

Higher Economics Course Support Notes



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Please refer to the note of changes at the end of this document for details of changes from previous version (where applicable).

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Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing the Higher Economics Course. They are intended for teachers and lecturers who are delivering the Course and its Units. They should be read in conjunction with the *Course Specification*, the *Course Assessment Specification* and the Unit Specifications for the Units in the Course.

General guidance on the Course

Aims

The Course aims to enable learners to:

- ◆ expand and deepen understanding relating to how markets work and how they affect our daily lives
- ◆ develop an in-depth understanding of economic problems and the ability to explain those problems and consider possible solutions to them
- ◆ develop confidence and decision making by providing opportunities for them to use initiative in solving economic issues
- ◆ extend numeracy skills by enabling them to analyse and interpret relatively complex economic data from a range of sources, such as tables, charts and graphs
- ◆ extend skills of reasoning and critical thinking by requiring them to provide economic solutions to a range of economic problems
- ◆ analyse relatively complex economic information and communicate it in a clear and concise way

Progression into this Course

Entry to this Course is at the discretion of the centre. However, learners would normally be expected to have attained the skills and knowledge required by one or more of the following or equivalent experience:

- ◆ National 5 Economics Course or relevant Units
- ◆ National 5 Business Course or relevant Units
- ◆ Numeracy (National 5) Unit
- ◆ Literacy (National 5) Unit
- ◆ equivalent qualifications in other social subjects

Skills, knowledge and understanding covered in this Course

This section provides further advice and guidance about skills, knowledge and understanding that could be included in the Course.

Teachers and lecturers should refer to the Higher Economics *Course Assessment Specification* for mandatory information about the skills, knowledge and understanding to be covered in this Course.

The skills, knowledge and understanding that will be developed in the Higher Economics Course are outlined in the following table.

Mandatory skills, knowledge and understanding	Economics of the Market	UK Economic Activity	Global Economic Activity
Analysing economic data, concepts and evidence from a wide range of sources	✓	✓	✓
Evaluating current economic situations to make informed economic judgements	✓	✓	✓
Communicating economic reasoning and conclusions effectively in familiar and unfamiliar contexts	✓	✓	✓
Applying understanding of how the basic economic problem impacts on individuals, firms and governments	✓		
Analysing economic choices by considering their impact on the price mechanism	✓		
Applying understanding of the UK's economic aims and evaluating policies used to achieve these aims		✓	
Assessing the economic relationship between the UK and Scottish governments		✓	
Analysing the impact of global trade in relation to UK balance of payments			✓
Analysing the importance and impact of aid and trade			✓
Understanding the reasons for the growth of developing and emerging economies and their impact on the UK economy			✓

Other skills developed	
Research	<ul style="list-style-type: none"> ◆ Developing the ability to carry out research and interpreting and evaluating information which will assist with decision making. ◆ Using websites such as the Office for National Statistics, BBC business data, World Trade Organisation, World Bank, TUTOR2U, and/or relevant paper-based sources such as newspapers and economic journals will assist learners to find up-to-date economic data, statistics and other information.
Communication	<ul style="list-style-type: none"> ◆ Developing communication skills will permeate the Course. Learners will be able to demonstrate their communication both orally and in writing. ◆ Using the telephone or e-mail to gather information regarding aspects of the Course, eg local employment office regarding unemployment statistics, Scottish Government website for details of aid agreements will assist learners in developing this skill. ◆ Using IT to present outcomes of learning, eg in describing types of government taxation and the percentages of income received from each type.
Decision making	<ul style="list-style-type: none"> ◆ Developing the ability to identify straightforward economic issues or problems, devising alternative solutions to these issues/problems and making decisions on the best course of action to take.
Analytical and evaluative	<ul style="list-style-type: none"> ◆ Interpreting economic graphs, charts and statistics and by carrying out simple calculations involving percentages and percentage changes assists learners to develop these skills.
Application of knowledge and understanding of underpinning theory	<ul style="list-style-type: none"> ◆ Applying economic concepts to real-life situations through consideration of current economic issues in local, national or global contexts, along with the ability to use relevant economic vocabulary and terminology.

The development of subject specific and generic skills is central to the Course. Learners should be made aware of the skills they are developing and of the transferability of them. It is the transferability that will help learners with further study and enhance their personal effectiveness.

Progression from this Course

This Course or its components may provide progression to:

- ◆ Advanced Higher Economics Course
- ◆ Units or qualifications in related business or social subjects
- ◆ further study, employment and/or training

Hierarchies

Hierarchy is the term used to describe Courses and Units which form a structured sequence involving two or more SCQF levels.

In Economics, the Courses and Units are offered from SCQF level 5 to SCQF level 7.

Learning should be progressive and not repetitive as learners advance through the levels. While Course planning may involve returning to concepts or themes developed at a lower level in order to develop knowledge and understanding and skills in greater depth, it is important that any content in a Course at one particular SCQF level is not repeated excessively as a learner progresses to the next level of the hierarchy. The skills, knowledge and understanding should be able to be applied to new content and contexts to enrich the learning experience. This is for centres to manage.

This may be achieved through the planned use of appropriately differentiated activities and contexts within Units. The level of learner support and the sophistication of responses expected would also be a useful factor in ensuring progression rather than repetition.

Learners will be expected to demonstrate a greater degree of autonomy with less support offered by the teacher/lecturer the higher they progress through the hierarchy. This should increase the sense of ownership the learners have over their work and ensure that, even if they have previously completed the Course at a lower level, their interest in the subject is kept alive.

To the learners who might exceed the SCQF level they are working at, a hierarchical arrangement gives the opportunity to have their best achievements recognised. For those who might fall short in some areas, on the other hand, it provides fallback. A hierarchical arrangement also enables learners to work at different levels in one class, and it is envisaged that this will happen in some centres.

Approaches to learning and teaching

Teachers/lecturers should encourage learners to use an enquiring, critical and problem solving approach to the study of economics. This can be done by enabling learners to demonstrate their understanding of how economics contributes to the wider social environment.

Learners should be given the opportunity to apply economic concepts and theories to address issues arising from current economic events. This could be done through mini-projects or case studies. A few examples are highlighted below.

Economics of the Market	UK Economic Activity	Global Economic Activity
<ul style="list-style-type: none"> ◆ Housing market ◆ Scottish salmon market ◆ Whisky market 	<ul style="list-style-type: none"> ◆ UK budget and its effect on individual and business ◆ Financial services in Scotland ◆ Tourism industry 	<ul style="list-style-type: none"> ◆ Eurozone crisis ◆ Global recession

Some of these topics may lend themselves to an integrated project across all three Units, eg the Eurozone crisis.

Centres are free to sequence the teaching of the Outcomes, Units and/or Course in any order they wish. For example:

- ◆ Each Unit could be delivered separately in any sequence.
- ◆ All three Units may be delivered in an integrative way as part of the Course. If this approach is used, the Units may either be taught in sequence or be partially or fully integrated. If the Units are delivered in an integrated way, individual Outcomes may be assessed both within and across Units.

Due to the nature of the subject a partially integrated approach is recommended. This will enable learners to acquire skills, knowledge and understanding in a more meaningful way and can help with knowledge retention. Such an approach can help learners transfer newly developed skills to new contexts.

