

# N5

National 5  
course  
specification



## National 5 Economics, SCQF Level 5 Course Specification

<b>Course code:</b>	C822 75
<b>Course assessment code:</b>	X822 75
<b>SCQF:</b>	level 5 (24 SCQF credit points)
<b>Valid from:</b>	session 2026–27

The course specification provides detailed information about the course and course assessment to ensure consistent and transparent assessment year on year. It describes the structure of the course and the course assessment in terms of the skills, knowledge and understanding that are assessed.

This document is for teachers and lecturers and contains all the mandatory information you need to deliver the course.

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# Course overview

The course consists of 24 SCQF credit points which includes time for preparation for course assessment. The notional length of time for a candidate to complete the course is 160 hours.

The course assessment has two components.

Component	Marks	Scaled mark	Duration
Component 1: question paper	70	Not applicable	1 hour and 30 minutes
Component 2: assignment	30	20	5 hours — see course assessment section

Recommended entry	Progression
<p>Entry to this course is at the discretion of the centre.</p> <p>Candidates should have achieved the fourth curriculum level or equivalent qualifications and/or experience prior to starting this course.</p>	<ul style="list-style-type: none"><li>◆ Higher Economics course</li><li>◆ other qualifications in economics or related areas</li><li>◆ further study, employment and/or training</li></ul>

## Conditions of award

The grade awarded is based on the total marks achieved across all course assessment components.

## Course rationale

National Courses reflect Curriculum for Excellence values, purposes and principles. They offer flexibility, provide more time for learning, more focus on skills and applying learning, and scope for personalisation and choice.

Every course provides opportunities for candidates to develop breadth, challenge and application. The focus and balance of assessment is tailored to each subject area.

The National 5 Economics course encourages candidates to be confident and successful in their economic choices, helping them make a greater contribution to society. It deepens their understanding of economic situations, issues, and the market economy.

Economics is about choice and its impact. It relates to many aspects of our lives, from the decisions we make as individuals or families, to the structures created by governments and firms.

Studying economics gives candidates an appreciation of how markets and governments work, and how economic decisions affect our lives. Candidates develop the ability to think logically and to consider the reasons for, and the effects of, economic situations.

## Purpose and aims

The course highlights how important economic concepts and government policies are to our everyday lives.

It helps candidates understand and make use of economic information to analyse, interpret, predict, and explain the actions of individuals, firms and governments, in a range of economic situations.

The course enables candidates to develop:

- ◆ an awareness of economic issues relating to resources and markets, and how they affect daily life
- ◆ an understanding of economic problems and the ability to consider options in solving those problems
- ◆ the confidence and ability to make decisions in resolving economic issues
- ◆ numeracy skills, through analysing and interpreting straightforward economic data from a range of sources, such as tables, charts, and graphs
- ◆ reasoning and critical-thinking skills, by providing solutions to economic problems
- ◆ the ability to analyse and communicate economic information in different forms

## Who is this course for?

This course is suitable for learners with enquiring, logical, and analytical minds, and for those with an interest in how economies operate.

# Course content

The course comprises three areas of study:

## **Economics of the market**

Candidates develop skills, knowledge and understanding of how basic economic problems affect daily choices. They learn about personal economic decisions and how costs, profit, and demand and supply can drive resource allocation in a market economy.

## **UK economic activity**

Candidates develop skills, knowledge and understanding of government taxation and spending. They learn about UK Government objectives in relation to inflation, employment, and economic growth, as well as the role of Scotland in the UK economy.

## **Global economic activity**

Candidates develop skills, knowledge and understanding of the nature and purpose of global trade between the UK and other countries, including the effect of currency fluctuations. They learn about developing and emerging economies and multinationals.

# Skills, knowledge and understanding

## **Skills, knowledge and understanding for the course**

The following provides a broad overview of the subject skills, knowledge and understanding developed in the course:

- ◆ applying knowledge and understanding of economics of the market
- ◆ applying knowledge and understanding of UK economic activity
- ◆ applying knowledge and understanding of global economic activity
- ◆ researching real-life economic situations
- ◆ evaluating real-life economic situations to make informed economic judgements
- ◆ drawing conclusions from straightforward economic data, concepts and evidence, based on a limited range of sources
- ◆ communicating economic reasoning and conclusions effectively in familiar and unfamiliar contexts

## Skills, knowledge and understanding for the course assessment

The following provides details of skills, knowledge and understanding sampled in the course assessment. The question paper and the assignment can draw on any of the mandatory content listed in the areas below.

