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ASSESSMENT and
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ALLIANCE

General Certificate of Education

**Economics 5141/6141
2009**

Material accompanying this Specification

- Past Papers and Mark Schemes
- Reports on the Examination
- A Teacher's Guide

SPECIFICATION

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Background Information

1

Advanced Subsidiary and Advanced Level Specifications

1.1 Advanced Subsidiary (AS)

Advanced Subsidiary courses were introduced in September 2000 for the award of the first qualification in August 2001. They may be used in one of two ways:

- as a final qualification, allowing candidates to broaden their studies and to defer decisions about specialism;
- as the first half (50%) of an Advanced Level qualification, which must be completed before an Advanced Level award can be made.

Advanced Subsidiary is designed to provide an appropriate assessment of knowledge, understanding and skills expected of candidates who have completed the first half of a full Advanced Level qualification. The level of demand of the AS examination is that expected of candidates half-way through a full A Level course of study.

1.2 Advanced Level (AS+A2)

The Advanced Level examination is in two parts:

- Advanced Subsidiary (AS) – 50% of the total award;
- a second examination, called A2 – 50% of the total award.

Most Advanced Subsidiary and Advanced Level courses are modular. The AS comprises three teaching and learning modules and the A2 comprises a further three teaching and learning modules. Each teaching and learning module is normally assessed through an associated assessment unit. The specification gives details of the relationship between the modules and assessment units.

With the two-part design of Advanced Level courses, centres may devise an assessment schedule to meet their own and candidates' needs. For example:

- assessment units may be taken at stages throughout the course, at the end of each year or at the end of the total course;
- AS may be completed at the end of one year and A2 by the end of the second year;
- AS and A2 may be completed at the end of the same year.

Details of the availability of the assessment units for each specification are provided in Section 3.

2

Specification at a Glance

Economics

at Advanced Level

Advanced Subsidiary Award
5141



AS Examination 5141	
Unit 1: Markets and Market Failure	
1 hour	35% of the total AS marks <i>17½% of the total A Level marks</i>
ECN1/1: 15 compulsory objective test questions. ECN1/2: one data response question chosen from two.	
Unit 2: The National Economy	
1 hour	35% of the total AS marks <i>17½% of the total A Level marks</i>
ECN2/1: 15 compulsory objective test questions. ECN2/2: one data response question chosen from two.	
Unit 3: Markets at Work	
1 hour	30% of the total AS marks <i>15% of the total A Level marks</i>
One data response question on each of three Options. Candidates study one Option and answer the related question.	



Advanced Award
6141



A2 Examination 6141	
EITHER	OR
Unit 4W: Case Study on the European Union	Unit 4C: Centre-Assessed Coursework on any area of Economics
1 hour 40 mins <i>20% of the total A Level marks</i>	<i>20% of the total A Level marks</i>
Unit 5: Business Economics and the Distribution of Income	
1½ hours	<i>15% of the total A Level marks</i>
One compulsory data response question. One essay chosen from three. This unit is synoptic.	
Unit 6: Government Policy, the National and International Economy	
1½ hours	<i>15% of the total A Level marks</i>
One compulsory data response question. One essay chosen from three. This unit is synoptic.	

3

Availability of Assessment Units and Entry Details

3.1 Availability of Assessment Units

Examinations based on this specification are available as follows:

	Availability of Units		Availability of Qualification	
	AS	A2	AS	A Level
January	all	all	✓	✓
June	all	all	✓	✓

Resit opportunities for externally assessed A2 units will be available in January 2010. Details of the arrangements have been provided to centres through the JCQ notice [Withdrawal of Curriculum 2000 Specifications](#).

AQA has produced a new GCE Economics specification for first teaching from September 2008, leading to AS examinations in 2009 and to AS and A2 examinations in 2010. Full information about the new specification is available on the AQA website in the New GCEs for 2008 area. It can be accessed by the following link:
<http://www.aqa.org.uk/qual/gce.php>

3.2 Sequencing of Units

In Economics, it is recommended that the AS units are taken in the sequence 1, 2 and 3. Units 5 and 6 contain the synoptic assessment.

3.3 Entry Codes

Normal entry requirements apply, but the following information should be noted.

The following unit entry codes should be used:

AS	A2
Unit 1 - <i>ECN1</i>	Unit 4 - <i>EC4W and EC4C</i>
Unit 2 - <i>ECN2</i>	Unit 5 - <i>ECN5</i>
Unit 3 - <i>ECN3</i>	Unit 6 - <i>ECN6</i>

The **Subject Code** for entry to the AS only award is *5141*.

The **Subject Code** for entry to the Advanced Level award is *6141*.

3.4 Classification Codes

Each specification is assigned to a national classification code, indicating the subject area to which it belongs.

Centres should be aware that candidates who enter for more than one GCE qualification with the same classification code, will have only one grade (the highest) counted for the purpose of the School and College Performance Tables.

The **Classification Code** for this specification is 4410.

3.5 Private Candidates

This specification is available to private candidates in the following situations:

- for candidates who have not previously entered for the specification, the written paper units **only** are available;
- where candidates have already received a result for the coursework unit, EC4C, a further entry for the coursework unit may be made.

Private candidates should write to AQA for a copy of ‘*Supplementary Guidance for Private Candidates*’.

3.6 Access Arrangements and Special Consideration

AQA pays due regard to the provisions of the Disability Discrimination Act 1995 in its administration of this specification.

Arrangements may be made to enable candidates with disabilities or other difficulties to access the assessment. An example of an access arrangement is the production of a Braille paper for a candidate with a visual impairment. Special consideration may be requested for candidates whose work has been affected by illness or other exceptional circumstances.

Further details can be found in the Joint Council for Qualifications (JCQ) document:

Access Arrangements and Special Consideration

Regulations and Guidance Relating to Candidates who are Eligible for Adjustments in Examination

GCE, AEA, GCSE, GNVQ, Entry Level & Key Skills

This document can be viewed via the AQA website (www.aqa.org.uk)

Applications for access arrangements and special consideration should be submitted to AQA by the Examinations Officer at the centre.

3.7 Language of Examinations

All assessment Units in this subject are provided in English only.

Scheme of Assessment

4

Introduction

This GCE Economics specification complies with:

- the Subject Criteria for Economics;
- the GCSE, GCE, GNVQ and AEA Code of Practice April 2007;
- the GCE Advanced Subsidiary and Advanced Level Qualification - Specific Criteria;
- the Arrangements for the Statutory Regulation of External Qualifications in England, Wales and Northern Ireland; Common Criteria.

4.1 Prior level of attainment and recommended prior learning

It is not necessary for candidates to have studied GCSE Economics before commencing work on this specification and no prior knowledge of Economics is necessary.

This specification lays an appropriate foundation for further study of Economics or related subjects in higher education. In addition, it provides a worthwhile course for candidates of various ages and from diverse backgrounds in terms of general education and lifelong learning.

5

Aims

This specification encourages candidates to:

- a. develop an understanding of economic concepts and theories through a critical consideration of current economic issues, problems and institutions that affect everyday life;
- b. apply economic concepts and theories in a range of contexts and to appreciate their value and limitations in explaining real-world phenomena;
- c. analyse, explain and evaluate the strengths and weaknesses of the market economy and the role of government within it.

6

Assessment Objectives

The Assessment Objectives are common to both AS and A Level. The schemes of assessment will assess candidates' ability to:

- a. demonstrate knowledge and understanding of the specified subject content;
- b. apply knowledge and critical understanding to economic problems and issues arising from both familiar and unfamiliar situations;
- c. analyse economic problems and issues;
- d. evaluate economic arguments and evidence, making informed judgements.

6.1 Quality of Written Communication

The quality of written communication is assessed in all assessment units where candidates are required to produce extended written material. Candidates will be assessed according to their ability to:

- select and use a form and style of writing appropriate to purpose and complex subject matter;
- organise information clearly using specialist vocabulary appropriate;
- ensure writing is legible, and spelling, grammar and punctuation are accurate, so that meaning is clear.

The assessment of the quality of written communication is included in all the Assessment Objectives.

7

Scheme of Assessment – Advanced Subsidiary (AS)

The Scheme of Assessment has a modular structure. The Advanced Subsidiary (AS) award comprises three compulsory assessment units, which assess the teaching and learning modules described in the subject content as shown below.

7.1 Assessment Units

Unit 1	Written Unit	1 hour
<i>35% of the total AS marks</i>	40 marks	

This unit comprises **15** compulsory objective test questions (ECN1/1) and **two** data response questions, of which candidates answer **one** (ECN1/2). The unit assesses **Module 1** of the Subject Content.