When an integrated approach is used, it is advisable to teach the basic economic problem and choice first, as these concepts form the basis of economics and should be an underlying theme throughout.

Examples of appropriate learning and teaching approaches would include the following:

- ◆ Active and open-ended learning activities, such as research, case study and presentation tasks.
- ◆ Use of real-life contexts and experiences familiar and relevant to young people to meaningfully hone and exemplify skills, knowledge and understanding.

- ◆ Appropriate and effective use of technological resources (eg web-based resources) to hone and exemplify skills, knowledge and understanding.
- ◆ Appropriate and effective use of media resources (eg video clips) to hone and exemplify skills, knowledge and understanding.
- ◆ Collaborative and enterprising learning opportunities to develop team working ability.
- ◆ Discussion and informed debate to provide challenge and enjoyment, breadth and depth to learning.
- ◆ Field trips, visits and input by partner agencies to bring the subject to life.
- ◆ A weekly economics news bulletin board could be set up, where learners are encouraged to bring in economic news articles relevant to the Unit content and the class discuss it for 10 minutes.
- ◆ Headlines relating to the economics concepts covered in the Unit could be given in which some of the words are 'blanked' out and learners need to complete the missing word or words.
- ◆ Recent relevant media topics could be put in a hat and individuals or groups pick one out and have to talk about it for a minute ('Just a Minute').
- ◆ Research tasks making use of the internet to find out and make recommendations about different local markets/industries. These tasks could end with a class presentation to demonstrate their findings. This could be a group task to encourage team working skills.
- ◆ End-of-week five-minute class quizzes to ensure learning is ongoing. Keep total scores on a leader board and reward top players with prizes at the end of each term.

The Course provides opportunities to apply the subject content to local, national and global economic circumstances. The context for learning is therefore very important and teachers/lecturers are encouraged to use current events to integrate topics and to bring the subject to life, for example:

- ◆ The concept of economic choice could be integrated with government aims.
- ◆ The generic aspect of inflation could be incorporated into how it affects the balance of payments.
- ◆ Research undertaken on a developing economy could take in influences of aid and be integrated with government finance.
- ◆ Global trade could be incorporated into the choices of goods that supermarkets provide consumers and how individuals decide to make their choices of what to buy.

Developing skills for learning, skills for life and skills for work

The generic skills for learning, skills for life and skills for work which this Course develops include aspects of literacy, numeracy, employability and thinking skills. It will be important for teachers/lecturers to offer learners ample opportunity to develop these skills as an integral part of their learning experience because this will highlight those skills' relevance.

The coverage of skills for learning, skills for life and skills for work is illustrated in the table below:

Skill	How it is developed
Literacy	<ul style="list-style-type: none"> ◆ watching news updates ◆ reading newspapers (media) ◆ communicating through presentations/working in groups ◆ mini investigations ◆ self/peer evaluation ◆ listening to economic radio broadcasts or podcasts ◆ outside speakers ◆ attending lectures <p>Teachers/lecturers should encourage learners to develop narratives on economic issues. Learners should be encouraged to take time to interpret questions and to respond to them. Emphasis should be placed on written work through the use of developed answers, using structured sentences and paragraphs.</p>
Numeracy	<ul style="list-style-type: none"> ◆ Calculations, eg fractions/percentages eg inflation and unemployment, RPI, CPI. ◆ Interpreting diagrams and constructing simple graphs. ◆ Gathering numerical information from a range of economic sources and interpreting it. ◆ Presenting economic information in tables graphs and charts. <p>The Course will promote learners' understanding of numeracy and its relation to economics in selecting, organising and interpreting diagrams and data, ie information handling.</p>
Employability, enterprise and citizenship	<ul style="list-style-type: none"> ◆ encouraging autonomy/initiative through personal research ◆ enhanced time management and organisational skills ◆ improved IT skills for a technology-driven society ◆ increased economic and political awareness (watching news reports, reading newspapers) ◆ exploring different 'real-life' topic areas (inflation, unemployment, economic growth) ◆ working with others ◆ increased knowledge of the local/Scottish economy <p>The Course will enhance learners' employability through developing their flexibility, resilience and ability to work with others and accept responsibility for themselves and their actions. Learners' citizenship skills will be improved through debating ideas and developing an understanding of economic issues which affect their everyday life.</p>

Thinking skills	<ul style="list-style-type: none">◆ mini case studies◆ setting concepts in real-life examples◆ personal research and team working◆ personal experience◆ sharing information◆ applying economic concepts to newspaper articles, television and radio broadcasts, web searches, case studies, talks, games, debates, peer- and self-evaluation <p>Learners should be able to correctly decode and interpret information and to use it in different settings or contexts. Learners should be able to apply the knowledge they have learned to different contexts, emphasising their understanding of the key concepts of economics. Once learners have the ability to think critically about a given scenario, they should be able to analyse economic decisions, and based on that analysis, evaluate various outcomes and performance.</p>
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Approaches to assessment

There are different approaches to assessment, and teachers/lecturers should use their professional judgement, subject knowledge and experience, as well as understanding of their learners and their varying needs, to determine the most appropriate ones and, where necessary, to consider workable alternatives.

Assessments must be fit for purpose and should allow for consistent judgements to be made by all assessors. They should also be conducted in a supervised manner to ensure that the evidence provided is valid and reliable.

Assessments must ensure that the evidence generated demonstrates, at least, the minimum level of competence for each Unit. Assessors preparing assessment methods should be clear about what that evidence will look like for their centre or learner.

Examples of appropriate tasks which allow learners to generate evidence for Assessment Standards are detailed in the Unit Assessment Support packs, found on the SQA secure server.

In addition, Unit Assessment Support packs provide guidance about the qualitative expectations for a learner response for each Assessment Standard. This can be found in the Judging Evidence Table of these packs.

Unit Assessment Support packs also provide exemplification of a possible response to a task. It should be noted that learner responses will vary, for example, if different assessment tasks or stimulus information is being used. However, assessors should follow the qualitative guidance set out in the Judging Evidence Table.

It is important that when using this guidance that centres refer to the appropriate Unit Specifications and the Outcomes and Assessment Standards for the Unit.

Examples of suitable forms of evidence could include:

- ◆ multiple choice questions
- ◆ short written responses
- ◆ participation in group work and discussion (making use of log books, blogs, question and answer sessions to confirm individual learners have met the required standards)
- ◆ presenting information to other groups and/or recorded oral evidence
- ◆ extended response essay type questions
- ◆ exemplifying concepts using a diagram
- ◆ interpretation of numerical data

Where appropriate, evidence should include the use of appropriate economic terminology as well as the use of real-life examples.

Flexibility in the method of assessment provides opportunities for learners to demonstrate attainment in a variety of ways and so reduce barriers to attainment. The structure of an assessment used by a centre can take a variety of forms, for example:

- ◆ assessment of each individual Assessment Standard — individual pieces of work could be collected in a folio
- ◆ assessment of each complete Outcome
- ◆ assessment that combines Outcomes of one or more Units
- ◆ assessment that requires more than the minimum competence, which would allow learners to prepare for the Course assessment

Teachers/lecturers should note that learners' day-to-day work may produce evidence which satisfies assessment requirements of a Unit, or Units, either in full or partially. Such naturally occurring evidence may be used as a contribution towards Unit assessment.

