



National Unit Specification: general information

UNIT Economics: Basic Principles (SCQF level 4)

CODE F5G3 10

SUMMARY

This Unit is intended to introduce candidates to basic ideas in Economics. It is intended for candidates who have no previous knowledge of Economics. The Unit will enable candidates to describe a number of economic concepts in relation to market situations and to explore key features of the world and UK economy. It covers elements of microeconomics and macroeconomics and, therefore, provides a platform for future study in Economics and Business. This Unit is intended to raise the candidates' awareness of world economic problems and the interdependency of countries due to globalisation.

OUTCOMES

- 1 Describe the basic economic problem for the world and UK economy.
- 2 Identify and describe the determinants of demand and supply and the changes in price in specific markets.

RECOMMENDED ENTRY

Entry is at the discretion of the centre.

CREDIT VALUE

1 credit at Intermediate 1 level (6 SCQF credit points at SCQF level 4*).

**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.*

Administrative Information

Superclass: EB

Publication date: February 2009

Source: Scottish Qualifications Authority

Version: 01

© Scottish Qualifications Authority 2009

This publication may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged.

Additional copies of this Unit Specification can be purchased from the Scottish Qualifications Authority. Please contact the Customer Contact Centre, telephone 0845 279 1000.

National Unit Specification: general information (cont)

UNIT Economics: Basic Principles (SCQF level 4)

CORE SKILLS

Opportunities to develop aspects of Core Skills are highlighted in the Support Notes of this Unit Specification.

There is no automatic certification of Core Skills or Core Skill components in this Unit.

National Unit Specification: statement of standards

UNIT Economics: Basic Principles (SCQF level 4)

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit Specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

OUTCOME 1

Describe the basic economic problem for the world and UK economy.

Performance Criteria

- (a) Describe scarcity and identify examples.
- (b) Describe the problem of resource allocation.
- (c) Compare a less developed economy with the UK economy.

OUTCOME 2

Identify and describe the determinants of demand and supply and the changes in price in specific markets.

Performance Criteria

- (a) Identify and describe the determinants of demand.
- (b) Identify and describe the determinants of supply.
- (c) Identify and describe the changes in price.

EVIDENCE REQUIREMENTS FOR THIS UNIT

Evidence is required to demonstrate that candidates have met the requirements of all the Outcomes and Performance Criteria and should be produced in controlled conditions.

Written and/or oral evidence is required which demonstrates that the candidate has achieved Outcome 1 and Outcome 2 to the standard specified in the Outcome and Performance Criteria.

Outcome 1

- ◆ candidates must describe the term scarcity and identify a minimum of two examples of scarce resources
- ◆ candidates must describe the problem of resource allocation and give an example of the opportunity cost incurred
- ◆ candidates must refer to a minimum of four factors to compare a less developed economy to such as the UK economy

National Unit Specification: statement of standards (cont)

UNIT Economics: Basic Principles (SCQF level 4)

Outcome 2

- ◆ candidates must identify a minimum of four determinants of demand and explain how a minimum of one determinant of demand affects a specific market
- ◆ candidates must identify a minimum of four determinants of supply and explain how a minimum of one determinant of supply affects a specific market
- ◆ candidates must identify a price change in a specific market and describe the impact this may have upon a specific market

Candidates must produce evidence on their own at appropriate points in the Unit when they have acquired appropriate knowledge and understanding. Centres must ensure that the evidence submitted is the work of individual candidates.

The Assessment Support Pack (ASP) for this Unit provides sample assessment materials. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard.

National Unit Specification: support notes

UNIT Economics: Basic Principles (SCQF level 4)

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 40 hours.

GUIDANCE ON THE CONTENT AND CONTEXT FOR THIS UNIT

This Unit is a mandatory Unit in the National Certificate in Business (SCQF level 4) but can also be taken as a free-standing Unit. It provides candidates with a mix of basic micro and macro economic concepts, applications and aspects. Candidates attempting this Unit are not expected to have previous knowledge and understanding of Economics. This Unit is suitable for candidates progressing from Standard Grade Foundation Courses. Progression is available for candidates to study other Units in Economics, *Primarily Microeconomics* (DM4W 11), *The UK Economy* (DM4X 11) and *The International Economy* (DM4Y 11) (all at SCQF level 5).

Candidates should be made aware of the economic concepts associated with the basic economic problem, demand and supply and price changes and, how this not only relates to the UK economy but to every economy in the World. Candidates should be encouraged to see the natural links which exist within and between the various parts of the Unit.

Candidates will be introduced to the basic problem of allocating resources in an economy. Although some theory of economic concepts must be taught, the Unit should be approached practically so that candidates appreciate that economics is not only theoretical, but also primarily practical and applicable to everyday life and work. Shortages on goods such as food and oil could be discussed and the effects on developed countries compared with less developed countries might be investigated. This would give candidates an opportunity to consider the problem of allocation of resources and consider solutions to this problem. Outcome 1 gives the candidate an opportunity to explore and become aware of the main differences between the UK and less developed countries in terms of income, output and expenditure. Outcome 2 will give candidates an opportunity to investigate why the price of certain commodities have risen or fallen.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

It is suggested that the Outcomes be taught sequentially.