Economics of the market	
Personal economics	<ul style="list-style-type: none"> <li>◆ money choices — to spend, to save, and to borrow</li> <li>◆ types of savings and interest rates</li> <li>◆ methods of personal borrowing</li> <li>◆ budgeting and planning for financial uncertainty</li> </ul>
Basic economic problem	<ul style="list-style-type: none"> <li>◆ needs and wants</li> <li>◆ concepts of scarcity, choice, and opportunity cost</li> <li>◆ resources — factors of production</li> </ul>
Theory of demand	<ul style="list-style-type: none"> <li>◆ effective demand, demand schedules, and demand curves</li> <li>◆ shape of the demand curve</li> <li>◆ changes in price — movement along the demand curve</li> <li>◆ total, marginal, and diminishing marginal utility</li> </ul>
Determinants of demand	<ul style="list-style-type: none"> <li>◆ income, price of other goods (substitutes and complements), tastes, fashion, advertising, and population</li> <li>◆ effects of changes in determinants of demand on quantity demanded</li> <li>◆ shifts of the demand curve</li> </ul>
Costs, revenue, and profit	<ul style="list-style-type: none"> <li>◆ fixed costs, variable costs, total costs, average costs, total sales revenue, average sales revenue, and profit</li> </ul>
Theory of supply	<ul style="list-style-type: none"> <li>◆ supply schedules and supply curves</li> <li>◆ shape of the supply curve</li> <li>◆ changes in price — movement along the supply curve</li> </ul>
Determinants of supply	<ul style="list-style-type: none"> <li>◆ technology, weather and cost of factors of production</li> <li>◆ effects of changes in determinants of supply on quantity supplied</li> <li>◆ shifts of the supply curve</li> </ul>
Markets	<ul style="list-style-type: none"> <li>◆ definition and types of markets</li> <li>◆ setting of prices by market forces</li> <li>◆ price as a basis for exchange and market clearing</li> <li>◆ markets determine equilibrium price and quantity traded</li> <li>◆ effects of changes in demand and supply on equilibrium price and quantity traded</li> </ul>

UK economic activity	
Government finance	<ul style="list-style-type: none"> <li>◆ government income: <ul style="list-style-type: none"> <li>— types of taxation (direct and indirect)</li> </ul> </li> <li>◆ government spending: <ul style="list-style-type: none"> <li>— current and capital expenditure, transfer payments (eg unemployment benefits)</li> <li>— reasons for government spending (eg health, education, defence, welfare provision, and redistribution of income)</li> </ul> </li> <li>◆ circular flow of income in a closed economy (without injections and withdrawals)</li> </ul>
Government aims: inflation and (un)employment  (only aims — not the ways to achieve them)	<ul style="list-style-type: none"> <li>◆ inflation: <ul style="list-style-type: none"> <li>— definition and measurement</li> <li>— real and money definitions</li> <li>— causes of inflation</li> <li>— effects of inflation on individuals, firms, and the economy</li> </ul> </li> <li>◆ (un)employment: <ul style="list-style-type: none"> <li>— definition and measurement</li> <li>— causes of unemployment</li> <li>— effects of unemployment on individuals, firms and the UK Government</li> </ul> </li> </ul>
Government aims: economic growth	<ul style="list-style-type: none"> <li>◆ definition of economic growth</li> <li>◆ standards of living</li> <li>◆ means of increasing output/growth</li> </ul>
Scotland's place in the UK economy	<ul style="list-style-type: none"> <li>◆ types of industry</li> <li>◆ specialism in the Scottish economy</li> <li>◆ Scottish entrepreneurs</li> <li>◆ importance and impact of Scottish entrepreneurs to the Scottish/UK economy</li> </ul>

Global economic activity	
Understanding global trade	<ul style="list-style-type: none"> <li>◆ definition of global trade</li> <li>◆ advantages and disadvantages of global trade</li> <li>◆ main UK imports and UK exports</li> <li>◆ main UK trading partners</li> <li>◆ trading blocs</li> <li>◆ barriers to trade</li> </ul>
Multinationals	<ul style="list-style-type: none"> <li>◆ definition of a multinational</li> <li>◆ location of multinationals — choices and reasons</li> </ul>
Exchange rates	<ul style="list-style-type: none"> <li>◆ definition of exchange rates</li> <li>◆ effects on individuals and firms</li> <li>◆ effects on prices of UK imports and UK exports</li> </ul>
Understanding the impact of the global economy	<ul style="list-style-type: none"> <li>◆ developing economies: <ul style="list-style-type: none"> <li>— characteristics</li> <li>— types and methods of aid to developing economies</li> </ul> </li> <li>◆ emerging economies: <ul style="list-style-type: none"> <li>— characteristics</li> </ul> </li> </ul>

Skills, knowledge and understanding included in the course are appropriate to the SCQF level of the course. The SCQF level descriptors give further information on characteristics and expected performance at each SCQF level and are available on the [SCQF website](#).

# Skills for learning, skills for life and skills for work

This course helps candidates to develop broad, generic skills. These skills are based on the [Skills for Learning, Skills for Life and Skills for Work](#) framework and draw from the following main skills areas:

## **1 Literacy**

1.2 Writing

## **2 Numeracy**

2.3 Information handling

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

4.1 Employability

4.6 Citizenship

## **5 Thinking skills**

5.1 Remembering

5.2 Understanding

5.3 Applying

These skills must be built into the course where there are appropriate opportunities, and the level should be appropriate to the level of the course.

Further information on building in skills for learning, skills for life and skills for work is given in the course support notes.

## **Learning for Sustainability**

Qualifications Scotland is committed to identifying opportunities to develop the values, skills, knowledge and understanding of Learning for Sustainability within all National Courses.

# Course assessment

Course assessment is based on the information provided in this document.