Preparation for Course assessment

Each Course has an allocation of time which may be used at the discretion of the teacher/lecturer to enable learners to prepare for Course assessment. This time may be used throughout the Course for consolidation and support. It may also be used for preparation for Unit assessment or for further integration, revision and preparation for Course assessment.

Information given in the *Course Specification* and the *Course Assessment Specification* about the assessment of added value is mandatory.

Examples of activities to include within this notional time are described below.

- ◆ Preparing for the assignment — this time could be used by learners for identifying and agreeing a topic or issue for the assignment; gathering information and carrying out the research which may include using books, the internet, interviews, fieldwork; analysing and evaluating their findings; preparing their conclusion and revising before the write-up.
- ◆ Revising for the question paper — this may be done individually, in small groups or within the class or group as a whole, at the discretion of the teacher or lecturer, and could include the exemplification of command words to assist learners in developing their responses.
- ◆ Revising and preparing for Unit assessment — this can support Course assessment as it may be done by written assessments which cover multiple Outcomes that could gauge learners' ability to demonstrate the breadth and depth of knowledge required for the question paper component of the Course assessment.

Combining assessment across Units

Centres are free to deliver and assess Units and Outcomes in any order they wish. This provides an opportunity for flexibility in sequencing the delivery of the Course and/or Units. In this situation, assessments could be combined across Units as other topics of the Course can offer the opportunity to be assessed synoptically. This will require learners to:

- ◆ understand the inter-relatedness of many economic issues, problems and institutions
- ◆ understand how certain economic concepts, theories and techniques may be relevant to a range of different contexts
- ◆ apply such concepts, theories and techniques in analysing economic issues and problems and in evaluating arguments and evidence

Circumstances in which this could occur are outlined below.

- ◆ A thematic approach of international aid to a developing economy that will assess concepts of: scarcity; production possibility curves; markets; global trade and its impact on the UK economy.
- ◆ A thematic approach could be around government finance and its influence on multinationals locating in Scotland, and the effects of these aspects on the Scottish economy.

Combined assessment will minimise repetition, allow more time for learning and enable centres to manage the assessment process more efficiently.

When assessment across Units is combined, teachers/lecturers should take particular care to track the evidence for each Outcome/Unit to ensure learners who do not achieve the entire Course will still get credit for the Unit or Units they have achieved.

Equality and inclusion

It is recognised that centres have their own duties under equality and other legislation and policy initiatives. The guidance given in these *Course Support Notes* is designed to sit alongside these duties but is specific to the delivery and assessment of the Course.

The high degree of flexibility within this Course in terms of possible approaches to assessment means that Course planners can consider and remove potential barriers to learning and assessment. Alternative assessment arrangements and reasonable adjustments can be made in order that this Course and its Units are accessible to all learners.

It is important that centres are aware of and understand SQA's assessment arrangements for disabled learners, and those with additional support needs, when making requests for adjustments to published assessment arrangements. Centres will find more guidance on this in the series of publications on Assessment Arrangements on SQA's website: www.sqa.org.uk/sqa/14977.html.

Appendix 1: Reference documents

The following reference documents will provide useful information and background.

- ◆ Assessment Arrangements (for disabled candidates and/or those with additional support needs) — various publications are available on SQA's website at: www.sqa.org.uk/sqa/14977.html.
- ◆ [Building the Curriculum 4: Skills for learning, skills for life and skills for work](#)
- ◆ [Building the Curriculum 5: A framework for assessment](#)
- ◆ [Course Specification](#)
- ◆ [Design Principles for National Courses](#)
- ◆ [Guide to Assessment](#)
- ◆ Principles and practice papers for curriculum areas
- ◆ [SCQF Handbook: User Guide](#) and [SCQF level descriptors](#)
- ◆ [SQA Skills Framework: Skills for Learning, Skills for Life and Skills for Work](#)

Administrative information

Published: September 2015 (version 1.1)

History of changes to Course Support Notes

Version	Description of change	Authorised by	Date
1.1	'General guidance on the Course' and 'Approaches to assessment' sections updated to incorporate revised content in the Course Specification.	Qualifications Development Manager	June 2014

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Unit Support Notes — Economics of the Market (Higher)



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Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing the *Economics of the Market* (Higher) Unit. They are intended for teachers and lecturers who are delivering this Unit. They should be read in conjunction with:

- ◆ the *Unit Specification*
- ◆ the *Course Specification*
- ◆ the *Course Assessment Specification*
- ◆ the *Course Support Notes*
- ◆ the specimen question paper
- ◆ the Unit Assessment Support packs

If the *Unit Support Notes* have been developed for a Unit which is not part of a Course, then it is only necessary to read them in conjunction with the *Unit Specification*.

General guidance on the Unit

Aims

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.

This is a mandatory Unit of the Higher Economics Course and is also available as a free-standing Unit.

Learners who complete this Unit will be able to:

- ◆ apply knowledge and understanding of the basic economic problem and opportunity cost to choices made by individuals, firms and governments
- ◆ analyse market economics in relation to demand, supply, production and costs

Progression into this Unit

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills and knowledge required by one or more of the following or equivalent qualifications and/or experience:

- ◆ other Higher Economics Units — UK Economic Activity and/or Global Economic Activity
- ◆ National 5 Business Management Course or relevant Units
- ◆ Numeracy (National 5) Unit
- ◆ Literacy (National 5)

Skills, knowledge and understanding covered in this Unit

Information about skills, knowledge and understanding is given in the Higher Economics *Course Support Notes*.

If this Unit is being delivered on a free-standing basis, teachers and lecturers are free to select the skills, knowledge, understanding and contexts which are most appropriate for delivery in their centres.

Progression from this Unit

This Unit or its components may provide progression to:

- ◆ other Higher Economics Units — UK Economic Activity and/or Global Economic Activity
- ◆ Advanced Higher Economics
- ◆ Higher Business Management
- ◆ further study, employment and/or training

Approaches to learning, teaching and assessment

The context in which *Economics of the Market* can be taught is relevant to everyday economic issues faced by individuals, firms and governments and offers a coherent approach to dealing with such scenarios. The context for learning in this Unit is therefore very important and teachers/lecturers are encouraged to use current events to bring the topics to life.

The table below suggests some activities which could support the delivery of this Unit and which may suit the needs of learners with different learning styles.

Topic	Skills, knowledge and understanding	Suggested experiences and activities
The economic problem	Learners should be aware of: <ul style="list-style-type: none"> ◆ the concepts of scarcity, choice, and opportunity cost — their relationship and importance ◆ dealing with the problem of scarcity in different economic systems ◆ the effect of opportunity cost on individuals, firms and governments ◆ the distinction between scarcity and shortage ◆ the distinction between economic goods and free goods ◆ resource substitution and mobility 	<ul style="list-style-type: none"> ◆ Using group work. Each group reports on what they think are the most important economic problems facing the world today and ranks them in order. Class discuss responses. ◆ Asking learners to describe three choices they made that week and explaining why they had to choose and how they decided what to choose. This is a good way of introducing the concept of opportunity cost. Follow this up by considering choices made by businesses and governments. ◆ Using ‘the survival game’ to illustrate aspects of limited resources. ◆ Class discussing what they think is the main purpose/aim of economics. Their answers should draw out that it is ‘to show how to make the best (ie most efficient) use of our scarce resources’.
Production possibility diagrams	Learners should be able to: <ul style="list-style-type: none"> ◆ draw and interpret production possibility diagrams 	<ul style="list-style-type: none"> ◆ Explain the difference between technical and economic efficiency, then ask groups to discuss how the two are related.

