

## Global Economic Activity (National 5)

**SCQF:** level 5 (6 SCQF credit points)

**Unit code:** J295 75

### Unit outline

The general aim of this Unit is to enable learners to understand the advantages and disadvantages of global trade to the UK economy and the effects of exchange rates on such trade. Learners will also demonstrate their understanding of the role and significance of the EU and developing and emerging economies. Learners will also demonstrate an awareness of measures taken to aid developing economies.

Learners who complete this Unit will be able to:

- 1 Outline reasons for global trade
- 2 Interpret the effects of exchange rate changes on individuals and firms
- 3 Apply knowledge and understanding of the global economy in relation to the EU, developing economies and emerging economies

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 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 Outline reasons for global trade by:**

- 1.1 Identifying the UK's main trading partners, stating the main types of UK imports and UK exports and outlining trends in UK imports and exports
- 1.2 Stating advantages and disadvantages of global trade for the UK economy
- 1.3 Describing in straightforward terms the role of multinationals in the global economy

### Outcome 2

The learner will:

#### **2 Interpret the effects of exchange rate changes on individuals and firms by:**

- 2.1 Identifying currencies used by the UK's main trading partners
- 2.2 Calculating a straightforward currency exchange
- 2.3 Interpreting how an increase or a decrease in an exchange rate will affect an individual or a firm

### Outcome 3

The learner will:

#### **3 Apply knowledge and understanding of the global economy in relation to the EU, developing economies and emerging economies by:**

- 3.1 Outlining economic characteristics of EU membership
- 3.2 Identifying characteristics of developing economies
- 3.3 Outlining characteristics of emerging economies

## **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.

## **Assessment standard thresholds**

If a candidate successfully meets the requirements of the specified number of Assessment Standards they will be judged to have passed the Unit overall and no further re-assessment will be required.

The specific requirements for this Unit is as follows:

- ◆ 7 out of 9 Assessment Standards must be achieved.

It should be noted that there will still be the requirement for candidates to be given the opportunity to meet all Assessment Standards. The above threshold has been put in place to reduce the volume of re-assessment where that is required.

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.

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**

1.1 Writing

## **2 Numeracy**

2.3 Information handling

## **4 Employability, enterprise and citizenship**

4.1 Citizenship

## **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*.

# Appendix: Unit support notes

## Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing this Unit. They are intended for teachers and lecturers who are delivering this Unit. They should be read in conjunction with:

- ◆ the *Unit Specification*
- ◆ the *Unit Assessment Support packs*

## Developing skills, knowledge and understanding

Teachers and lecturers are free to select the skills, knowledge, understanding and contexts which are most appropriate for delivery in their centres.

## Approaches to learning and teaching

Topic	Examples of possible learning	Suggested experiences and activities for learners
Understanding global trade	<ul style="list-style-type: none"> <li>◆ Describing the main types of imports to and exports from the UK and identifying who the main UK trading partners are.</li> <li>◆ Understanding why we trade and what benefits there are to a country of trading globally.</li> <li>◆ Understanding the disadvantages of global trade to our economy.</li> <li>◆ Describing the different barriers to trade and why these are erected.</li> <li>◆ Understanding the structure and location of industry, and employment in export industries, as well as much of our growth in the recent past stemming from export-led growth.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Work in groups, researching different aspects of global trade, eg information on the UK's main trading partners, the goods traded and how trading patterns have changed in recent years, potential impact of China and India on world trade patterns, and then creating graphs/charts and or presentations of their findings to the other groups.</li> <li>◆ Investigating barriers to trade and any recent trade activity in retaliation.</li> <li>◆ Debating the ethics of fair trade and its implications; use of websites, eg Co-operative ethical trading.</li> </ul>
Multinationals	<ul style="list-style-type: none"> <li>◆ Defining a MNE and understanding the basic reasons why MNEs locate in a foreign country.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Investigating why MNEs locate in foreign countries.</li> </ul>
Exchange rates	<ul style="list-style-type: none"> <li>◆ Defining an exchange rate.</li> <li>◆ Calculating simple currency exchange rates.</li> <li>◆ Understanding the effect of changes in the exchange rate on the prices of imports and exports.</li> <li>◆ Understanding of the effect of exchange rates on firms and individual consumers, eg a UK citizen when holidaying abroad.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Investigating currencies from a range of countries and analysing how exchange rates of these currencies have changed over a specific period of time.</li> <li>◆ Drawing demand and supply diagrams to analyse exchange rate determination.</li> </ul>
Understanding the impact of global economy	<ul style="list-style-type: none"> <li>◆ Understanding how membership of the EU affects the UK.</li> <li>◆ Defining what is meant by Eurozone, EU enlargement and understanding the effects of EU enlargement on the UK economy.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Learners could be divided into small groups. Each one chooses a UK/Scottish multinational which has operations in Europe or a developing country to explain their reasons for doing so and briefly reporting their findings to the other groups.</li> </ul>



	<ul style="list-style-type: none"> <li>◆ Describing the characteristics of developing economies.</li> <li>◆ Describing the different types of aid given to developing economies.</li> <li>◆ Describing the characteristics of emerging economies relative to developing economies.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Choosing a developing economy and suggesting what could be done to promote economic growth in that country.</li> <li>◆ Researching an emerging economy to establish its characteristics and its evaluating its impact on UK exports.</li> </ul>
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## **Combining assessment within Units**

Assessment could be combined in this Unit by holistically assessing all the Outcomes of the Unit in a single assessment. When assessment within the Unit is holistic, teachers and lecturers should take particular care to track the evidence for each individual Outcome.

# Administrative information

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**Superclass:** EB

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## History of changes to National Unit Specification

Version	Description of change	Authorised by	Date
1.1	Assessment standard thresholds added Unit Support Notes added	Qualifications Manager	September 2018
2.0	Unit code updated	Qualifications Manager	July 2019

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