The course assessment meets the key purposes and aims of the course by addressing:

- ◆ breadth — drawing on knowledge and skills from across the course
- ◆ challenge — requiring greater depth or extension of knowledge and/or skills
- ◆ application — requiring application of knowledge and/or skills in practical or theoretical contexts as appropriate

This enables candidates to:

- ◆ apply knowledge and understanding of economic concepts, including those in a Scottish context, to economic issues
- ◆ evaluate straightforward economic data, concepts and evidence from a limited range of sources, to reach conclusions
- ◆ select information to research straightforward real-life economic situations to make reasoned economic judgements or decisions
- ◆ communicate economic reasoning and conclusions effectively, in unfamiliar contexts

## Course assessment structure: question paper

### Question paper

**70 marks**

The question paper gives candidates the opportunity to demonstrate their ability to:

- ◆ apply knowledge and understanding of economic concepts
- ◆ interpret and analyse straightforward economic data and text from a limited range of sources
- ◆ draw conclusions and/or make recommendations about the impact of economic issues
- ◆ use data-handling techniques to interpret and analyse economic information and issues

The question paper has 70 marks, which is scaled to represent 78% of the overall mark for the course assessment.

All questions are mandatory and sample from the 'Skills, knowledge and understanding for the course assessment' detailed in this document.

The question paper has two sections:

**Section 1** has 30 marks (consisting of two 15-mark questions) based on two pieces of stimulus material. Sub-questions may range from 1 to 6 marks. In general, questions assess information handling, application and evaluation, and some knowledge and understanding, and can sample course content from any of the three areas of study.

The stimulus material can be in the form of graphs, diagrams or text and candidates may be asked to draw and explain economic graphs to support their answers. The questions generally relate to the stimulus, although some questions may be based on topics surrounding the stimulus material.

**Section 2** has 40 marks (consisting of four 10-mark questions). Sub-questions may range in value from 1 to 4 marks. In general, questions assess knowledge and understanding, and candidates may be asked to draw and explain economic graphs to support their answers. Each question mainly samples from one of the three areas of study.

### **Setting, conducting and marking the question paper**

The question paper is set and marked by Qualifications Scotland.

It is conducted in centres under conditions specified for external examinations by Qualifications Scotland. Candidates complete the paper in 1 hour and 30 minutes.

Specimen question papers for National 5 courses are published on [Qualifications Scotland's website](#). These illustrate the standard, structure and requirements of the question papers candidates sit. The specimen question papers also include marking instructions.

## **Course assessment structure: assignment**

### **Assignment**

**30 marks**

The assignment gives candidates the opportunity to demonstrate their ability to:

- ◆ select an appropriate and current economic topic
- ◆ research and gather suitable economic data/information, related to the context of the economic topic, from a range of sources
- ◆ apply knowledge and understanding of economic concepts to explain and analyse the key features of the topic
- ◆ draw valid conclusions and/or recommendations to make informed economic judgements and/or decisions
- ◆ produce an appropriately formatted report suitable for the purpose, intended audience and context of the assignment

Some example topics are provided in the following table for guidance. However, as the topic chosen by the candidate must be current, these examples may not be suitable in the future.

<b>Examples of topics</b>
What impact does the cost-of-living crisis have on the UK economy?
In what ways does the current housing crisis affect agents of the UK economy?
What effect will increasing the National Living Wage have on agents of the UK economy?
What are the economic impacts of a rise in the minimum unit price of alcohol?
What impact does high interest rates have on the three agents of the UK economy?
What is the impact of an ageing population on the UK economy?

The assignment has 30 marks, which is scaled to represent 22% of the overall mark for the course assessment.

The assignment requires candidates to research and analyse information, and produce an economics report detailing appropriate conclusions and/or recommendations. Teachers and lecturers should encourage candidates to frame the report title as a question, allowing candidates to reach justified conclusions more readily.

Marks for the assignment are awarded for:

- ◆ introduction (3 marks)
- ◆ research sources (6 marks)
- ◆ findings, analysis, and interpretation (12 marks)
- ◆ conclusion(s)/recommendation(s) (4 marks)
- ◆ economic theory (3 marks)
- ◆ structure and presentation (2 marks)

### **Setting, conducting and marking the assignment**

The assignment is:

- ◆ set by Qualifications Scotland
- ◆ conducted in centres under some supervision and control

Evidence is submitted to Qualifications Scotland for external marking, and all marking is quality assured by Qualifications Scotland.

## **Assessment conditions**

### **Time**

Assessment is carried out over a period of time and should start at an appropriate point, normally when candidates have completed most of the work in the course.

Candidates should be given up to 5 hours to complete the assignment (this includes time for research and production of the final report).

### **Supervision, control and authentication**

The assignment is completed in centres under some supervision and control.

Data collection and analysis must be completed individually. As it is possible for candidates to complete part of their research outwith the learning and teaching setting, teachers and lecturers must put in place processes to authenticate evidence. The following suggested methods can help ensure that this work is the candidate's own:

- ◆ regular checkpoint meetings with candidates
- ◆ short spot-check interviews with candidates
- ◆ checklists recording candidate activity/progress
- ◆ photographs, film or audio evidence

### **Resources**

The assignment is an open-book assessment and there are no restrictions on the resources candidates can access.