	<ul style="list-style-type: none"> ◆ use the diagrams to explain opportunity cost ◆ use the diagram to illustrate and describe economic growth and the efficient allocation of resources ◆ distinguish and relationship between technical efficiency and economic efficiency 	<ul style="list-style-type: none"> ◆ Show how technical efficiency and opportunity cost can be illustrated by constructing a production possibility diagram. ◆ Discuss the difference (and similarity) between a movement of actual production towards the curve and an outward movement of the curve. ◆ Give out production possibility diagrams and get the class to use the diagram to explain concepts of scarcity, choice and opportunity cost.
<p>Demand (theory of)</p> <p>Determinants of demand</p>	<p>Learners should be able to:</p> <ul style="list-style-type: none"> ◆ define effective demand, demand schedules/curves, aggregate demand, individual demand and market demand ◆ explain Utility - Total, marginal and diminishing marginal ◆ explain the shape of a normal demand curve using marginal utility, income and substitution effects ◆ explain exceptions to the law of demand ◆ draw and analyse demand curve diagrams <p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the determinants of demand ◆ the relationship between the determinants of demand and price and quantity demanded ◆ the effects of changes of determinants of demand on overall demand ◆ the distinction between shifts of and movements along a demand curve 	<ul style="list-style-type: none"> ◆ Carrying out a class experiment using a learner and a packet of biscuits that the learner likes. The learner is invited to eat them (all?) one at a time and records his/her level of enjoyment/satisfaction after each one (first one = 100). From the results discuss total, marginal and diminishing marginal utility. ◆ Conducting market research with the class to show the inverse relationship between price and quantity demanded, eg would their demand for a good they regularly buy increase or decrease if its price doubled/halved? ◆ Using group work, pupils discuss why they are likely to buy more of a good when its price falls (and vice versa). Relate their answers to (marginal) utility, real income and the price of substitutes. ◆ In groups, discussing: <ul style="list-style-type: none"> — What could happen that would cause them to buy more of a good than they do at the moment? — How their increase in demand would affect their demand curve for the good. — From the results, they should be able to deduce the

		<p>determinants of demand and the causes of shifts in a demand curve and movements along it.</p> <ul style="list-style-type: none"> ◆ Draw and analyse demand curves from a demand schedule.
Price elasticity of demand (PED)	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the factors influencing PED ◆ the relationship between PED and total sales revenue 	<ul style="list-style-type: none"> ◆ Giving groups a list of goods consisting of some which are essential, habit-forming, substitutes, cheap, durable, etc. Assume that tomorrow the price of all of these goods will increase by 10%. Pupils should discuss what is likely to happen to the demand for each good, ie do they think it will fall by more or less than 10%? They should justify their conclusions. Their results can be used to explain PED and the factors which determine it. ◆ The groups should now assume that they are retailers and should discuss the following question: 'In times of rising prices, would you prefer to be selling goods whose demand is price elastic or price inelastic?' From their answers, they should be able to deduce the relationship between PED and total revenue. The groups could then discuss what they could do to make the demand for their goods more price inelastic.
Production and Costs	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the advantages and disadvantages of specialisation, division of labour ◆ returns of factors of production and returns to a single variable factor ◆ productivity and measures to improve productivity ◆ the relationship between costs, sales revenue and profit <p>Learners should be able to:</p>	<ul style="list-style-type: none"> ◆ Using simulations such as Foundations of Wealth DVDs and the Survival Game to illustrate specialisation, division of labour and productivity. ◆ Using hypothetical scenarios, eg a farmer employing an increasing number of workers to grow potatoes. A table can be constructed showing what happens to the total output of the workers (and why) as their number increases. The class can then calculate what happens (and why) to average and marginal output. The figures in the table can be used to draw average and marginal

	<ul style="list-style-type: none"> ◆ define and give examples of fixed costs and variable costs ◆ use graphs to explain total costs, average costs and marginal costs ◆ use graphs to explain total sales revenue and marginal sales revenue ◆ define, draw and explain short-run and long-run average cost curves taking into account the law of diminishing returns and economies and diseconomies of scale ◆ compare short-run and long-run average costs curves 	<p>output curves.</p> <ul style="list-style-type: none"> ◆ Giving groups a list of production costs of a particular firm, eg one making wooden tables. The groups work out what would happen to costs if the firm increased its weekly output by 20%. Answers can be used to discuss the difference between fixed and variable costs. ◆ Constructing a table showing a firm's hypothetical total cost at increasing output levels and using the figures to calculate average and marginal costs. Average cost curves can be drawn from the table and their shapes discussed. ◆ Researching the origins of large companies, eg Sainsbury's, Marks and Spencer, etc. Their results can be used to explain the short run, the long run and economies of scale. ◆ Researching the possible causes of climate change and their results — this can be used as an introduction to diseconomies of scale.
Supply and Determinants of supply	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ supply schedules/curves, aggregate supply ◆ individual and market supply ◆ the determinants of supply ◆ the relationship between the determinants of supply and price and quantity supplied ◆ the effects of changes of determinants of supply on overall supply <p>Learners should be also able to:</p>	<ul style="list-style-type: none"> ◆ Splitting the class into two groups. One group is to assume that they are strawberry producers, the other group oil producers. Each group has to discuss what situations can arise (other than a change in the price of their good) that would result in altering their supply (either increasing or decreasing it). They can ignore changes in the demand for their good as that would alter the price. Their answers can be used to describe the determinants of supply and the causes of shifts in a supply curve. ◆ Draw and analyse supply curves from a supply schedule.

	<ul style="list-style-type: none"> ◆ draw and analyse supply curve diagrams ◆ distinguish between shifts of and movements along a supply curve 	
Markets	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the interaction of demand and supply and its effect on equilibrium price and quantity ◆ the difference between excess demand and excess supply ◆ the impact of changes in demand and supply on equilibrium ◆ how the price mechanism allocates scarce resources ◆ factors affecting short-run shut-down decisions ◆ use demand and supply analysis to demonstrate the impact of taxes and subsidies on consumers and producers ◆ the characteristics of the market structures of perfect competition and monopoly and be able to make comparisons between perfect competition and monopoly 	<ul style="list-style-type: none"> ◆ Arranging a visit to a local market — preferably one selling fruit and vegetables. Pupils have to find out how the market sellers decide on their price; do they ever get it wrong? How would they know if their price is right or wrong? The findings can be used to explain market clearing, shortages, gluts and the price mechanism. ◆ Splitting the class into four groups — all groups are strawberry producers. Assume that the equilibrium price of strawberries is £1 a punnet. Each group is to explain, using a supply and demand diagram, what would happen to the equilibrium price if the market conditions changed. Group one is to assume an increase in demand, group two a decrease in demand, group three an increase in supply and group four a decrease in supply. ◆ Group one now combines with group three to work out what would happen to the equilibrium price if their changes occurred at the same time. Groups two and four do the same. Group one then does the same with group four and group two does the same with group three. This will highlight the effects of changes in demand and supply. ◆ Drawing demand and supply diagrams to show what will happen in the market for: <ul style="list-style-type: none"> — cream, if there is an increase in the supply of strawberries — Shell petrol, if there is a decrease in the price of BP petrol