Unit 2	Written Unit	1 hour
<i>35% of the total AS marks</i>	40 marks	

This unit comprises **15** compulsory objective test questions (ECN2/1) and **two** data response questions, of which candidates answer **one** (ECN2/2). The unit assesses **Module 2** of the Subject Content.

Unit 3	Written Unit	1 hour
<i>30% of the total AS marks</i>	40 marks	

This unit comprises **three** data response questions, one on each of the options. Candidates answer **one**. The unit assesses **Modules 1 and 2** of the Subject Content.

7.2 Weighting of Assessment Objectives for AS

The approximate relationship between the relative percentage weighting of the Assessment Objectives (AOs) and the overall Scheme of Assessment is shown in the following table.

Assessment Objectives	Unit Weightings (%)			Overall Weighting of AOs (%)
	1	2	3	
Demonstrate knowledge and understanding (AO1)	10½	10½	9	30
Apply knowledge and critical understanding (AO2)	10½	10½	9	30
Analyse problems (AO3)	7	7	6	20
Evaluate arguments and evidence (AO4)	7	7	6	20
Overall Weighting of Units (%)	35	35	30	100

Candidates' marks for each assessment unit are scaled to achieve the correct weightings.

8

Scheme of Assessment – Advanced Level (AS+A2)

The Scheme of Assessment has a modular structure. The A Level award comprises three compulsory assessment units from the AS Scheme of Assessment and two compulsory assessment units and one optional assessment unit from the A2 Scheme of Assessment.

The details of the AS assessment units are given in Section 7 above and comprise the following units:

8.1 AS Assessment Units

Unit 1 <i>17½% of the total A Level marks</i>	Written Unit 40 marks	1 hour
Unit 2 <i>17½% of the total A Level marks</i>	Written Unit 40 marks	1 hour
Unit 3 <i>15% of the total A Level marks</i>	Written Unit 40 marks	1 hour

8.2 A2 Assessment Units

EITHER

Unit 4W <i>20% of the total A Level marks</i>	Written Unit 84 marks	1 hr 40 mins
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This unit comprises **one** compulsory structured question based on case study material contained within the paper. The topic of the Case Study will be **the European Union** until further notice.

OR

Unit 4C <i>20% of the total A Level marks</i>	Centre-Assessed 84 marks
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Candidates are required to undertake an investigation into an economic issue related to any area of Economics. It must not exceed 4000 words in length, excluding tables, figures and appendices. It is assessed by the centre and moderated by AQA.

Unit 5 <i>15% of the total A Level marks</i>	Written Unit 100 marks	1½ hours
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This unit comprises two sections.

Section A contains **one** compulsory data response question.

Section B contains **three** essay questions. Candidates are required to answer **one**. It assesses **Module 5** of the Subject Content. All questions in this unit are synoptic.

Unit 6 <i>15% of the total A Level marks</i>	Written Unit 100 marks	1½ hours
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This unit comprises two sections.

Section A contains **one** compulsory data response question.

Section B contains **three** essay questions. Candidates are required to answer **one**. It assesses **Module 6** of the Subject Content.

All questions in this unit are synoptic.

8.3 Synoptic Assessment

The Advanced Subsidiary and Advanced Level Criteria state that A Level specifications must include synoptic assessment (representing at least 20% of the total A Level marks).

Synoptic assessment tests candidates' understanding of the connections between the different elements of the Subject Content. It relates to all the assessment objectives. In particular, synoptic assessment will test candidates' ability 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.

The emphasis in the synoptic assessment will be on the candidates' ability to think as economists and to use effectively the economist's 'tool kit' of concepts, theories and techniques which they have developed during their course of study.

Synoptic assessment is contained in Units 5 and 6. This represents 30% of the total A Level marks.

8.4 Weighting of Assessment Objectives for A Level

The approximate relationship between the relative percentage weighting of the Assessment Objectives (AOs) and the overall Scheme of Assessment is shown in the following table.

A Level Assessment Units (AS + A2)

Assessment Objectives	Unit Weightings (%)						Overall Weighting of AOs (%)
	1	2	3	4W*/4C*†	5	6	
Demonstrate knowledge and understanding (AO1)	5¼	5¼	4½	2½	3¾	3¾	25
Apply knowledge and critical understanding (AO2)	5¼	5¼	4½	5	3¾	3¾	27½
Analyse problems (AO3)	3½	3½	3	5	3¾	3¾	22½
Evaluate arguments and evidence (AO4)	3½	3½	3	7½	3¾	3¾	25
Overall Weighting of Units (%)	17½	17½	15	20	15	15	100

* Optional units † Centre-assessed

Candidates' marks for each assessment unit are scaled to achieve the correct weightings.

Subject Content

9

Summary of Subject Content

9.1 AS Modules

MODULE 1 – Markets and Market Failure

- The Economic Problem
- Allocation of Resources in Competitive Markets
- Monopoly
- Production and Efficiency
- Market Failure
- Government Intervention in the Market

MODULE 2 – The National Economy

- Performance of the UK Economy and Government Policy Objectives
- How the Macroeconomy works
- The Main Instruments of Government Macroeconomic Policy

MODULE 3 – Markets at Work

- EITHER
- The Housing Market
- OR
- The Environment
- OR
- The Economics of Sport and Leisure

9.2 A2 Modules

MODULE 4 – Working as an Economist

- EITHER
- Case Study on the European Union
- OR
- Coursework on any area of Economics

MODULE 5 – Business Economics and the Distribution of Income

- Theory of the Firm
- Competitive Markets
- Concentrated Markets
- The Labour Market
- Government Intervention in the Market

MODULE 6 – Government Policy, the National and International Economy

- Growth of the Economy and Cyclical Instability
- Inflation and Unemployment
- Managing the National Economy
- The International Economy

AS Module 1

Markets and Market Failure

This module introduces candidates to microeconomics.

Candidates will be required to acquire knowledge and understanding of some basic microeconomic models and to apply these to current problems and issues. Basic microeconomic models such as demand and supply, the operation of the price mechanism, and causes of market failure are central to this module. Candidates should be provided with opportunities to use these basic models to explore current economic behaviour. Candidates should be able to apply their knowledge and skills to a wide variety of situations and to different markets. Commodity markets (including the oil market), agriculture, transport and the market for health care provide examples of contexts within which questions will often be set. In addition, candidates will be expected to apply the theory learnt in this module to one of the optional areas of study in Module 3. During their course of study candidates should be encouraged to develop a critical approach to economic models and methods of enquiry.

Candidates should be familiar with the various types of statistical and other data which are commonly used by economists, for example, they should be able to interpret data presented in the form of index numbers.

10.1 The Economic Problem

The Nature and Purpose of Economic Activity

Candidates should understand that the central purpose of economic activity is the production of goods and services to satisfy needs and wants. They should appreciate that economists take a broad view of production and consumption activities including, for example, self provided goods and services and the benefits derived from the natural environment.

Economic Resources

Candidates should understand the economists' classification of economic resources into land, labour, capital and enterprise.

The Economic Objectives of Individuals, Firms and Governments

Candidates should understand the normal maximising assumptions upon which traditional economic models are based.

Note: candidates do **not** need to know the rule for consumer equilibrium and at AS they do **not** need to understand the profit maximising rule ($MC=MR$). They should know that economic agents may have a range of possible objectives.

Scarcity, Choice, and the Allocation of Resources

Candidates should appreciate that the decisions of individuals and organisations are likely to be influenced by both economic and non-economic considerations.

Candidates should know that the environment is an example of a scarce resource, which is affected by economic decisions.

Opportunity Cost, the Margin, Trade-offs and Conflicting Objectives

Candidates should understand production possibility diagrams and be able to use this basic model to illustrate the different features of the fundamental economic problem.

Value Judgements, Positive and Normative Statements

Candidates should be able to distinguish between positive and normative statements. They should understand how value judgements influence economic decision-making and policy.

10.2 The Allocation of Resources in Competitive Markets

The Determinants of the Demand for Goods and Services

Candidates should know that the demand curve shows the relationship between price and quantity demanded, and understand the causes of shifts in the demand curve.

Note: candidates are **not** expected to have an understanding of utility theory or indifference curve analysis.

Price, Income and Cross Elasticities of Demand

Candidates should be able to calculate elasticities of demand and understand the factors that influence elasticities of demand. They should also understand the relationship between price elasticity of demand and total revenue.