Desk research should be conducted in centres. However, if candidates choose to conduct field research, this may need to be completed outwith the classroom setting and outwith the time allocated.

### **Reasonable assistance**

Candidates must complete the assignment independently. However, reasonable assistance may be provided at relevant stages in the process, as identified below. The term 'reasonable assistance' is used to try to balance the need for support with the need to avoid giving too much assistance. If any candidates require more than what is deemed to be 'reasonable assistance', they may not be ready for assessment, or it may be that they have been entered for the wrong level of qualification.

Teachers and lecturers may:

- ◆ advise candidates on the choice of a topic to research
- ◆ advise candidates on the likely availability and accessibility of resources for their chosen topic
- ◆ advise candidates on possible sources of information
- ◆ advise candidates on how best to structure the report
- ◆ clarify instructions/requirements of the assignment

Teachers and lecturers may not:

- ◆ provide candidates with full exemplar assignments
- ◆ direct candidates to specific text within an article/PDF, etc
- ◆ tell candidates what analysis they can deduce from a research finding
- ◆ read and mark drafts

## **Evidence to be gathered**

A report should be produced by the candidate, together with any appendices to support the report. Appendices should show a list of all the sources of information used and may include:

- ◆ website addresses used in research
- ◆ interview questions and/or responses
- ◆ questionnaire/survey questions and/or results
- ◆ notes taken from a visit or a talk
- ◆ notes taken from an audio-visual source

## **Volume**

The final report should be no longer than 1,300 words (excluding appendices). If the word count exceeds the maximum by more than 10%, a penalty will be applied.

There should be no more than two pages of appendices attached to the report.

## **Grading**

A candidate's overall grade is determined by their performance across the course assessment. The course assessment is graded A–D on the basis of the total mark for all course assessment components.

### **Grade description for C**

For the award of grade C, candidates will typically have demonstrated successful performance in relation to the skills, knowledge and understanding for the course.

### **Grade description for A**

For the award of grade A, candidates will typically have demonstrated a consistently high level of performance in relation to the skills, knowledge and understanding for the course.

# Equality and inclusion

This course is designed to be as fair and as accessible as possible.

Qualifications Scotland's [equality of access to qualifications policy](#) outlines our commitment to:

- ◆ the Equality Act 2010
- ◆ anti-racist education
- ◆ protecting children's rights
- ◆ corporate parenting

You must consider the needs of individual candidates when planning learning experiences, designing learning resources, or choosing texts.

Guidance on assessment arrangements for disabled candidates and those with additional support needs is available on the [assessment arrangements web page](#).

# Further information

The following reference documents provide useful information and background.

- ◆ [National 5 Economics subject page](#)
- ◆ [Assessment arrangements](#)
- ◆ [Building the Curriculum 3–5](#)
- ◆ [Guidance on conditions of assessment for coursework](#)
- ◆ [Guide to Assessment](#)
- ◆ [Recent Qualifications Scotland research](#)
- ◆ [Remote assessment](#)
- ◆ [SCQF Handbook](#)
- ◆ [Know Your SCQF Level — Scottish Credit and Qualifications Framework](#)
- ◆ [Skills for Learning, Skills for Life and Skills for Work framework](#)

# **Appendix: course support notes**

## **Introduction**

These support notes are not mandatory. They provide advice and guidance to teachers and lecturers on approaches to delivering the course. They should be read in conjunction with this course specification and the specimen question paper and/or coursework.

## **Developing skills, knowledge and understanding**

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 this course specification for the skills, knowledge and understanding for the course assessment. Course planners have considerable flexibility to select coherent contexts which will stimulate and challenge their candidates, offering both breadth and depth.

The following tables also provide suggested experiences and activities that teachers and lecturers could use to deliver the course.

## Approaches to learning, teaching and assessment

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

### Economics of the market

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Personal economics</b>	<ul style="list-style-type: none"> <li>◆ giving reasons why different people spend, save or borrow</li> <li>◆ giving examples of types of savings — where to save</li> <li>◆ giving examples of personal borrowing — where to borrow</li> <li>◆ understanding the rewards for different types of saving, eg fixed term, instant access, ISA</li> <li>◆ understanding the costs and impact of borrowing</li> <li>◆ selecting and justifying suitable savings or borrowing methods for specific purposes</li> <li>◆ using budgeting and financial planning to reduce uncertainties</li> <li>◆ analysing the effects that changes in prices, taxation and interest rates have on a person's income and expenditure</li> <li>◆ analysing the effect that changes in life circumstances have on personal income and expenditure, eg redundancy, unemployment, family size</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching which banks offer the best savings rates, the best short-term rates and mortgage loan rates</li> <li>◆ researching information on saving and borrowing, then creating a leaflet for 16 to 18-year-olds offering financial advice</li> <li>◆ creating a scenario where candidates decide what to do with inheritance money — spending a certain amount, creating long- and short-term savings with the remainder, and justifying the reasons for choices</li> <li>◆ using interactive websites, eg RBS MoneySense</li> <li>◆ using the Martin Lewis 'Your Money Matters' text book</li> <li>◆ creating scenarios and using spreadsheets to prepare a personal budget and then adapting it with changing life circumstances, eg family size, job changes, child care costs, education fees</li> <li>◆ creating scenarios and using spreadsheets to calculate both disposable income and discretionary income, to show how these are affected by changes in tax rates (in order to consider the consequences of changing personal income levels)</li> </ul>