		<ul style="list-style-type: none"> — wool, if there is an increase in the demand for mutton ◆ Researching information on different industries/markets and discussing their findings. This is a good exercise for encouraging logical thinking as well as understanding how changes in the market for one good can affect the market for a related good.
Market intervention	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ market failure in terms of the inefficient use of scarce resources ◆ the different types of market failure ◆ ways that governments intervene to correct market failure ◆ the effectiveness of methods the government use to correct market failure ◆ the distinction between merit goods and public goods ◆ positive and negative externalities and the effects of externalities 	<p>Market intervention</p> <ul style="list-style-type: none"> ◆ Debating reasons for taxes on certain goods, eg ‘this house believes that the tax on cigarettes should be increased’. ◆ Splitting the class into three groups and group researching one of the following issues to discover reasons for and against government intervention in the market: <ul style="list-style-type: none"> — Why did the government subsidise the cost of installing solar panels on the roofs of private houses? Why was the subsidy later reduced? — Why does the Scottish Government wish to set a minimum price for alcohol? What are the arguments against this? — Why does the Government allow rail companies to increase their fares every year by inflation + 1%? Should this allowance be increased or decreased? ◆ Discussing: ‘what problems might arise if all resources in the UK were allocated by the market, ie demand and supply?’ From the answers, discussing the various forms of market failure — using real-world examples. ◆ Drawing a competition spectrum on the board with perfect competition at one end and monopoly at the other. On the desk have a box containing folded pieces of

		<p>paper containing the names of well-known firms/markets (eg Microsoft, Unilever, McDonald's, Tesco, BP, the Stock Market, a local newsagent). Pupils are invited to pick a piece of paper and place the firm on the appropriate part of the spectrum. Once completed, the results should be analysed, ie is the firm in the 'correct' position? If it is not, why not? If it is, why is it? From this the class should appreciate the characteristics of perfect competition and monopoly.</p> <ul style="list-style-type: none"> ◆ Researching, in groups, a list of markets — the markets should have different degrees of contestability, eg computer software ... window cleaning. The groups should discuss how easy it would be for a new firm to enter each market — and why. Responses can be used to explain barriers to entry and their importance for monopolies.
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The table above gives examples of learning and teaching activities that may be used when delivering the Unit or Course. Some of these activities could be classified as naturally occurring evidence which could be used to demonstrate that the learner has met the Assessment Standards within the Unit Specifications.

There are a number of assessment methods that could be used in this Unit, including:

- ◆ a short written test or case study with short answer questions at the end of a series of lessons
- ◆ observation of class/group/individual role plays or group presentations where learners are assessed following set criteria. An observational checklist for each learner could be stored as evidence
- ◆ computer- or paper-based multiple choice questions
- ◆ a bank of tasks submitted by learners

Information about assessment approaches is given in the Higher Economics Course *Support Notes*.

Combining assessment within Units

Evidence for all Outcomes may be either presented separately or gathered through a range of activities assessed holistically. If the latter approach is used, it must be clear how the evidence covers each Outcome.

When assessment within the Unit is holistic, teachers/lecturers should take particular care to track the evidence for each individual Outcome to ensure that learners who do not achieve all Outcomes may still get the recognition for the Outcome they have achieved.

Developing skills or learning, skills for life and skills for work

Information about developing skills for learning, skills for life and skills for work in this Unit is given in the relevant *Course Support Notes*.

Equality and inclusion

It is recognised that centres have their own duties under equality and other legislation and policy initiatives. The guidance given in these *Unit Support Notes* is designed to sit alongside these duties but is specific to the delivery and assessment of the Unit.

The high degree of flexibility within this Course in terms of possible approaches to Unit assessment means that Course and Unit planners can consider and remove potential barriers to learning and assessment. Alternative assessment arrangements and reasonable adjustments can be made in order that this Course and its Units are accessible to all learners. However, the centre must be satisfied that the integrity of the assessment is maintained and that any alternative approaches to assessment will, in fact, generate the necessary evidence of achievement.

Appendix 1: Reference documents

The following reference documents will provide useful information and background.

- ◆ Assessment Arrangements (for disabled candidates and/or those with additional support needs) — various publications are available on SQA's website at: www.sqa.org.uk/sqa//14977.html.
- ◆ [Building the Curriculum 4: Skills for learning, skills for life and skills for work](#)
- ◆ [Building the Curriculum 5: A framework for assessment](#)
- ◆ [Course Specification](#)
- ◆ [Design Principles for National Courses](#)
- ◆ [Guide to Assessment](#)
- ◆ Principles and practice papers for curriculum areas
- ◆ [SCQF Handbook: User Guide](#) and [SCQF level descriptors](#)
- ◆ [SQA Skills Framework: Skills for Learning, Skills for Life and Skills for Work](#)
- ◆ [SQA Guidelines on e-assessment for Schools](#)
- ◆ [SQA Guidelines on Online Assessment for Further Education](#)
- ◆ [SQA e-assessment web page](#)

Administrative information

Published: September 2015 (version 1.2)

History of changes to Unit Support Notes

Version	Description of change	Authorised by	Date
1.1	'Approaches to learning, teaching and assessment' section amended to provide additional support.	Qualifications Development Manager	June 2014
1.2	Minor updates to terminology to take account of International Accounting Standards. Further exemplification to skills, knowledge and understanding.	Qualifications Manager	September 2015

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Unit Support Notes — UK Economic Activity (Higher)



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Please refer to the note of changes at the end of this document for details of changes from previous version (where applicable).

Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing the *UK Economic Activity* (Higher) Unit. They are intended for teachers and lecturers who are delivering this Unit. They should be read in conjunction with:

- ◆ the Unit Specification
- ◆ the Course Specification
- ◆ the Course Assessment Specification
- ◆ the Course Support Notes
- ◆ the specimen question paper
- ◆ the Unit Assessment Support packs

If the *Unit Support Notes* have been developed for a Unit which is not part of a Course, then it is only necessary to read them in conjunction with the *Unit Specification*.

General guidance on the Unit

Aims

The general aim of this Unit is to enable learners to understand economic activity of the government in the UK. Learners will consider the flow of income in the UK economy and will analyse taxation and spending decisions. They will learn to assess the policies and other methods the UK Government uses to achieve economic aims.

This is a mandatory Unit of the Higher Economics Course and is also available as a free-standing Unit.

Learners who complete this Unit will be able to:

- ◆ assess the use of economic policies in achieving the main aims of the UK Government
- ◆ analyse the role of the public sector in the UK economy
- ◆ explain national income with reference to the circular flow of income and the multiplier effect

Progression into this Unit

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills and knowledge required by one or more of the following or equivalent qualifications and/or experience:

- ◆ other Higher Economics Units — Economics or the Market and/or Global Economic Activity
- ◆ National 5 Business Management Course or relevant Units
- ◆ Numeracy (National 5) Unit
- ◆ Literacy (National 5) Unit

Skills, knowledge and understanding covered in this Unit

Information about skills, knowledge and understanding is given in the Higher Economics *Course Support Notes*.