The Determinants of the Supply of Goods and Services

Candidates should be aware that, other things being equal, higher prices imply higher profits and that this will provide the incentive to expand production. They should understand the causes of shifts in the supply curve.

Note: AS candidates do **not** need to understand the relationship between marginal costs and supply.

Price Elasticity of Supply

Candidates should be able to calculate elasticity of supply and understand the factors that influence elasticity of supply.

The Determination of Equilibrium Market Prices

Candidates should understand how the interaction of demand and supply determines equilibrium prices in a market economy.

Causes of Changes in Equilibrium Market Prices

Candidates should understand the significance of elasticities of demand and supply in influencing the extent of any fluctuations in market prices.

Applications of Demand and Supply Analysis to Particular Markets

Candidates should be able to apply their knowledge of the basic model of demand and supply to markets, such as commodity markets, agriculture, health care, housing, sport and leisure.

The Interrelationship Between Markets

Candidates should be aware that changes in a particular market are likely to affect other markets. They should, for example, be able to explore the impact of the introduction of a new product and a new supplier in a competitive market.

Candidates should understand the implications of composite demand, derived demand and joint supply.

How Markets and Prices Allocate Resources

Candidates should understand the rationing, incentive and signalling functions of prices in allocating resources and co-ordinating the decisions of buyers and sellers in a market economy.

They should also be able to use the economists' model of the market mechanism to assess the effectiveness of markets in allocating resources.

Note: candidates are **not** expected to know the formal model of perfect competition and the associated diagrammatic analysis. This is assessed in Module 5.

10.3 Monopoly

Monopolies and The Allocation of Resources

Candidates should understand that monopolies have market power and that the basic model of monopoly suggests that higher prices, inefficiency and a misallocation of resources may result.

Candidates should understand the potential benefits from monopoly, for example, economies of scale and possibly more invention and innovation.

Note: candidates are **not** expected to know the formal model of monopoly and the associated diagrammatic analysis. This is assessed in Module 5.

10.4 Production and Efficiency

Specialisation, Division of Labour and Exchange

Candidates should understand the benefits of specialisation and why specialisation necessitates an efficient means of exchanging goods and services.

Production and Productivity

Candidates should understand the meaning of productivity (including labour productivity) and the factors that determine productivity.

Economies of Scale

Candidates should be able to give examples of economies of scale, recognise that they lead to lower unit costs and may underlie the development of monopolies.

Economic Efficiency

Candidates should understand that any point on the production possibility boundary is productively efficient but that allocative efficiency is only achieved when the goods and services produced match people's needs and preferences.

10.5 Market Failure

Positive and Negative Externalities in Consumption and Production

Candidates should understand that externalities exist when there is a divergence between private and social costs and that negative externalities are likely to result in over-production.

Note: candidates do **not** need to analyse the reasons for the misallocation of resources using the marginalist approach or the associated diagrams.

Public Goods

Candidates should understand that public goods are non-rival and non-excludable and recognise the significance of these characteristics. Candidate should understand the difference between a public good and private good.

Merit and Demerit Goods

Candidates should understand that the classification of merit and demerit goods depends upon a value judgement and that such products may also be subject to externalities.

Market Imperfections

Candidates should understand that the existence of monopolies, the immobility of factors of production and imperfect knowledge are likely to result in a misallocation of resources.

Inequalities in the Distribution of Income and Wealth

Candidates should understand that, in a market economy, an individual's ability to consume goods and services depends upon his/her income and wealth and that an unequal distribution of income and wealth may result in an unsatisfactory allocation of resources.

Note: it is **not** necessary at this stage for candidates to study the causes of inequalities in the distribution of income and wealth. This is assessed in Module 5.

10.6 Government Intervention in the Market

Rationale for Government Intervention

Candidates should understand the reasons for government intervention in a market economy.

Methods of Government Intervention to Correct Distortions in Individual Markets

Candidates should be able to use basic economic models to analyse and evaluate the use of indirect taxation, subsidies, price controls, buffer stocks, pollution permits, state provision and regulation to correct market failure.

Government Failure

Candidates should appreciate that government intervention does not necessarily result in an improvement in economic welfare. Governments may create rather than remove market distortions. Inadequate information, conflicting objectives and administrative costs should be recognised as possible sources of government failure.

The Impact of Government Intervention on Market Outcomes

Candidates should be able to apply economic models to assess the role of markets and the government in areas such as health care, housing, agriculture and the CAP, transport and the environment.

AS Module 2

The National Economy

This module introduces candidates to macroeconomics.

Candidates will be required to acquire knowledge and understanding of some basic macroeconomic models and to apply these to current problems and issues. AD/AS analysis and other basic economic models which help to explain, for example, the behaviour of aggregate consumption and investment, inflation and unemployment should be understood. Candidates should be provided with opportunities to use these basic models to explore current economic behaviour.

Candidates should have developed a good knowledge of the recent trends and developments in the UK economy and government policies which have taken place during the past ten years. (They may also benefit from a general awareness of earlier events when this helps to put the last decade into a meaningful context.)

Candidates should be able to assess government policies in the light of events and the economic theory they have studied and be aware that the performance of the United Kingdom economy is influenced by its membership of the European Union and external events in the international economy.

They should be familiar with the various types of statistical and other data which are commonly used by economists.

As in Module 1, candidates will be expected to apply the theory learnt in this module to one of the optional areas of study in Module 3.

During their course of study candidates should be encouraged to develop a critical approach to economic models and methods of enquiry.

11.1 Performance of the UK Economy and Government Policy Objectives

Indicators of National Economic Performance

Candidates should be able to compare the performance of the United Kingdom economy with other national economies, taking into account economic growth, employment and unemployment, inflation and the balance of payments.

Candidates should understand the terms boom and recession in the context of the trade cycle as a whole.

Candidates should be familiar with the data which is commonly used to measure the performance of an economy and should understand the use of index numbers.

Note: candidates are **not** expected to have a detailed knowledge of the construction of national income accounts, but should understand that $\text{income} = \text{output} = \text{expenditure}$, and the difference between real and money national income.

The Objectives of Government Economic Policy	Candidates should know that the control of inflation, minimising unemployment, achieving a steady rate of economic growth and a satisfactory balance of payments position are the main objectives of the government’s macroeconomic policy. They should understand the factors which are likely to affect the government’s ability to achieve these objectives and that, at least in the short run, conflicts may arise when attempting to achieve these objectives.
Economic Growth	<p>Candidates should understand that economic growth occurs when the productive capacity of the economy is increasing and that the principal indicator of economic growth is the rate at which real national income is changing. They should be able to use a production possibility diagram to illustrate economic growth. They should understand the main factors that influence the rate of economic growth.</p> <p>Candidates should understand that supply-side policies may be used to attempt to influence the underlying long-run trend rate of economic growth.</p>
Inflation	<p>Candidates should understand that inflation can be caused by excessive aggregate demand and sustained increases in costs.</p> <p>They should also understand that the Bank of England attempts to control inflation by using interest rates to try to prevent aggregate demand increasing more rapidly than the underlying trend rate of growth of output.</p> <p>Candidates should also have an understanding of the concept of deflation (i.e. in this context, a situation in which prices are falling in an economy or sector of an economy).</p>
Employment and Unemployment	<p>Candidates should understand how employment and unemployment may be influenced by both aggregate demand and supply-side factors. They should be able to use a production possibility diagram to illustrate unemployed resources.</p> <p>They should understand that, at least in the short run, if the growth of aggregate demand is less than the underlying trend rate of growth of output unemployment is likely to occur.</p> <p>They should understand the concept of the ‘output gap’ and its significance for both inflation and unemployment.</p>
The Balance of Payments on Current Account	<p>Candidates should understand that the current account comprises: trade in goods, trade in services, investment income and transfers.</p> <p>They should understand the meaning of a deficit and a surplus on current account.</p> <p><i>Note:</i> a detailed knowledge of the structure of the balance of payments account is not required.</p>

11.2 How the Macroeconomy works

Aggregate Demand/ Aggregate Supply Analysis

Candidates should understand that changes in the price level are represented by movements along the AD and AS curves. They should also understand the various factors that shift the short-run AD and AS curves, and that economic growth is represented by a rightwards shift in the long-run AS curve.

Candidates should be able to use AD/AS analysis to help them explain macroeconomic problems and issues. For example, they should be able to use AD/AS diagrams to illustrate causes of inflation, demand deficient unemployment and economic growth.

The Determinants of Aggregate Demand

Candidates should be able to explain and analyse the determinants of consumption, investment and the other components of aggregate demand. They should also be able to explain and analyse the determinants of savings and the demand for imports.

