



Economics of the Market (Higher) Unit

SCQF: level 6 (6 SCQF credit points)

Unit code: H234 76

Unit outline

The general aim of this Unit is to enable learners to analyse the economic problem of unlimited wants in relation to limited resources and how this impacts on the daily choices made by individuals, firms and governments. Learners will analyse how demand and supply drives resource allocation and economic production. This provides learners with an in-depth understanding of the operation of markets.

Learners who complete this Unit will be able to:

- 1 Apply knowledge and understanding of the basic economic problem and opportunity cost to choices made by individuals, firms and governments
- 2 Analyse market economics in relation to demand, supply, production and costs

This Unit is a mandatory Unit of the Higher Economics Course and is also available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide 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 *Unit Assessment Support*.

The *Course Assessment Specification* for the Higher Economics Course gives further mandatory information on Course coverage for learners taking this Unit as part of the Higher Economics Course.

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:

- ◆ National 5 Economics Course or relevant component Units
- ◆ Numeracy (National 5) Unit
- ◆ Literacy (National 5) Unit

Examples of other such relevant prior learning and experiences would include an interest in the economy and/or 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*.

Standards

Outcomes and assessment standards

Outcome 1

The learner will:

- 1 Apply knowledge and understanding of the basic economic problem and opportunity cost to choices made by individuals, firms and governments by:**
 - 1.1 Explaining the basic economic problem and its impact on a choice made by an individual, a firm or a government
 - 1.2 Explaining the concept of opportunity cost using a production possibility diagram

Outcome 2

The learner will:

- 2 Analyse market economics in relation to demand, supply, production and costs by:**
 - 2.1 Using a diagram to analyse how changes in demand and supply affect equilibrium price and quantity traded
 - 2.2 Describing factors affecting price elasticity of demand and analysing how price changes of price elastic or price inelastic goods/services affect total revenue
 - 2.3 Comparing short-run and long-run average total cost curves
 - 2.4 Describing types of market failure

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 in their responses at all times and, where appropriate, make use of relevant examples.

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

Exemplification of assessment is provided in *Unit Assessment Support*. 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

4 Employability, enterprise and citizenship

4.1 Employability

5 Thinking skills

5.2 Understanding

5.3 Applying

5.4 Analysis and evaluating

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: April 2014 (version 1.1)

Superclass: EB

History of changes to National Unit Specification

Version	Description of change	Authorised by	Date
1.1	Minor wording changes in AS 1.1, AS 2.1 and AS 2.2 to clarify meaning. The word 'describing' changed to 'explaining' and the word 'curve' changed to 'diagram' in AS 1.2.	Qualifications Development Manager	April 2014

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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.

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