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Basic economic problem</b>	<ul style="list-style-type: none"> <li>◆ distinguishing between, and giving examples of, needs and wants</li> <li>◆ describing the basic economic problem</li> <li>◆ defining concepts of scarcity, choice and opportunity cost</li> <li>◆ giving examples of opportunity cost for individuals, firms and governments</li> <li>◆ defining and giving examples of the factors of production — land, labour, capital and enterprise</li> <li>◆ understanding geographical and occupational mobility/immobility of resources</li> <li>◆ understanding the returns to the factors of production</li> </ul>	<ul style="list-style-type: none"> <li>◆ using flash cards containing examples of needs and wants and sorting them into the relevant category</li> <li>◆ playing a ‘survival’ game to illustrate aspects of limited resources, eg natural, human and human-made</li> <li>◆ creating a scenario which requires candidates to start with a lot of resources and then whittle the resources down in order to contend with changing circumstances</li> <li>◆ completing a mix-and-match exercise of various phrases to create full sentences showing the three elements of opportunity cost, ie the reasons for the choice, the choice itself and the opportunity cost</li> <li>◆ using case studies to generate class discussion on choices made for government spending, eg spending on fertility treatment, spending on high-speed rail links, reducing the regularity of refuse collections</li> <li>◆ researching the cost of various NHS treatments and then discussing their value in relation to their cost</li> <li>◆ using flash cards containing examples of the factors of production and sorting them into land, labour, capital and enterprise</li> <li>◆ using a mix-and-match exercise for the factors of production and the returns to the factors of production</li> </ul>

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Theory of demand</b>	<ul style="list-style-type: none"> <li>◆ defining effective demand</li> <li>◆ drawing demand curves from demand schedules</li> <li>◆ explaining the shape of the demand curve, ie willingness/ability to buy, income effect, substitution effect, law of diminishing marginal utility</li> <li>◆ describing what is meant by total, marginal and diminishing marginal utility</li> </ul>	<ul style="list-style-type: none"> <li>◆ conducting market research with the class, eg what would happen to the demand for various goods if the price doubled/halved?</li> <li>◆ demonstrating diminishing marginal utility by giving candidates water to drink or food to eat — candidates should score their utility until they do not want any more and utility is zero</li> <li>◆ drawing demand diagrams from a range of scenarios that illustrate movements along the demand curve</li> </ul>
<b>Determinants of demand</b>	<ul style="list-style-type: none"> <li>◆ using/drawing demand diagrams to explain how changes in the determinants of demand affect price and quantity demanded</li> <li>◆ describing what is meant by substitute goods and complementary goods</li> <li>◆ outlining the determinants of demand in contexts with examples, ie changes in taste/fashion, marketing, the state of the economy, world events, rises/falls in income, population, prices of complementary/substitute goods</li> </ul>	<ul style="list-style-type: none"> <li>◆ creating a table that allows candidates to show substitutes and complements</li> <li>◆ investigating recent examples of determinants that have caused changes in demand</li> <li>◆ drawing demand diagrams from a range of scenarios that illustrate shifts in the demand curve</li> </ul>

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Costs, revenue and profit</b>	<ul style="list-style-type: none"> <li>◆ defining fixed costs, variable costs, total costs, average costs, total sales revenue, average sales revenue and profit</li> <li>◆ identifying and drawing cost curves on a short-run cost diagram</li> <li>◆ giving examples of fixed and variable costs</li> <li>◆ calculating total fixed cost, total variable cost and total cost</li> <li>◆ calculating average fixed cost, average variable cost and average total cost</li> <li>◆ calculating total sales revenue, average sales revenue and profit</li> </ul>	<ul style="list-style-type: none"> <li>◆ using flash cards containing examples of fixed and variable costs and sorting them into the relevant category</li> <li>◆ using flash cards containing examples of various costs and revenues and sorting them into the relevant category</li> <li>◆ using scenarios with tables of costs and revenues to carry out calculations and draw diagrams</li> <li>◆ identifying and labelling pre-drawn costs and revenues diagrams</li> <li>◆ drawing diagrams of short-run cost curves</li> </ul>
<b>Theory of supply</b>	<ul style="list-style-type: none"> <li>◆ defining supply</li> <li>◆ drawing supply curves from supply schedules</li> <li>◆ explaining the shape of the supply curve, ie profit per unit, new entrants, higher costs</li> </ul>	<ul style="list-style-type: none"> <li>◆ drawing supply diagrams from a range of scenarios that illustrate movements along the supply curve</li> <li>◆ discussing recent examples of suppliers 'jumping on the band wagon' of new, immediately popular products</li> </ul>
<b>Determinants of supply</b>	<ul style="list-style-type: none"> <li>◆ outlining the determinants of supply, ie changes to production costs, methods of production, external factors such as the weather</li> <li>◆ using/drawing supply diagrams to explain how changes in the determinants of supply affect price and quantity supplied</li> </ul>	<ul style="list-style-type: none"> <li>◆ investigating recent examples of determinants that have caused changes in supply</li> <li>◆ drawing supply diagrams from a range of scenarios that illustrate shifts in the supply curve</li> </ul>