Note: candidates are **not** required to understand the simple Keynesian consumption function, autonomous consumption and the marginal propensity to consume.

Aggregate Demand and the Level of Economic Activity

Candidates should recognise the role of aggregate demand in influencing the level of economic activity.

Note: candidates are not required to use Keynesian income and expenditure diagrams. Knowledge of the multiplier formulae and calculations also are **not** required, but candidates should understand that an initial change in expenditure may lead to a larger impact upon local or national income.

The Long-run Aggregate Supply Curve

Candidates should be able to discuss the fundamental determinants of long-run aggregate supply such as technology, *productivity*, attitudes, enterprise, factor mobility, the institutional structure of the economy and economic incentives.

Candidates should understand that the position of the long run aggregate supply curve represents the normal capacity level of output of the economy. For this module the economic model used assumes that the long run aggregate supply curve is vertical.

Note: candidates do **not** need to know about alternative views concerning the shape of the long run aggregate supply curve.

11.3 The Main Instruments of Government Macroeconomic Policy

Fiscal Policy

Candidates should understand how fiscal policy can be used to influence aggregate demand and aggregate supply. They should also understand that government expenditure and taxation can affect the pattern of economic activity.

Monetary Policy

Candidates should know that monetary policy involves the use of interest rates, the money supply and exchange rates. They should understand how the Bank of England uses interest rates to influence the economy.

They should also be aware that a fall in the exchange rate will reduce the price of exports, raise import prices and stimulate domestic demand affecting output, employment and the balance of payments on current account.

Note: candidates do **not** need to know about open market operations or the gilt repo market, neither do they need to understand the determinants of interest rates or exchange rates. These topics are included in Module 6.

Supply-side Policies

Candidates should understand the role of supply-side policies in influencing the underlying trend rate of economic growth and the potential output of the economy and their contribution in reducing unemployment, inflation and improving the balance of payments.

AS Module 3

Markets at Work

This module provides candidates with three optional contexts through which they can apply previously learnt economic concepts and theories from Modules 1 and 2. During their course of study, candidates should be given the opportunity to answer questions on the chosen topic and to become familiar with the context. Provided they have developed a sound grasp of the economic principles specified in Modules 1 and 2, the information contained in the assessment unit should be sufficient to allow candidates to answer the questions.

The module, which will be assessed in Unit 3, will be divided into three sections, one section for each of the options. Each section will include one data response question and candidates should answer all parts of the question from their chosen option.

12.1 The Housing Market

The market for housing is taken to include the owner-occupied sector, private rented accommodation, housing associations and local authority housing. As is the case with the other topics in this module, candidates will be expected to apply their knowledge and use the concepts, principles and economic models they have encountered in Modules 1 and 2.

For example, questions in the examination may require candidates to:

- use the model of price determination in competitive markets to analyse the reasons for regional differences in house prices;
- interpret data and use economic concepts and principles to explain changes in the pattern of housing tenure;
- consider evidence for market failure in the housing market and assess the merits of different types of government intervention to ease the problem;
- explain relationships between the housing market and developments in the national economy.

12.2 The Environment

Candidates who choose this option will be expected to understand the contribution that economics can make to understanding environmental issues and to solving environmental problems. They should understand how economic decisions affect the environment, the nature of environmental problems and possible solutions.

Questions may be set in a variety of contexts, for example, transport and the environment, industry and the environment, housing and the environment and the impact of economic growth on the environment.

However, as with the other topics in this module, the material provided in the examination will be sufficient for candidates to answer the questions provided they have understood the concepts, principles and models learnt in Modules 1 and 2.

For example, questions in the examination may require candidates to:

- explain, in the context of the material provided, why environmental problems are an example of market failure;
- consider the contribution that markets can make to reducing environmental problems;
- analyse the role of government policies, such as indirect taxation, pollution permits and regulation in reducing environmental problems;
- assess the significance of developments in the macro-economy for the environment.

12.3 The Economics of Sport and Leisure

For the purpose of this option the market for leisure is taken to include holidays and travel, the film industry, television, the theatre, the music industry and other forms of entertainment.

Candidates are **not** expected to have a detailed knowledge of any of these markets but will be required to interpret the data provided and apply economic concepts, principles and models learnt in Modules 1 and 2.

For example, the questions in the examination may require candidates to:

- apply demand and supply analysis to help explain the prices charged for entry to watch different sporting events;
- interpret data and use economic concepts, such as income elasticity of demand, to help explain the change in the output of different sectors of the markets for leisure and sport;
- assess the significance of the development of monopoly supply in particular market sectors;
- analyse the effect of interest rate and/or exchange rate changes on an industry such as the travel industry.

A2 Module 4

Working as an Economist

This module provides candidates with the opportunity to use effectively the concepts, theories and techniques, which they have acquired during their course of study, to analyse economic issues and problems and to evaluate arguments and evidence. Candidates should employ and evaluate methods of enquiry used by economists and be able to interpret different types of data from multiple sources. They will also have the opportunity to show that they are able to suggest reasonable solutions to problems. In effect, it gives the candidates the opportunity to think and work like a professional economist.

Candidates are assessed by means of a Case Study or Coursework.

Centres are permitted to enter some of their candidates for Coursework and some for the Case Study. Centres may advise their candidates to undertake coursework on the same topic as the Case Study so that if they produce unsatisfactory coursework, they can be transferred to the Case Study.

13.1 Case Study

The topic of the Case Study will be changed periodically.

Until further notice, the topic for the examination will be the EUROPEAN UNION.

It is not intended that the Case Study should add to the subject content of the specification, rather it should present opportunities for candidates to apply economic principles to various aspects of the topic when they are studying the micro and macro modules, especially Modules 5 and 6.

No pre-release material is produced, but it is intended that the information below will give centres sufficient guidance as to the areas which will be examined.

In each Case Study, candidates are presented with a scenario in which they assume a particular role. For example, they may be asked to act as an economic adviser to a government department, or to a business or a trade union or to other types of organisation. Candidates will be asked to analyse, interpret and evaluate the data presented, which may be in the form of articles, charts, graphs or statistical tables.

They will be expected to apply their knowledge of economic theory to the problem being investigated and present their findings in the form of a **report**. As part of their report they will be required to propose possible solutions to economic problems, make recommendations and justify their conclusions.

The complete report will be marked holistically and examiners will use the same assessment criteria that are used to mark coursework.

As candidates will be assessed on their Quality of Written Communication, they should take care to organise and present their information, ideas, descriptions and arguments clearly and logically.

The Case Study examination will assess candidates' ability to:

- present data in a different form from that provided which might include written, numerical and graphical forms;
- describe, analyse and interpret trends and patterns in the data from multiple sources;
- apply their knowledge and understanding of economic concepts and models to explore economic behaviour;
- discuss the limitations and inadequacies of statistical data as a means of evaluating economic statements and models;
- demonstrate an understanding of how an hypothesis might be assessed;
- identify additional information which could be helpful;
- discuss any assumptions which could be made;
- demonstrate a critical appreciation of the use of economic models and methods of enquiry;
- recommend and justify appropriate policies in response to economic problems.

Note: not all these skills will be tested in a single examination.

There are many aspects of the European Union which can be investigated from the economist's perspective and which give candidates the chance to apply the tool kit of economic analysis to European issues.

The following indicates the type of issues which could be included in the Case Study to allow candidates to demonstrate their ability to employ economic models and methods of enquiry.

The Deepening of European Integration

The opportunities of the single market; the nature of the single market (the importance of free movement of goods and services, capital and labour), its effects on efficiency, e.g. economies of scale and specialisation; the threats of the single market to citizens, employees, consumers, e.g. from monopoly power.

The euro: technical considerations, e.g. conversion costs; entry qualifications (convergence criteria) and their effects; single market considerations, e.g. price transparency, effects on competition; stability and strength of the currency; developments in 'Euroland'; arguments for and against UK participation.

The Widening of European Integration	The performance of existing members of the EU compared with applicants. The economic consequences of admitting new members.
The Regional Dimension of the EU	The regional problem in the EU context and economic development of regions in the EU.
The Reform of the EU	Use of economic principles to analyse the Common Agricultural Policy. The advantages and disadvantages of harmonisation of taxes and the implementation of economic and social policies.
Economic Problems: the European Dimension	Pan-European unemployment; effects of inflation targeting, interest rate policy, etc.
Globalisation and the EU	The nature of the EU as a trading bloc; free trade versus protection; trade creation and trade diversion.
EU Aspects of Global Problems	Transport, environment, competition policy, etc. in the EU context.