A range of learning and teaching methods can be used in the delivery of this Unit. Current news articles in paper or electronic form, business magazines, television news, CD-ROMs and the Internet could be used to encourage candidates to appreciate the ongoing practicality of Economics. A Unit at SCQF level 4 will require the lecturer/teacher to engage with candidates and direct them to particular articles, provide them with structured questions relating to the articles and then individual reporting or group discussions should be facilitated by the lecturer/teacher to provide feedback. There will be opportunities for candidates to convey information on their research to other candidates on their programme of study.

National Unit Specification: support notes (cont)

UNIT Economics: Basic Principles (SCQF level 4)

The Unit can be approached holistically and an integrative approach to the learning and teaching process can help candidates recognise the importance of both Outcomes to all aspects of their programme of study. Teaching and learning approaches should promote the integration and interdependency between the individual topics and to allow for a wider range of contexts to be employed. It can also assist candidates in making links between the two Outcomes and to see how they are inter-connected. The use of recurring case study stimulus and consistent commodities or markets may prove beneficial to candidates.

Throughout the learning and teaching process, lecturers/teachers should be aware of the importance of diagrams in illustrating the economic concepts involved and make appropriate and accurate representation during teaching sessions. The use of ICT will assist greatly in the clarity, accuracy and accessibility of diagrammatic representation. Candidates should also be made aware of relevant statistical and other information and how it can be used in the study of economics. The Unit recognises that economic issues are influenced by a range of local, national and international factors and learning and teaching approaches should take account of these perspectives.

Outcome 1

Teaching should initially focus upon basic economic principles of scarcity, choice and opportunity cost and move through the working of markets to consider the wider economy and the global context. A focus on individuals and current economic events should be used. This approach should help to integrate the theoretical and practical aspects of all parts of the Unit, and to reflect its issue-based nature. In this way, candidates will be more able to describe general economic concepts in relation to a whole range of issues. As a result, the learning and teaching approaches will focus upon the use of realistic examples and will increase the relevance of the subject to candidates and increase their motivation, particularly if use is made of up-to-date statistics and reference is made to topical events. Learning and teaching should utilise scenarios and specific examples of goods that will be accessible to the candidates and should refer to the Scottish Economy where appropriate.

Examples of scarce resources could be identified from recent newspaper and internet articles on relevant topic areas such as food and oil. Shortages and their effects on developed countries compared with less developed countries might be investigated. This would give candidates an opportunity to consider the problem of allocation of resources and consider solutions to this problem. A practical, research approach using a variety of articles from the Internet, newspapers, television and journals will facilitate the development and learning of candidates. Lecturer/teacher support and guidance will provide the candidate with the opportunity to research development indicators and compare the income between a less developed country and a developed economy. It is expected that case study stimulus and practical exercises will be provided for candidates to facilitate learning.

Outcome 2

The candidates could research articles from the internet and various journals in groups and report back on shortages and surpluses of certain commodities or markets. Examples should be used wherever it is possible to enable candidates to recognise the everyday importance of the material in the Unit and how economic events can have an impact upon individuals, countries, economies, markets and commodities. Lecturer/teacher support and guidance will provide the candidate with the opportunity to gather statistics and compare the commodities and market conditions. It is expected that case study stimulus and practical exercises will be provided for candidates to facilitate learning.

National Unit Specification: support notes (cont)

UNIT Economics: Basic Principles (SCQF level 4)

OPPORTUNITIES FOR CORE SKILL DEVELOPMENT

Candidates will be producing written and/or oral evidence as part of the assessment. This offers ideal opportunities to develop aspects of the Core Skill of *Communication* at SCQF level 4.

Should candidates choose to use the Internet to help gain understanding of the basic economic problem or specific commodities and carry out research using CD-ROMs, there will be opportunities to develop aspects of the Core Skill of *Information Technology* at SCQF level 4.

During the process of carrying research in Outcomes 1 and 2 on the basic economic problem and determinants of supply and demand and price changes, there will be opportunities to develop aspects of the Core Skills of *Problem Solving* and *Working with Others*, at SCQF level 4.

The production and interpretation of graphs in Outcome 2 for Supply and Demand offers candidates the ideal opportunity to develop aspects of the Core Skill *Numeracy* at SCQF level 4.

GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT

The following approaches to assessment are suggested:

Candidates could be presented with a set of questions that cover both Outcomes. Candidates will incorporate their responses into a portfolio along with collected articles. Responses to the questions may be presented on a question by question basis or in a report structure. Or alternatively:

Outcome 1 — short answer questions/short report.

Outcome 2 — short answer questions based on a given case study on a specific resource allocation problem.

Time should be allocated for any necessary re-assessment.

Opportunities for the use of e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by information and communications technology (ICT), such as e-testing or the use of e-portfolios or e-checklists. Centres which wish to use e-assessment must ensure that the national standard is applied to all candidate evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. Further advice is available in *SQA Guidelines on Online Assessment for Further Education (AA1641, March 2003)*, *SQA Guidelines on e-assessment for Schools (BD2625, June 2005)*.

CANDIDATES WITH DISABILITIES AND/OR ADDITIONAL SUPPORT NEEDS

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering alternative Outcomes for Units. Further advice can be found in the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs (www.sqa.org.uk)*.