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Markets</b>	<ul style="list-style-type: none"> <li>◆ defining a market</li> <li>◆ describing different types of market</li> <li>◆ using a demand and supply diagram to describe how equilibrium price and quantity are set</li> <li>◆ using a demand and supply diagram to describe how shortage and surplus situations (excess demand and excess supply) are returned to equilibrium, ie market clearing</li> <li>◆ using a demand and supply diagram to describe how changes in the determinants of demand and/or supply affect equilibrium price and quantity</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching and presenting the findings about a chosen market, eg concert ticket market, housing market, car market, commodities market, agricultural produce market</li> <li>◆ discussing the factors affecting demand and supply in different markets</li> <li>◆ drawing market diagrams that show a surplus or shortage and how equilibrium is reached</li> <li>◆ drawing market diagrams using a range of scenarios that illustrate shifts in demand and/or supply</li> </ul>

## UK economic activity

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Government finance</b>	<ul style="list-style-type: none"> <li>◆ describing different sources of government income</li> <li>◆ describing the difference between direct and indirect taxation</li> <li>◆ naming and describing the main taxes, eg those reported in the media</li> <li>◆ describing the recent changes in the burden between direct and indirect taxes</li> <li>◆ explaining how the recent changes in direct and indirect taxes affect individuals, firms and the government</li> <li>◆ describing the main areas of government expenditure, eg health, education, defence</li> <li>◆ describing public and merit goods</li> <li>◆ understanding the reasons for government expenditure in the main spending areas</li> <li>◆ describing the difference between current and capital expenditure and what is meant by a transfer payment</li> <li>◆ describing examples of capital/current/transfer payments in different contexts</li> <li>◆ explaining the impact of government taxation on the UK economy</li> <li>◆ describing trends in UK Government spending</li> <li>◆ explaining the impact of UK Government spending and changing levels of spending on the UK economy</li> </ul>	<ul style="list-style-type: none"> <li>◆ using flash cards containing different taxes and sorting them into direct and indirect</li> <li>◆ using a mix-and-match exercise for names and descriptions of the main taxes</li> <li>◆ researching information on recent taxation changes</li> <li>◆ researching main areas of government spending and making a presentation on actual government priorities in relation to what candidates think spending priorities should be</li> <li>◆ using flash cards containing examples of public and merit goods and sorting them into the relevant category</li> <li>◆ researching information on UK Government spending and sources of income</li> <li>◆ creating graphs/charts to illustrate research findings</li> <li>◆ using flash cards containing examples of current, capital and transfer payments and sorting them into the relevant category</li> <li>◆ debating recent spending issues, eg government debt, upcoming capital projects</li> <li>◆ using interactive websites, eg Bank of England education</li> <li>◆ researching and creating graphs of trends in government spending to generate discussion</li> <li>◆ drawing a diagram to illustrate the circular flow of income in a closed economy</li> </ul>

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	<ul style="list-style-type: none"> <li>◆ describing and drawing the circular flow of income in a closed economy (without injections and withdrawals)</li> </ul>	
<p><b>Government aims: inflation and (un)employment (only aims — not how to achieve them)</b></p>	<ul style="list-style-type: none"> <li>◆ describing the main government aims, ie in relation to inflation, unemployment, growth</li> <li>◆ defining rate of inflation</li> <li>◆ describing the method of calculating inflation, eg survey, basket, weight, collecting prices</li> <li>◆ understanding the difference between CPI and CPIH measures of inflation</li> <li>◆ defining real and money/nominal income</li> <li>◆ understanding the main types of inflation, ie demand pull, cost push, imported</li> <li>◆ understanding the effects of inflation on individuals, firms and the economy</li> <li>◆ defining unemployment and the rate and level of unemployment</li> <li>◆ describing ways of measuring unemployment, ie claimant count, labour force survey</li> <li>◆ understanding the meaning of the term 'seasonally adjusted' in relation to unemployment statistics</li> <li>◆ understanding the causes of unemployment, eg cyclical/demand deficient, structural, frictional</li> <li>◆ understanding the effects of unemployment on individuals, firms, and government income and expenditure</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching and drawing graphs of recent trends in inflation</li> <li>◆ researching changes in the basket of goods over time</li> <li>◆ creating flow charts from phrases about the links in the different causes of inflation</li> <li>◆ producing a list of the consequences of inflation</li> <li>◆ making presentations on the effects of the listed consequences on prices, savings, mortgages, wages and unemployment</li> <li>◆ using a table of wage and inflation rates to calculate real wage increases/decreases</li> <li>◆ creating a series of scenarios and asking candidates to complete a table with 'causes of inflation' and 'effects of inflation' as column headings</li> <li>◆ researching and drawing graphs of recent trends in unemployment for the UK, Scotland, different regions, different age groups, etc</li> <li>◆ providing scenarios for candidates to classify into different types/causes of unemployment</li> <li>◆ creating a series of scenarios and asking candidates to complete a table with 'causes of unemployment' and 'effects of unemployment' as column headings</li> </ul>