13.2 Coursework

Candidates are required to undertake an investigation into an economic problem or issue and prepare a written report which must not exceed 4000 words in length, excluding tables, figures, and appendices. The report is centre-assessed and moderated by AQA. Further information about the coursework is given in Sections 18-24.

A2 Module 5

Business Economics and the Distribution of Income

This module builds on the knowledge and skills candidates have developed in Module 1. It will require candidates to use and evaluate more complex microeconomic models, for example, perfect competition, monopoly, oligopoly and to develop further their critical approach to such economic models and methods of enquiry. Candidates will need to demonstrate a realistic understanding of the decisions made by firms and how their behaviour can be affected by the structure and characteristics of the industry. Candidates should be able to evaluate economic models in written, numerical and graphical forms.

Candidates should be able to recognise both the value and limitations of economic models as a means of explaining and evaluating the conduct and performance of firms in the real world.

In this module candidates are required to develop a more formal understanding of economic efficiency and the arguments for and against government intervention in markets than was required at AS. They will be expected to be able to apply their knowledge and skills in a wider range of contexts than was indicated in Module 1 and to propose solutions to problems. These additional contexts will include education and training, and markets which provide utilities, such as gas, electricity, water and telecommunications.

The module also requires candidates to understand the operations of the labour market and the factors which influence relative wage rates and the distribution of income and wealth.

14.1 Theory of the Firm

The Objectives of Firms

Candidates should understand that the models that comprise the traditional theory of the firm are based upon the assumption that firms aim to maximise profits. They need to understand the usual profit maximising rule ($MC=MR$). They should also understand the satisficing principle and know that firms have a variety of other possible objectives.

The Divorce of Ownership from Control

Candidates should understand the reasons for the separation of ownership from control in modern industrial economies and be able to discuss its significance for the conduct and performance of firms.

The Law of Diminishing Returns and Returns to Scale

Candidates will be expected to understand how productivity and factor prices affect firms' costs of production and the choice of factor inputs. They should also be able to explain the way in which the law of diminishing returns affects a firm's costs in the short run.

Fixed and Variable Costs, Marginal, Average and Total Costs, Short-run and Long-run Costs	Candidates should be able to calculate a firm's costs from given data and be able to draw and interpret cost curves.
Economies and Diseconomies of Scale	Candidates should understand the concept of the minimum efficient scale of production and its implications for the structure of an industry and the ease of entry.
Technological Change, Costs and Supply in the Long-run	Candidates should understand the impact of invention, innovation and technological change upon a firm's methods of production, its efficiency and its cost structure.
Total, Average and Marginal Revenue	Candidates should be able to calculate a firm's revenue from given data and be able to draw and interpret revenue curves.
Profit	Candidates should understand the concepts of normal, abnormal and supernormal profit. They should also understand the role of profit as an incentive to enterprise and in allocating resources.

14.2 Competitive Markets

The Model of Perfect Competition	<p>A formal diagrammatic analysis of the perfectly competitive model in the short and long run is expected.</p> <p>Candidates should be able to discuss the implications of the following for the behaviour of firms and the industry: large numbers of producers, identical products, freedom of entry and exit, and readily available information.</p>
Competition and the Efficient Allocation of Resources	Candidates should understand the proposition that, given certain assumptions, perfect competition will result in an efficient allocation of resources. Candidates should also be able to assess critically this proposition.
The Dynamics of Competition and Competitive Market Processes	An understanding of both the short run and long run benefits which are likely to result from competition is expected. Candidates should understand that firms do not just compete on the basis of price but that competition will also lead firms to strive to improve products, reduce costs, improve the quality of the service provided etc.

14.3 Concentrated Markets

Monopoly and Oligopoly	Candidates should understand the various factors (e.g. degree of concentration, ease of entry and exit, product differentiation) which affect the behaviour and performance of firms in a variety of real world markets.
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Price Makers and Price Takers	Candidates should understand the factors which affect the ability of a firm to fix the price of its product.
The Growth of Firms	Candidates should understand the reasons for the growth of firms. They should also be aware of the difference between internal and external growth, and different types of integration.
Sources of Monopoly Power	Candidates should understand that monopoly power is influenced by factors such as: entry barriers, number of competitors, advertising and the degree of product differentiation.
The Model of Monopoly	A formal diagrammatic analysis of the monopoly model is expected.
Collusive and Non-Collusive Oligopoly	Candidates should understand the ways in which firms behave in concentrated markets in the real world. They should understand the factors which influence prices, output, investment, expenditure on research, advertising and the marketing policies in oligopolistic industries. They should also understand the reasons for non-price competition, the operation of cartels, price leadership, price agreements, price wars and entry barriers.
Interdependence in Oligopolistic Markets	<p>The kinked demand curve model should be used as an illustration of the interdependence between firms and not taught as if it is the only model of oligopoly. Similarly, candidates should be introduced to game theory as a tool for illustrating possible consequences of interdependence for the behaviour of firms in oligopolistic markets.</p> <p><i>Note:</i> candidates do not need to understand the model of monopolistic competition.</p>
Price Discrimination	Candidates should understand the conditions necessary for price discrimination and be able to assess the advantages and disadvantages of such policies. Real world examples should be used to illustrate price discrimination.
Consumer and Producer Surplus	Candidates should be able to apply these concepts when discussing economic efficiency and issues, such as price discrimination and the dead-weight losses associated with monopoly.
Contestable and Non-contestable Markets	Candidates should be able to discuss the significance of market contestability for the performance of an industry. They should be familiar with concepts, such as sunk costs and hit and run competition.

Market Structure, Static Efficiency, Dynamic Efficiency and Resource Allocation

Candidates should understand the conditions required for productive and allocative efficiency. They should understand that dynamic efficiency is influenced by, for example, research and development, investment in human and non-human capital and technological change. Candidates should be able to compare and discuss the performance of firms in competitive markets with those in concentrated markets.

14.4 The Labour Market

The Demand for Labour, The Marginal Productivity Theory

Candidates should understand that the demand for a factor is derived from the demand for the product and that it will be influenced by the productivity of the factor.

Influences upon the Supply of Labour to Different Markets

Candidates should understand that the supply of labour to a particular occupation is influenced by monetary and non-monetary considerations.

The Determination of Relative Wage Rates in Competitive Markets

Candidates should understand the economists' model of wage determination in competitive markets and be able to assess the role of market forces in determining relative wage rates.

The Influence of Trade Unions and Monopsonistic Employers in Determining Wages and Levels of Employment

Candidates should understand the various factors that affect the ability of trade unions to influence wages. The use of relevant models, including diagrams, to analyse the impact of trade unions and monopsonistic employers is expected.

Discrimination in the Labour Market

Candidates should be able to discuss the impact of gender, ethnic and other forms of discrimination on wages, levels and types of employment.

The Distribution of Income and Wealth

Knowledge of the distribution of household income and wealth in the United Kingdom is expected. The various factors which influence the distribution of income and wealth should be understood.

14.5 Government Intervention in the Market

Market Failure and Government Failure

Candidates will be expected to extend and develop the models of market failure introduced in Module 1. For example, they will be expected to be able to use the marginalist model to explain why externalities result in a misallocation of resources and to help them evaluate policies to deal with problems, such as pollution. They should also be able to discuss the impact of environmental change on economic behaviour and to assess the consequences of the variety of government policies that are used to deal with market failure. These policies should include extending property rights. Candidates should also be able to evaluate sources of government failure including the possibility of regulatory capture.

Competition Policy	Candidates should know the general features of UK and EU competition policy. They should be able to evaluate the costs and benefits of such policies. Examples of real world applications of such policies should provide contexts in which candidates can evaluate the use of economic models to explore economic behaviour and further develop their appreciation of the behaviour of firms in concentrated markets.
Public Ownership, Privatisation, Regulation and De-regulation of Markets	Candidates should understand the arguments relating to such policies, be aware of their application in the United Kingdom, and be able to assess their effects on economic performance.
Notions of Equity	Candidates should understand the difference between equity and equality. They should recognise that people hold different views concerning what is fair and that these views will influence policy prescriptions. They should be able to distinguish between horizontal and vertical equity.
The Problem of Poverty	Candidates should understand the difference between relative and absolute poverty.
Government Policies to Alleviate Poverty and to Influence the Distribution of Income and Wealth	Knowledge of the policies which are available to influence the distribution of income and wealth is required. Candidates should be able to discuss the economic consequences of such policies and be able to evaluate the various approaches to alleviating poverty.
Cost Benefit Analysis	<p>Candidates should be able to understand the principles of cost benefit analysis and evaluate the advantages and disadvantages of using cost benefit analysis.</p> <p><i>Note:</i> candidates are not expected to have a detailed knowledge of techniques such as discounting or shadow pricing.</p>

A2 Module 6

Government Policy, the National and International Economy

This module builds on the knowledge and skills candidates have acquired in Module 2. It will require candidates to use and evaluate more complex macroeconomic models than those introduced in Module 2 and to develop further their critical approach to economic models and methods of enquiry. They should be able to evaluate economic models in written, numerical and graphical forms.