If this Unit is being delivered on a free-standing basis, teachers and lecturers are free to select the skills, knowledge, understanding and contexts which are most appropriate for delivery in their centres.

Progression from this Unit

This Unit or its components may provide progression to:

- ◆ other Higher Economics Units — Economics of the Market and/or Global Economic Activity
- ◆ Advanced Higher Economics
- ◆ Higher Business Management
- ◆ further study, employment and/or training

Approaches to learning, teaching and assessment

The context in which *UK Economic Activity* can be taught is relevant to everyday economic issues faced by individuals, firms and governments and offers a coherent approach to dealing with such scenarios. The context for learning in this Unit is therefore very important and teachers/lecturers are encouraged to use current events to bring the topics to life.

The table below suggests some activities which could support the delivery of this Unit and which may suit the needs of learners with different learning styles. It is designed to stimulate ideas and help in planning and is for illustrative purposes only and not meant to be comprehensive or exhaustive.

Topic	Skills, knowledge and understanding	Suggested experiences and activities
Government Finance	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ reasons for taxation and government spending ◆ the distinction between direct and indirect taxation, progressive and regressive taxation ◆ reasons the UK Government has altered the balance between direct and indirect taxation ◆ the effects of taxation on individuals and firms ◆ the distinction between, and examples of, government capital spending, current spending and transfer payments ◆ the reasons for any changing balance/pattern to areas of government spending ◆ the role of the budget ◆ a balanced budget, a deficit and borrowing budget and a surplus budget 	<ul style="list-style-type: none"> ◆ Examining media articles on types and effects of recent taxation changes and discussing the reasons for the changes and their consequences. ◆ Analysing tables showing government finances over the last 10 years with a view to identifying trends and reasons for the trends — the same could be done with the UK Budget figures. ◆ Discuss whether the Chancellor should budget for a surplus or deficit in specific situations. ◆ Researching information on the current UK Budget and discussing the effects on the spending and borrowing proposals.
Government aims	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the main government macroeconomic and microeconomic aims and any conflicts arising when attempting to achieve 	<ul style="list-style-type: none"> ◆ Discussing which government aims might conflict with each other (researching the UK economy in the early 1980s) and which might complement each other.

	<p>these aims</p> <ul style="list-style-type: none"> ◆ inflation and the methods of measuring inflation ◆ reasons for inflation occurring ◆ the effects of inflation on individuals, firms and the UK economy ◆ recent trends in inflation ◆ unemployment and the methods of measuring unemployment ◆ reasons for unemployment ◆ the effects of unemployment on individuals, firms and the UK economy ◆ recent trends in unemployment ◆ economic growth and the measures to improve growth ◆ the business cycle ◆ the costs and benefits of economic growth 	<ul style="list-style-type: none"> ◆ Giving definitions of inflation and the rate of inflation. Then, in groups, devising a method of calculating the UK rate of inflation. The results can be used as a starting point for an explanation of how the CPI is calculated. It can then be compared and contrasted with the RPIX and the CPI. ◆ Splitting the class into four groups and giving each group a graph of the UK inflation rate in the 1970s and one of the following: demand-pull inflation, cost-push inflation. Each group should research their cause of inflation, explain it to the class and assess its influence on the 1970 figures. ◆ Analysing a graph of the UK inflation rate for the last 10 years and discussing the possible reasons for the trends. ◆ Giving groups a list of different people, eg borrowers, savers, importers, exporters, governments, people on fixed incomes, pensioners, consumers, etc. The groups should discuss how each category would be affected by a relatively high rate of UK inflation. The results can be used to highlight the effects of inflation and examine the concepts of real income and index-linked. Splitting learners into small groups. ◆ Learners are given 10 minutes to produce a list of the consequences of inflation. Groups of learners should be allocated one or more of the main consequences stated and explain how it affects prices, savings, wages and unemployment and the economy in general. ◆ Giving the class a definition of unemployment. In groups, discussing whether each of the following would be classed as being unemployed: full-time students, housewives/husbands, children, people in the armed forces, the retired, the self-employed, prisoners, unpaid
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		<p>charity workers, people not actively seeking a job. From the answers, discuss the concept of being economically inactive and the relationship between activity rates, the labour force and the population level.</p> <ul style="list-style-type: none"> ◆ Researching the two main ways of measuring unemployment. Learners should aim at being able to define each method and discuss its advantages and disadvantages. ◆ Dividing the class into four groups — one consisting of workers, another consisting of workers who have recently become unemployed, another consisting of producers and the last group representing the government. Assuming that, due to a severe recession, the country is experiencing a prolonged period of high and rising unemployment, each group must discuss how they will be affected. A spokesperson from each group should relate their conclusions to the class. ◆ Analysing a graph of the UK unemployment rate for the last 10 years and discussing the possible reasons for the trends. ◆ Introducing concept of economic growth by referring back to Production Possibility diagrams. ◆ Discussing factors which could cause an increase in the rate of economic growth. ◆ Debating the advantages and disadvantages of increased economic growth.
Government policies	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ fiscal policies and the effects of fiscal policy on individuals, firms and the UK economy 	<ul style="list-style-type: none"> ◆ Splitting the class into three groups to discuss what policies should be used in each of the following scenarios: <ul style="list-style-type: none"> — group one: low growth, high unemployment, low inflation

	<ul style="list-style-type: none"> ◆ monetary policies and the effects of monetary policy on individuals, firms and the UK economy ◆ supply-side policies and the effects of supply-side policy on individuals, firms and the UK economy ◆ the use of fiscal, monetary and supply-side policies in meeting the main aims of government 	<ul style="list-style-type: none"> — group two: high growth, low unemployment, high inflation — group three: low growth, high unemployment, high inflation (stagflation) ◆ The groups now adopt the role of the Monetary Policy Committee. They should research the current state of the UK economy and decide what they should do in terms of interest rates next month. They must justify their actions to the rest of the class. If appropriate, the groups could discuss why, despite inflation being repeatedly above its target rate, interest rates have not been increased. ◆ Giving the class a definition of supply-side policies and asking the groups to identify possible examples.
National income	<p>Learners should be able to:</p> <ul style="list-style-type: none"> ◆ illustrate and describe the Circular Flow of Income in an open economy ◆ explain the Equilibrium level of National Income and how it can be affected by changes in injections and withdrawals ◆ explain effects of changes in national income on inflation, employment and output ◆ distinguish between real and nominal Gross Domestic Product (GDP) and Gross National Product (GNP) ◆ describe the uses of national income statistics ◆ calculate and explain the operation of the simple multiplier 	<ul style="list-style-type: none"> ◆ Introducing the circular flow diagram and the concept of national income equilibrium ($Y = EXP$) by using a simple two-sector closed economy. The class could draw the diagram and, in groups, discuss how income might leak out of the flow or be added to the flow. Once savings and investment have been identified, the groups should discuss the new equilibrium condition. ◆ Discussing what would happen (in terms of new injections and withdrawals) if the economy is opened up to global trade and a government sector is introduced. Once imports, exports, government spending and taxation have been identified, the groups should discuss the final equilibrium condition. Groups can now discuss what would happen to national income if the levels of injections or withdrawals increased or decreased. ◆ Giving each group a (hypothetical) table showing GDP and inflation over a number of years. Make the GDP figures