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Government aims: economic growth</b>	<ul style="list-style-type: none"> <li>◆ defining what is meant by growth in the economy, eg an increase in total output over a period of time using the same or fewer resources</li> <li>◆ describing ways of increasing output/GDP</li> <li>◆ understanding standards of living</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching and drawing graphs of recent trends in growth</li> <li>◆ discussing ways of measuring standards of living in different decades and potential ways of measuring it in the future</li> </ul>
<b>Scotland's place in the UK economy</b>	<ul style="list-style-type: none"> <li>◆ describing the different sectors of industry in Scotland, ie primary, secondary, tertiary</li> <li>◆ giving examples of different Scottish industries, eg whisky, oil, tourism</li> <li>◆ understanding where different types of industry are located</li> <li>◆ understanding levels of employment in different industries</li> <li>◆ understanding the contribution of Scottish industry to the UK economy</li> <li>◆ understanding why Scotland specialises in certain types of industry</li> <li>◆ naming famous Scottish entrepreneurs and their businesses</li> <li>◆ understanding the importance and impact of entrepreneurship on Scottish/UK economy</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching and presenting the findings about different Scottish industries, eg what they do, value to the economy, volume of employment created, export value and destinations</li> <li>◆ pinning representations of different industries in the appropriate places on a map of Scotland</li> <li>◆ researching and presenting the findings about different Scottish entrepreneurs and their impact on the Scottish/UK economy</li> <li>◆ using a mix-and-match exercise to match Scottish entrepreneurs with their businesses</li> </ul>

## Global economic activity

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Understanding global trade</b>	<ul style="list-style-type: none"> <li>◆ defining global trade</li> <li>◆ describing the main types of imports to, and exports from, the UK</li> <li>◆ identifying the main trading partners of the UK</li> <li>◆ understanding the advantages and disadvantages of global trade to an economy</li> <li>◆ defining what is meant by a trading bloc</li> <li>◆ describing benefits of being a member of a trading bloc</li> <li>◆ giving examples of trading blocs</li> <li>◆ describing the different barriers to trade</li> <li>◆ explaining how different barriers to trade work</li> <li>◆ describing reasons for erecting trade barriers</li> <li>◆ understanding the advantages and disadvantages of barriers to trade to individuals, firms and the government</li> </ul>	<ul style="list-style-type: none"> <li>◆ using a recipe and asking candidates to work out where each ingredient for the dish comes from</li> <li>◆ looking at electrical/white/audio-visual goods/gadgets at home and listing their countries of origin in preparation for a class discussion</li> <li>◆ researching and presenting the findings about different aspects of global trade, eg the UK's main trading partners and the goods traded</li> <li>◆ using a mix-and-match exercise to match the names of barriers to trade, their definitions and explanations of how they work</li> <li>◆ investigating recent examples of retaliation against barriers to trade</li> </ul>
<b>Multinationals</b>	<ul style="list-style-type: none"> <li>◆ defining a multinational, ie a multinational has its headquarters in one country and facilities in at least one other</li> <li>◆ understanding the reasons for becoming a multinational</li> <li>◆ explaining the reasons for a multinational to locate in a foreign country</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching and presenting the findings about specific multinationals and their product ranges</li> <li>◆ debating why multinationals locate in different countries</li> <li>◆ researching why specific multinationals choose to locate in Scotland in particular</li> </ul>

Topic	Further advice and guidance about skills, knowledge and understanding	Suggested experiences and activities for candidates
<b>Exchange rates</b>	<ul style="list-style-type: none"> <li>◆ defining an exchange rate</li> <li>◆ calculating straightforward currency exchange rates</li> <li>◆ understanding the effect of fluctuations in the exchange rate on the prices of imports and exports</li> <li>◆ understanding the effect of fluctuations in exchange rates on firms and individuals</li> </ul>	<ul style="list-style-type: none"> <li>◆ using scenarios to classify examples of trade in goods/services and imports/exports</li> <li>◆ investigating changes in the value of different currencies in relation to the £ sterling, and creating graphs to show the changes</li> <li>◆ creating a series of scenarios for UK firms importing goods from different countries as exchange rates change and calculating any losses or gains</li> <li>◆ creating a series of scenarios for UK firms exporting goods to different countries as exchange rates change and calculating any losses or gains</li> <li>◆ researching the best value holiday destinations based on different exchange rates in relation to travel, hotels, excursions, etc</li> <li>◆ researching the impact of currency fluctuations on foreign tourists visiting the UK</li> </ul>
<b>Understanding the impact of the global economy</b>	<ul style="list-style-type: none"> <li>◆ naming developing economies</li> <li>◆ describing the characteristics of developing economies</li> <li>◆ describing the different types of aid given to developing economies, eg emergency, financial, food aid, medical aid, capital equipment, technical expertise, bilateral aid, multilateral aid and tied aid</li> <li>◆ naming emerging economies</li> <li>◆ describing the characteristics of emerging economies relative to developing economies</li> </ul>	<ul style="list-style-type: none"> <li>◆ researching a developing economy and suggesting what could be done to promote economic growth in that country</li> <li>◆ researching the need for aid, its history and current examples</li> <li>◆ investigating the UK's giving of aid, eg where it goes, what type, how much</li> <li>◆ researching an emerging economy to establish its characteristics and evaluating its impact on UK and international trade</li> </ul>

## Preparing for course assessment

The course assessment focuses on breadth, challenge and application. Candidates should apply the skills they have learned during the course.