It is expected that candidates will acquire a good knowledge of recent trends and developments in the economy which have taken place during the past ten years but they may also benefit from a general awareness of earlier events when this helps to put the last decade into a meaningful context. (Developments in the United Kingdom should be seen in the context of the globalisation of the world economy and the United Kingdom's membership of the European Union.)

Candidates will be required to analyse the reasons for recent changes in the UK economy and propose possible solutions to macroeconomic problems. They will be required to assess the impact and effectiveness of current government policies to deal with these problems as well as considering alternative policies.

15.1 Growth of the Economy and Cyclical Instability

The Nature and Causes of Fluctuations in Economic Activity

Candidates should understand the economists' model of the various phases of the economic cycle and some of the causes of cyclical instability, for example, supply-side and demand side shocks.

The Trend Rate of Economic Growth

Candidates should understand that it is supply-side factors, such as investment, education and training and technological change, that are likely to determine the underlying trend rate of economic growth.

The Costs and Benefits of Economic Growth

Candidates should be able to discuss whether or not economic growth is sustainable and to evaluate the impact of growth on individuals and the environment.

The Use and Limitations of National Income as an Indicator of Changes in Living Standards

Candidates should be able to interpret different types of economic data and use it to compare the living standards of the residents of different countries. They should be able to discuss the limitations of using such data to arrive at conclusions.

15.2 Inflation and Unemployment

The Causes and Consequences of Unemployment

Candidates should understand both demand side and supply-side causes of unemployment. They should be able to assess the impact of policies designed to increase the flexibility of the labour market.

They should also be able to discuss the effects of unemployment on individuals and the performance of the economy.

The Natural Rate of Unemployment Hypothesis

Candidates should understand the various factors which determine the natural rate of unemployment and its implications for policy.

The Phillips Curve

Candidates should understand both the short run and the long run Phillips Curves and be able to discuss their implications for economic policy.

The Causes and Consequences of Inflation

Candidates are expected to understand demand and supply-side causes of inflation. They should be able to apply AD/AS analysis to the problem of inflation. Candidates should have an understanding of monetarism but a detailed knowledge of the Quantity Theory of Money will **not** be expected.

Candidates should understand how index numbers are calculated and used to measure inflation.

They should also be able to discuss the effects of inflation on individuals and the performance of the economy.

15.3 Managing the National Economy

Monetary Policy, the Money Supply and Interest Rates

Candidates should understand the role of the Monetary Policy Committee of the Bank of England and how the Bank can influence the money supply and the rate of interest. In particular, they should be aware of the objectives of monetary policy and be able to identify and explain the instruments of policy which are currently employed by the Bank of England. Candidates should understand the relationship between changes in interest rates and the demand for credit created by banks.

Note: candidates will **not** be expected to explain or calculate the credit multiplier.

Note: a detailed knowledge of United Kingdom financial markets is **not** required.

Candidates should understand how the demand and supply of funds in different markets affects interest rates.

Note: an understanding of the liquidity preference theory is **not** required.

The Exchange Rate as a Target and Instrument of Economic Policy	Candidates should understand the relationship between interest rates and the exchange rate and how the exchange rate influences policy objectives, such as inflation, unemployment and the balance of payments. They should also understand the reasons for, and the implications of, the exchange rate as a target of economic policy.
Taxation and Public Expenditure	Candidates should be able to evaluate the relative merits of different taxes. When considering equity candidates should be aware of the ability to pay and benefit principles. They should also be able to discuss the importance of the budget balance and assess the significance of changes in the level and distribution of public expenditure.
Fiscal Policy	Candidates are expected to understand the microeconomic effects of fiscal policy as well as understanding how fiscal policy can be used to try to influence aggregate demand.
The Interrelationships Between Fiscal and Monetary Policy	Candidates should be aware of the changes in fiscal and monetary policy over recent years.
Possible Conflicts of Policy Objectives	Candidates should be able to use macroeconomic models to analyse the causes of possible conflicts between policy objectives in the short run and the long run. They should be able to discuss approaches to reconciling these conflicts and the monetarist/supply-side view that the major macroeconomic objectives are compatible in the long run. They should appreciate the ways in which developments in the global economy and the United Kingdom's membership of the European Union affect economic policy and performance.

15.4 The International Economy

The Pattern of Trade Between the United Kingdom and the Rest of the World	Candidates should understand the reasons for changes in the pattern of trade between the United Kingdom and the rest of the world. Candidates should be aware of the globalisation of the world economy and should have an understanding of its consequences for the developing world and for advanced countries such as the UK.
Trade with Developing Economies	Candidates should understand the nature and importance of trade between developed and developing countries for both parties.
The Principle of Comparative Advantage	Candidates should understand the model of comparative advantage and be able to evaluate its importance and limitations. They should be aware of the distinction between absolute and comparative advantage.
The Benefits and Costs of International Trade	Candidates should understand the benefits of international trade illustrated by the principle of comparative advantage and also be able to explain other costs and benefits that are associated with trade.

Protectionism	Candidates should understand the causes and consequences of protectionism. They should understand the effects of different protectionist policies such as tariffs and quotas. Protectionism should be put into a European context with an understanding shown of the European Union as a customs union.
The Balance of Payments Account	<p>Candidates should know the difference between the current and capital account of the balance of payments.</p> <p><i>Note:</i> a detailed knowledge of the structure of the capital account is not required.</p> <p>The nature and significance of both short term and long term international capital flows should be understood.</p> <p>Candidates should also understand the measures which may be taken to deal with payments deficits.</p>
The Determination of Exchange Rates	Candidates should understand how exchange rates are determined in a freely floating exchange rate system and the ways in which governments can intervene to influence or fix the exchange rate.
Exchange Rate Systems and their Implications for the Conduct of Economic Policy	An understanding of the advantages and disadvantages of different exchange rate systems is expected.
European Monetary Union	Candidates should be able to discuss the advantages and disadvantages of the European Monetary Union and the single European currency.

Key Skills and Other Issues

16

Key Skills – Teaching, Developing and Providing Opportunities for Generating Evidence

16.1 Introduction

The Key Skills Qualification requires candidates to demonstrate levels of achievement in the Key Skills of *Application of Number*, *Communication* and *Information Technology*.

The units for the ‘wider’ Key Skills of *Improving own Learning and Performance*, *Working with Others* and *Problem Solving* are also available. The acquisition and demonstration of ability in these ‘wider’ Key Skills is deemed highly desirable for all candidates, but they do not form part of the Key Skills Qualification.

Copies of the Key Skills Units may be downloaded from the QCA web site (<http://www.qca.org.uk/keyskills>)

The units for each Key Skill comprise three sections:

- A What you need to know.
- B What you must do.
- C Guidance.

Candidates following a course of study based on this specification for Economics can be offered opportunities to develop and generate evidence of attainment in aspects of the Key Skills of *Communication*, *Application of Number*, *Information Technology*, *Working with Others*, *Improving Own Learning and Performance* and *Problem Solving*. Areas of study and learning that can be used to encourage the acquisition and use of Key Skills, and to provide opportunities to generate evidence for Part B of the units, are signposted below. More specific guidance on integrating the delivery of Key Skills in courses based upon this specification are given in the AQA Teachers’ Guide.

16.2 Key Skills Opportunities in Economics

The broad and multi-disciplinary nature of Economics, that calls upon candidates’ abilities to demonstrate the transferability of their knowledge, understanding and skills, make it an ideal vehicle to assist candidates to develop their knowledge and understanding of the Key Skills and to produce evidence of their application.

The matrices below signpost the opportunities for the acquisition, development and production of evidence for Part B of each of the six Key Skills units at *Level 3*, in the teaching and learning modules of this specification. The degree of opportunity in any one module will depend upon a number of centre-specific factors, including teaching strategies and level of resources.

