

Economics of the Market

SCQF: level 5 (6 SCQF credit points)

Unit code: H234 75

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 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*.

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 4 Business Course or relevant component Units
- ◆ National 4 Numeracy Unit

Examples of other such relevant prior learning and experiences would include an interest in the workings of 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 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 economic 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 Defining opportunity cost and giving examples of opportunity costs 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 Using information to prepare and label a demand curve and a supply curve accurately, illustrating the equilibrium point
 - 3.2 Identifying determinants of demand and determinants of supply
 - 3.3 Using a diagram to illustrate how a change in any of the identified determinants affects equilibrium price and quantity traded

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 gathered for the Unit. 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 weather, and changes in prices of other goods and services

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

5.1 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

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Superclass: EB

History of changes to National Unit Specification

Version	Description of change	Authorised by	Date

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