		<p>simple and have them increasing by 10% each year. The inflation rates should fluctuate significantly. The groups should discuss what they think happened to the standard of living in each year. The results can be used to examine the difference between real and nominal GDP. GDP can then be discussed in terms of the word 'domestic', ie at home, and then compared with the concept of national output.</p> <ul style="list-style-type: none"> ◆ Introducing the concept of the multiplier by discussing the meaning of the quote, 'one person's spending is another person's income'. Once explained, the multiplier can be used to examine/research the effects that North Sea oil has had on the Aberdeen area and the possible effects on the UK economy of the 2012 Olympic Games. ◆ Discussing the following question: Given that National Income statistics are difficult, time-consuming and expensive to construct — and are often no more than estimates — why are they wanted?
Place of Scotland in the UK economy	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the economic powers given to the Scottish Parliament ◆ the effects of UK economic policies on Scotland 	<ul style="list-style-type: none"> ◆ Researching powers that have been devolved to the Scottish Parliament and which have been reserved to the UK Parliament. ◆ Debating — should the Scottish Parliament implement its 'tartan tax'? ◆ Discussing some recent government policies, eg reform of child benefit, and ask them to discuss its likely effects on the Scottish economy.

The table above gives examples of learning and teaching activities that may be used when delivering the Unit or Course. Some of these activities could be classified as naturally occurring evidence which could be used to demonstrate that the learner has met the Assessment Standards within the Unit Specifications.

There are a number of assessment methods that could be used in this Unit, including:

- ◆ a short written test or case study with short answer questions at the end of a series of lessons
- ◆ observation of class/group/individual role plays or group presentations where learners are assessed following set criteria. An observational checklist for each learner could be stored as evidence
- ◆ computer- or paper-based multiple choice questions
- ◆ a bank of tasks submitted by learners

Information about assessment approaches is given in the Higher Economics Course *Support Notes*.

Combining assessment within Units

Evidence for all Outcomes may be either presented separately or gathered through a range of activities assessed holistically. If the latter approach is used, it must be clear how the evidence covers each Outcome.

When assessment within the Unit is holistic, teachers/lecturers should take particular care to track the evidence for each individual Outcome to ensure that learners who do not achieve all Outcomes may still get the recognition for the Outcome they have achieved.

Developing skills for learning, skills for life and skills for work

Information about developing skills for learning, skills for life and skills for work in this Unit is given in the relevant *Course Support Notes*.

Equality and inclusion

It is recognised that centres have their own duties under equality and other legislation and policy initiatives. The guidance given in these *Unit Support Notes* is designed to sit alongside these duties but is specific to the delivery and assessment of the Unit.

The high degree of flexibility within this Course in terms of possible approaches to Unit assessment means that Course and Unit planners can consider and remove potential barriers to learning and assessment. Alternative assessment arrangements and reasonable adjustments can be made in order that this Course and its Units are accessible to all learners. However, the centre must be satisfied that the integrity of the assessment is maintained and that any alternative approaches to assessment will, in fact, generate the necessary evidence of achievement.

Appendix 1: Reference documents

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- ◆ [SQA e-assessment web page](#)

Administrative information

Published: September 2015 (version 1.2)

History of changes to Unit Support Notes

Version	Description of change	Authorised by	Date
1.1	'Approaches to learning, teaching and assessment' section amended to provide additional support.	Qualifications Development Manager	June 2014
1.2	Minor clarification of knowledge, understanding and skills.	Qualifications Manager	September 2015

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Unit Support Notes — Global Economic Activity (Higher)



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Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing the *Global Economic Activity* (Higher) Unit. They are intended for teachers and lecturers who are delivering this Unit. They should be read in conjunction with:

- ◆ the Unit Specification
- ◆ the Course Specification
- ◆ the Course Assessment Specification
- ◆ the Course Support Notes
- ◆ the specimen question paper
- ◆ the Unit Assessment Support packs

If the *Unit Support Notes* have been developed for a Unit which is not part of a Course, then it is only necessary to read them in conjunction with the *Unit Specification*.

General guidance on the Unit

Aims

The general aim of this Unit is to enable learners to analyse the global nature of economics. Learners will explore global trade and the balance of payments and their importance in the UK economy. They will also examine exchange rates. Lastly, learners will consider economic features of the European Union, developing countries and emerging economies, and their impact on the UK economy.

This is a mandatory Unit of the Higher Economics Course and is also available as a free-standing Unit.

Learners who complete this Unit will be able to:

- ◆ assess how global trade and the global economy affect the UK economy
- ◆ explain the UK balance of payments and exchange rate systems
- ◆ analyse the role of the global economy in relation to the EU, developing economies and emerging economies

Progression into this Unit

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills and knowledge required by one or more of the following or equivalent qualifications and/or experience:

- ◆ other Higher Economics Units — Economics or the Market and/or UK Economic Activity
- ◆ Higher Business Management Course or relevant Units
- ◆ Numeracy (National 5) Unit
- ◆ Literacy (National 5) Unit

Skills, knowledge and understanding covered in this Unit

Information about skills, knowledge and understanding is given in the Higher Economics *Course Support Notes*.

If this Unit is being delivered on a free-standing basis, teachers and lecturers are free to select the skills, knowledge, understanding and contexts which are most appropriate for delivery in their centres.

Progression from this Unit

This Unit or its components may provide progression to:

- ◆ other Higher Economics Units — Economics of the Market and/or UK Economic Activity
- ◆ Advanced Higher Economics
- ◆ Higher Business Management
- ◆ further study, employment and/or training

Approaches to learning, teaching and assessment

The context in which *Global Economic Activity* can be taught is relevant to everyday economic issues faced by individuals, firms and governments and offers a coherent approach to dealing with such scenarios. The context for learning in this Unit is therefore very important and teachers/lecturers are encouraged to use current events to bring the topics to life.

The table below suggests some activities which could support the delivery of this Unit and which may suit the needs of learners with different learning styles. It is designed to stimulate ideas and help in planning and is for illustrative purposes only and not meant to be comprehensive or exhaustive.

Topic	Skills, knowledge and understanding	Suggested experiences and activities
Understanding global trade	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ reasons for global specialisation eg absolute and comparative advantage ◆ the advantages and disadvantages of global trade ◆ the main UK imports and UK exports ◆ recent trends in the value of UK imports and the value of UK exports 	<ul style="list-style-type: none"> ◆ 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 and presenting them to the other groups. ◆ Investigating any recent trade activity in relation to barriers to trade and retaliation. ◆ Giving groups of learners a list of traded commodities, eg manufactured goods, fuels, chemicals, machinery, food, beverages. The learners must decide whether each commodity is a major import or export (or both) for the UK. Responses can be used as a basis for studying absolute and comparative advantage and the advantages and disadvantages of free trade. ◆ The reasons for, and effects of, trade protection can be studied by examining recent trade disputes such as the