Communication

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
C3.1a Contribute to discussions	✓	✓	✓	✓	✓	✓
C3.1b Make a presentation	✓	✓	✓	✓	✓	✓
C3.2 Read and synthesise information	✓	✓	✓	✓	✓	✓
C3.3 Write different types of documents	✓	✓	✓	✓	✓	✓

Application of Number

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
N3.1 Plan and interpret information from different sources	✓	✓	✓	✓	✓	✓
N3.2 Carry out multi-stage calculations	✓	✓	✓	✓	✓	✓
N3.3 Present findings, explain results and justify choice of methods	✓	✓	✓	✓	✓	✓

Information Technology

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
IT3.1 Plan and use different sources to search for and select information	✓	✓	✓	✓	✓	✓
IT3.2 Explore, develop and exchange information, and derive new information	✓	✓	✓	✓	✓	✓
IT3.3 Present information including text, numbers and images	✓	✓	✓	✓	✓	✓

Working with Others

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
WO3.1 Plan the activity	✓	✓	✓	✓	✓	✓
WO3.2 Work towards agreed objectives	✓	✓	✓	✓	✓	✓
WO3.3 Review the activity	✓	✓	✓	✓	✓	✓

Improving own Learning and Performance

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
LP3.1 Agree and plan targets	✓	✓	✓	✓	✓	✓
LP3.2 Seek feedback and support	✓	✓	✓	✓	✓	✓
LP3.3 Review progress	✓	✓	✓	✓	✓	✓

Problem Solving

What you must do:	Signposting of Opportunities for Generating Evidence in Modules					
	1	2	3	4	5	6
PS3.1 Recognise, explain and describe the problem			✓	✓		
PS3.2 Generate and compare different ways of solving problems			✓	✓		
PS3.3 Plan and implement options				✓		
PS3.4 Agree and review approaches to tackling problems				✓		

NB The signposting in the six tables above, represent the opportunities to acquire and produce evidence of the Key Skills which are possible through this specification. There may be other opportunities to achieve these and other aspects of Key Skills via this specification, but such opportunities are dependent on the detailed course of study delivered within centres.

16.3 Key Skills in the Assessment of Economics

The ‘main’ Key Skill of Communication must contribute to the assessment of Economics. Aspects of Communication are an intrinsic part of all the Assessment Objectives and hence will form part of the assessment requirements for all the Units.

16.4 Further Guidance

More specific guidance and examples of tasks that can provide evidence of one or more Key Skill are given in the AQA Teachers’ Guide for Economics.

Spiritual, Moral, Ethical, Social, Cultural and Other Issues

17.1 Spiritual, Moral, Ethical, Social and Cultural Issues

This specification seeks to provide opportunities for candidates to consider spiritual, moral, ethical, social and cultural issues when economic issues are investigated. In particular, candidates need to be aware that policy recommendations and subsequent decisions are influenced invariably by the value systems of individuals, firms and governments which reflect their cultural background and spiritual and moral views of the world.

More specifically, the study of the subject can help candidates to:

- recognise their contribution and that of firms to the well-being of local and national communities (Modules 1, 3 and 5);
- recognise the dependence of society on individuals' and firms' goodwill, enterprise and effort (Modules 1, 3 and 5);
- clarify the values and objectives of individuals, firms and governments (Modules 1, 2, 3, 5 and 6);
- understand the importance of trust and co-operation to the successful operation of markets (Modules 1, 3 and 5);
- appreciate the views of others and the effects of individuals' choices on society and the environment (all modules).

17.2 European Dimension

AQA has taken account of the 1988 Resolution of the Council of the European Community in preparing this specification and associated specimen units.

This specification is designed to improve candidates' knowledge of the economic aspects of the European Union and to appreciate the effects of the UK's membership. This is illustrated in Modules 1, 2, 4, 5 and 6.

17.3 Environmental Education

AQA has taken account of the 1988 Resolution of the Council of the European Community and the Report *“Environmental Responsibility: An Agenda for Further and Higher Education”* 1993 in preparing this specification and associated specimen units.

This specification is designed so that it can be used as a medium for improving environmental education in the curriculum. This is illustrated in parts of the subject content in Modules 1, 3, 5 and 6 which allow the economic aspects of environmental issues to be investigated through classroom and coursework activities.

17.4 Avoidance of Bias

AQA has taken great care in the preparation of this specification and associated specimen units to avoid bias of any kind.

Centre-Assessed Coursework

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Nature of the Centre-Assessed Coursework

Candidates are required to undertake an investigation into an economic problem or issue. The written report must not exceed 4000 words in length, excluding tables, figures and appendices.

The report is to be marked internally by the centre and moderated by AQA.

Investigations can be based on any area of Economics. They can focus on local, national or international issues and be based on primary and/or secondary data.

AQA does not require the topics for investigation to be submitted for approval. However, if teachers require assistance they can contact a Coursework Adviser who will be available to assist centres with any matters relating to coursework. Details will be provided when AQA knows which centres are following the specification.

19

Guidance for Setting the Centre-Assessed Coursework

19.1 Choosing a Topic for Investigation

In some cases teachers may prefer to choose the titles of the investigations for their candidates. This may be the case where other candidates in the group are being entered for the Case Study. In this situation, the teacher may prefer the coursework candidates to do investigations on the European Union. This means that both groups can be more easily catered for in the lessons or study periods. In other cases, candidates may be given freedom to choose an area for investigation which is of particular interest to them. Whichever method of choosing investigations is used, candidates will benefit from advice and supervision especially in the early stages.

In some cases, a group of candidates may choose to investigate a particular area and pool their research findings. Where this occurs it **must** be possible to identify the individual contribution of each candidate, so that the requirements in the specification are met. As a result, teachers should ensure that each candidate submits a different title even if it is based on broadly the same evidence gathered.

Once a candidate has chosen an area of interest it is very important that the teacher considers the following questions.

- Is it clear what the candidate is investigating?
- Is there a question to answer or an hypothesis to test?
- Will the topic allow the candidate to demonstrate the relevant skills?
- Is the topic appropriate to the candidate's abilities?
- Will there be sufficient, suitable and accessible data?

Candidates need to be sure that they can obtain the necessary information before embarking upon an investigation. This is very important when it is based on a particular institution which may be unwilling or unable to supply the information in a form that is understandable.

Choosing a suitable title for an investigation can be time-consuming but it is time well spent. If a candidate is clear from the outset what he or she is investigating suitable and relevant data will be collected, analysed and evaluated and this will hopefully make the task more focused.

It is vitally important that candidates demonstrate clearly in their investigations those skills required by the specification. In this context, the role of the teacher is very important in making certain that candidates structure and plan their investigation in such a way as to ensure the relevant skills are demonstrated. In short, candidates need to:

- use and apply relevant economic concepts, principles and models;
- use primary and/or secondary data from a variety of sources;
- demonstrate that the use of both theory and data can be critically evaluated;
- use a variety of appropriate formats for the presentation of findings and conclusions.

Coursework provides the opportunity for candidates to explore an economic problem in depth, drawing on data from local, national and international sources. They can show their ability to use appropriate methods of enquiry and economic models to investigate the problem. They also have the opportunity to demonstrate their ability to assess critically the models and methods of enquiry employed.

19.2 Presentation of the Investigation

The investigation should be presented in the form of a report rather than an essay. The following structure is recommended:

- a contents page;
- an introduction outlining the economic issue or problem to be investigated, framed in the form of either an hypothesis to be tested or a question requiring further investigation;

- a brief outline of economic concepts and theories relevant to the issue or problem. In some cases this may involve reference to existing literature;
- a brief outline of the technique(s) used to collect the relevant data;
- a presentation of the findings related to the hypothesis or the question posed;
- an evaluation of the findings and methods of research, with recommendations where appropriate;
- a bibliography of sources.

Coursework, which may be word-processed, should be presented on paper preferably of A4 size. The sheets of each individual piece of work must be numbered and secured together and each piece must be identified with the candidate's name and candidate number and also the centre number.

Note: hard back folders must **not** be used when work is sent to the Moderator. Simply stapling the work together is sufficient.

19.3 Examples of Investigations

For guidance of teachers and candidates, the suggestions below may be helpful when devising suitable investigations, but they are not intended to be prescriptive, nor are they exhaustive.

The health, education or social care industries and the application of market based systems

These might be investigated at a local or national or international level; e.g. an investigation of how government intervention may affect efficiency, effectiveness and equity in the provision of health services. Has the introduction of tuition fees reduced the demand for higher education?

