General Level
(Grades 4, 3)

Credit Level
(Grades 2, 1)

Within the Fields of Study of the course the candidate can:

in relation to straightforward economic contexts;

in relation to economic contexts;

in relation to complex economic contexts;

identify evidence from straightforward given sources and select appropriate material;

identify evidence from given sources and select appropriate material;

identify evidence from complex given sources and select appropriate material;

analyse simple data to extract key information and reach valid conclusions;

analyse data to extract key information and reach valid conclusions;

analyse complex data to extract key information and reach valid conclusions;

suggest and support solutions to straightforward economic problems.

suggest and support solutions to economic problems.

suggest and support solutions to complex economic problems.

Descriptions of grades are given in 6 7.