		<p>banana wars, bra wars and air wars (over the EU airline carbon cap).</p> <ul style="list-style-type: none"> ◆ Giving the class a list of our main export partners and asking them to rank them in order of importance. Doing the same with our import partners. Discussing their responses and then discussing which countries might have increased/decreased in importance over the last 10 years and why.
Multinationals	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ reasons for a foreign multinational locating in the UK and a UK multinational locating abroad ◆ the effects on the home and host countries 	<ul style="list-style-type: none"> ◆ Giving learners a list of the top ten UK-owned multinationals and asking the class to rank them in order of importance. Discussing possible reasons for these companies producing abroad and for foreign companies producing in the UK. The effects of multinationals can be explained by studying recent multinational activity, eg Wal-Mart setting up in Africa (despite local opposition). ◆ Choosing a UK/Scottish multinational to investigate 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. ◆ Undertaking a project on the location of a multinational in Scotland (eg Avaloq), calculating the jobs/wealth that would be created in Scotland and the reasons why the company chose Scotland to locate to.
Exchange rates	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the definition of exchange rate — fixed and floating ◆ how an exchange rate can be determined ◆ the causes of changes in an exchange rate ◆ the effects of changes in an exchange rate on individuals, firms and the current account 	<ul style="list-style-type: none"> ◆ Explaining exchange rates (and the effective exchange rate of sterling), then splitting learners into groups and give each group the following scenarios: <ul style="list-style-type: none"> — an increase in UK interest rates — an increase in the UK inflation rate — a sustained increase in the UK's trade deficit — an IMF report predicting a significant increase in the

		<p style="text-align: center;">UK's rate of economic growth</p> <ul style="list-style-type: none"> ◆ Discussing the likely effect of each scenario on the UK's exchange rate and how the resultant change would affect national income, employment, prices and imports and exports. Their conclusions are then shared with the other groups. ◆ Analysing a graph showing the effective exchange rate of sterling for the last 10 years and asking them to give possible reasons for the trends. ◆ Allowing learners to investigate the currencies of a range of countries and analysing how the exchange rate of these countries have changed over a specific period of time. Learners could draw demand and supply diagrams to analyse exchange rate determination.
Balance of payments	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the components of the balance of payments current and capital/financial accounts ◆ recent trends in current account surpluses and deficits ◆ methods of reducing current account deficits (including barriers to trade) 	<ul style="list-style-type: none"> ◆ Explaining the structure of the balance of payments and asking learners, in groups, to examine the factors which can affect the current account balance, eg the value of the pound, the UK's growth rate, the UK's international competitiveness. ◆ Analysing charts or graphs showing the UK's situation over the last 20 years or so. It is useful to have separate charts or graphs for goods, services, investment income and the current account. The groups should discuss the reasons for, and consequences of, the trends. ◆ The class can research the latest figures and analyse them in terms of causes (why, at a time of low growth, has our current balance not improved?), and implications for the UK economy in terms of growth and unemployment. ◆ Suggesting methods of reducing the UK's current account

		deficit and discussing which ones are likely to be the most effective, and why, for the UK.
Understanding the impact of global economy	<p>Learners should be aware of:</p> <ul style="list-style-type: none"> ◆ the main economic features of the EU (eg CAP, CET, Single Market) and the effects of these on the UK economy ◆ the role of global institutions such as World Trade Organisation, World Bank, International Monetary Fund ◆ the economic characteristics of developing economies ◆ the forms of assistance given to developing economies ◆ the long term and short term effects of assistance given to developing economies ◆ the long and short term effects of developing economies on the UK economy and UK firms ◆ the economic characteristics of emerging economies ◆ the effect of emerging economies on UK firms and the UK economy 	<ul style="list-style-type: none"> ◆ Researching the main economic features of the EU by accessing the official EU website, Europa. The impact of these features on the UK economy can then be debated. ◆ Researching, in groups, a developing country. The groups should find out as many economics facts about the country as they can. From their results it should be possible to ascertain the common characteristics of developing economies (and maybe also discover their differences). ◆ Choosing a developing country and suggesting what could be done to promote economic growth in that country. ◆ Devising measures that rich countries could take to increase the rate of growth in developing countries. These measures, and their possible effectiveness, should be discussed by the class. ◆ Splitting the class into four groups, each group should research one of the emerging economies (BRICs). From their findings it should be possible to deduce the characteristics of emerging economies. Each group should discuss the effect on the UK economy of continued high growth of the emerging economy researched, and report their findings to the class.

The table above gives examples of learning and teaching activities that may be used when delivering the Unit or Course. Some of these activities could be classified as naturally occurring evidence which could be used to demonstrate that the learner has met the Assessment Standards within the Unit Specifications.

There are a number of assessment methods that could be used in this Unit, including:

- ◆ a short written test or case study with short answer questions at the end of a series of lessons
- ◆ observation of class/group/individual role plays or group presentations where learners are assessed following set criteria. An observational checklist for each learner could be stored as evidence
- ◆ computer- or paper-based multiple choice questions
- ◆ a bank of tasks submitted by learners

Information about assessment approaches is given in the Higher Economics Course *Support Notes*.

Combining assessment within Units

Evidence for all Outcomes may be either presented separately or gathered through a range of activities assessed holistically. If the latter approach is used, it must be clear how the evidence covers each Outcome.

When assessment within the Unit is holistic, teachers/lecturers should take particular care to track the evidence for each individual Outcome to ensure that learners who do not achieve all Outcomes may still get the recognition for the Outcome they have achieved.

Developing skills for learning, skills for life and skills for work

Information about developing skills for learning, skills for life and skills for work in this Unit is given in the relevant *Course Support Notes*.

Equality and inclusion

It is recognised that centres have their own duties under equality and other legislation and policy initiatives. The guidance given in these *Unit Support Notes* is designed to sit alongside these duties but is specific to the delivery and assessment of the Unit.

The high degree of flexibility within this Course in terms of possible approaches to Unit assessment means that Course and Unit planners can consider and remove potential barriers to learning and assessment. Alternative assessment arrangements and reasonable adjustments can be made in order that this Course and its Units are accessible to all learners. However, the centre must be satisfied that the integrity of the assessment is maintained and that any alternative approaches to assessment will, in fact, generate the necessary evidence of achievement.

Appendix 1: Reference documents

The following reference documents will provide useful information and background.

- ◆ Assessment Arrangements (for disabled candidates and/or those with additional support needs) — various publications are available on SQA's website at: www.sqa.org.uk/sqa//14977.html.
- ◆ [Building the Curriculum 4: Skills for learning, skills for life and skills for work](#)
- ◆ [Building the Curriculum 5: A framework for assessment](#)
- ◆ [Course Specification](#)
- ◆ [Design Principles for National Courses](#)
- ◆ [Guide to Assessment](#)
- ◆ Principles and practice papers for curriculum areas
- ◆ [SCQF Handbook: User Guide](#) and [SCQF level descriptors](#)
- ◆ [SQA Skills Framework: Skills for Learning, Skills for Life and Skills for Work](#)
- ◆ [SQA Guidelines on e-assessment for Schools](#)
- ◆ [SQA Guidelines on Online Assessment for Further Education](#)
- ◆ [SQA e-assessment web page](#)

Administrative information

Published: September 2015 (version 1.2)

History of changes to Unit Support Notes

Version	Description of change	Authorised by	Date
1.1	'Approaches to learning, teaching and assessment' section amended to provide additional support.	Qualifications Development Manager	June 2014
1.2	Minor clarification of skills, knowledge and understanding.	Qualifications Manager	September 2015

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