In preparation, candidates should be given opportunities to practise activities similar to those expected in the course assessment. For example, centres could develop tasks and questions similar to those in the specimen and past papers.

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

Course planners should identify opportunities throughout the course for candidates to develop skills for learning, skills for life and skills for work.

Candidates should be aware of the skills they are developing, and teachers and lecturers can provide advice on opportunities to practise and improve them.

Qualifications Scotland does not formally assess skills for learning, skills for life and skills for work.

There may also be opportunities to develop additional skills depending on approaches being used to deliver the course in each centre. This is for individual teachers and lecturers to manage.

Skill	How it is developed
Literacy	<ul style="list-style-type: none"><li>◆ watching news updates</li><li>◆ reading newspapers (media)</li><li>◆ communicating through presentations/working in groups</li><li>◆ mini investigations</li><li>◆ self/peer-evaluation</li><li>◆ listening to radio broadcasts or podcasts about economic issues</li><li>◆ listening to outside speakers</li><li>◆ attending lectures</li></ul> <p>Teachers and lecturers should encourage candidates to develop narratives on economic issues. Candidates should be encouraged to take time to interpret questions and to respond to them. Teachers and lecturers should emphasise the importance of well-structured sentences and paragraphs to producing developed answers.</p>
Numeracy	<ul style="list-style-type: none"><li>◆ simple numerical calculations, eg fractions/percentages</li><li>◆ interpreting diagrams and constructing simple graphs</li><li>◆ gathering different sources of numerical information</li><li>◆ interpreting numerical information</li><li>◆ presenting numerical information (eg graphs, pie charts)</li></ul>

Skill	How it is developed
Employability, enterprise and citizenship	<ul style="list-style-type: none"> <li>◆ encouraging autonomy/initiative through personal research</li> <li>◆ enhancing time management and organisational skills</li> <li>◆ improving IT skills for a technology driven society</li> <li>◆ increasing economic and political awareness (watching news reports, reading newspapers)</li> <li>◆ exploring different real-life topic areas (budgeting, uncertainty, taxation, saving and aid)</li> <li>◆ working with others</li> <li>◆ increasing knowledge of the local/Scottish economy</li> </ul> <p>The course enhances candidates' employability through developing their flexibility, resilience and their ability to work with others and accept responsibility for themselves and their actions. Citizenship skills are improved through debating ideas and developing an understanding of the economic issues which affect everyday life.</p>
Thinking skills	<ul style="list-style-type: none"> <li>◆ mini case studies</li> <li>◆ setting concepts in real-life examples</li> <li>◆ personal research and team working</li> <li>◆ personal experience</li> <li>◆ sharing information</li> <li>◆ applying economic concepts to newspaper articles, television and radio broadcasts, web searches, case studies, talks, games, debates, peer- and self-evaluation</li> </ul> <p>Candidates should be able to correctly decode and interpret information and to use it in different settings or contexts.</p> <p>Candidates should be able to apply the knowledge they have learned in different contexts, emphasising their understanding of the key concepts of economics. Once candidates have the ability to think critically about a given scenario, they should be able to analyse and evaluate economic decisions and outcomes.</p>

# Administrative information

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**Published:** June 2026 (version 4.0)

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## History of changes

Version	Description of change	Date
2.0	Course support notes added as appendix.	June 2017
3.0	<p>'Skills, knowledge and understanding' section and 'Course content' section updated to remove reference to the EU, with additional text added relating to trading blocs.</p> <p>Suggested titles for assignment updated to reflect course content changes.</p> <p>Format changes to improve accessibility of the tables in the 'Approaches to learning, teaching and assessment' section.</p>	May 2024
4.0	<p>We've:</p> <ul style="list-style-type: none"><li>◆ reduced the marks for the question paper from 90 to 70 marks</li><li>◆ reduced the duration of the question paper from 2 hours to 1 hour 30 minutes</li><li>◆ amended the percentage weighting for the question paper and the assignment by introducing scaling to the assignment</li></ul> <p>We've amended the question paper details in the 'Course overview' and 'Course assessment' sections accordingly.</p> <p>We've changed references to 'SQA' to 'Qualifications Scotland' throughout. We've updated the title to include the SCQF level.</p> <p>We've added a new 'Learning for Sustainability' section and updated the 'Equality and inclusion' and 'Further information' sections.</p> <p>We've made changes to the format and layout of the document to improve accessibility.</p> <p><b>What you need to do differently</b> You must update your teaching notes and assessments.</p>	June 2026

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