Business behaviour

Topics could include a study of an individual business and its reaction to micro and/or macroeconomic changes. For example, candidates could investigate the effects of exchange rate fluctuations on a local firm. Other investigations could evaluate the reasons why a particular business was attracted to locate in a certain area.

The operation of markets

Topics could focus on the degree and nature of competition in a particular market and the consequences for both producers and consumers. Candidates could investigate the causes of price changes, e.g. house prices and commodities. Other areas of investigation could include the effects of privatisation on prices and quality of service in an industry. Candidates could also assess the impact of market structure on producers, consumers and society as a whole.

Environmental issues

Candidates could investigate the economic consequences of recycling schemes, or the use of alternative sources of energy.

Cost benefit analysis	There is a wide variety of topics that could be chosen in this area, e.g. evaluating the impact on society of a local or national transport project.
Evaluation of macroeconomic policies offered by different political parties, or adopted in other countries	Candidates could, for example, investigate the reasons why some countries have been more successful in controlling inflation or reducing unemployment compared with other countries.
Development and international issues	Candidates could investigate the economic impact of aid, or the effects of European Union policies on developing countries.
Regional policies	Candidates could evaluate the economic impact of regional policy in a particular area.
Economic theories and models	Candidates could use primary and secondary data to assess the validity of various economic theories, e.g. is inflation caused by the growth of the money supply? Do lower tax rates encourage economic growth? Has the imposition of a minimum wage caused unemployment in the UK?
The impact of macroeconomic variables on a local economy	The effect of high interest rates and/or exchange rates on a local business.

19.4 Coursework Advisers

Coursework Advisers are available to assist centres with any matters relating to coursework. Details are available from the Economics Subject Department at the AQA Guildford Office (email: economics@aqa.org.uk).

20

Assessment Criteria

20.1 Introduction

The teacher must mark each candidate's work in the light of the assessment criteria and apply them as consistently as possible.

The following stages are recommended as each investigation is marked.

Identifying the skills required by the assessment criteria

This can be done by annotating those parts of the candidate's work which display a particular skill or skills. Suitable annotations are shown in the AQA Teachers' Guide for Economics.

Choosing the most suitable mark band for each of the skill areas

This can be done by eliminating those mark bands which do not accurately describe the candidate's work. This will probably leave two possible mark bands so the next stage will involve deciding which band best describes the candidate's performance. It should be noted that it is not necessary for the candidate to achieve all the descriptions contained in the mark band to qualify for those marks.

Finalising the mark for each assessment objective

Once the mark band which best describes the candidate's performance has been chosen, it is advisable to choose a mark in the middle of the band and then move the marks down or up according to the quality of the work. For example, if the work clearly meets the descriptions but there is a hint of the next mark band then the top of the mark band would be appropriate. Half marks should not be awarded.

20.2 Criteria

Teachers are required to mark the investigations submitted by their candidates using the assessment criteria, which are divided into five sections.

Knowledge and Understanding (AO1)	10 marks
Application (AO2)	20 marks
Analysis (AO3)	20 marks
Evaluation (AO4)	30 marks
Quality of Written Communication	4 marks
Total	84 marks

KNOWLEDGE AND UNDERSTANDING (K)

Candidates are expected to demonstrate knowledge and understanding of economic concepts and theories which are relevant to the problem/issue being investigated.

Level 5	8 – 10 marks	An accurate, comprehensive and appropriate use of a range of relevant knowledge and understanding of economic concepts or theories.
Level 4	5 – 7 marks	Use of relevant knowledge and understanding of economic concepts or theories.
Level 3	3 – 4 marks	Some knowledge and understanding of economic concepts or theories but these are used inappropriately or may not be relevant to the problem or issue.
Level 2	1 – 2 marks	Limited knowledge or understanding of economic concepts or theories.
Level 1	0 marks	No knowledge or understanding of economic concepts or theories is demonstrated.

APPLICATION (AP)

Candidates are expected to demonstrate their ability to apply economic concepts and theories to the problem/issue being investigated.

Level 5	16 – 20 marks	An accurate, clear and sophisticated use of a relevant range of economic concepts and theories which are used to demonstrate an impressive grasp of the problem or issue.
Level 4	11 – 15 marks	Selection of appropriate economic concepts and theories which are appropriately applied to the problem or issue.
Level 3	6 – 10 marks	Some use of economic concepts and theories which are superficially or partially applied to the problem or issue.
Level 2	1 – 5 marks	Limited attempt to apply economic concepts and theories and these are applied inappropriately or may not be relevant to the problem or issue.
Level 1	0 marks	No attempt to apply economic concepts and theories.

ANALYSIS (AN)		Candidates should be able to present and analyse relevant economic data that relates to the problem/issue being investigated.
Level 5	16 – 20 marks	An appropriate range of relevant economic data is logically analysed to produce outcomes that relate directly to the problem/issue. Results are presented clearly using a range of formats as appropriate.
Level 4	11 – 15 marks	A range of economic data is presented and analysed with some relevance to the problem or issue. Results are presented clearly with a reasonable attempt at using appropriate formats.
Level 3	6 – 10 marks	Some attempt is made to present and analyse economic data which is limited in scope but has some relevance to the problem or issue.
Level 2	1 – 5 marks	A very limited attempt is made to present and analyse economic data which has little relevance to the problem or issue.
Level 1	0 marks	No attempt to present and analyse economic data.
EVALUATION (E)		Candidates should be able to demonstrate a critical approach to economic models and methods of enquiry. They should demonstrate the ability to produce reasoned conclusions clearly and concisely and to assess the strengths and weaknesses of economic arguments and the value and limitations of the data used.
Level 6	25 – 30 marks	Conclusions are reached with accurate and valid reasoning showing originality and insight, combined with a thorough and critical evaluation of the validity of data, arguments and findings.
Level 5	19 – 24 marks	Conclusions are reached with accurate reasoning with sound, critical examination of the validity of the data, arguments and findings.
Level 4	13 – 18 marks	Conclusions are reached with reasoned explanation and with some critical examination of the validity of the data, arguments and findings.
Level 3	7 – 12 marks	Conclusions are reached with some reasoned explanation and with some examination of the validity of data, arguments and findings.
Level 2	1 – 6 marks	A limited attempt is made to draw conclusions and to make reasoned judgements, but these are largely generalised and unsupported.
Level 1	0 marks	No attempt is made to draw conclusions.

QUALITY OF WRITTEN COMMUNICATION (C)

- 4 marks Complex ideas are expressed clearly and fluently. Sentences and paragraphs follow on from one another smoothly and logically. Arguments are well structured. There are few, if any, errors of grammar, punctuation and spelling. There is extensive use of specialist vocabulary which is applied adeptly and with precision.
- 3 marks Moderately complex ideas are expressed clearly and reasonably fluently, through well linked sentences and paragraphs. Arguments are well structured. There may be occasional errors of grammar, punctuation and spelling. A wide range of specialist vocabulary is used with facility.
- 2 marks Straightforward ideas are expressed clearly, if not always fluently. Sentences and paragraphs may not always be well connected. Arguments are weakly presented. There may be some errors of grammar, punctuation and spelling, but not such as to suggest a weakness in these areas. There is a good range of specialist vocabulary which is applied appropriately.
- 1 mark Simple ideas are expressed clearly but arguments may be obscurely presented. Errors in grammar, punctuation and spelling may be noticeable and intrusive and may suggest a weakness in these areas. Some use of specialist vocabulary is made but this is not always applied appropriately.
- 0 marks Ideas are expressed poorly and sentences and paragraphs have not been connected. There are errors of grammar, punctuation and spelling, showing a weakness in these areas. There is very little use of specialist vocabulary.

20.3 Evidence to Support the Award of Marks

In accordance with the QCA's *Code of Practice*, AQA requires that teachers must show clearly how marks have been awarded in relation to the assessment criteria. Teachers are, therefore, requested to annotate those sections of the candidate's work where achievement in the various skills is demonstrated and to provide summative comments on the Candidate Record Form. Guidance as to how the candidate's work should be annotated is provided in the AQA Teacher's Guide for Economics.

Teachers should keep records of their assessments during the course, in a form which facilitates the complete and accurate submission of the final assessments at the end of the course.

20.4 Candidate Record Forms

When assessments are complete, the final marks awarded under each of the assessment criteria must be entered on the Candidate Record Form, with supporting information given in the spaces provided

The Candidate Record Form must be attached to the candidate's work and must be signed by the candidate and the teacher.

Candidate Record Forms are available on the AQA Website in the Administration area. They can be accessed via the following link: http://www.aqa.org.uk/admin/p_course.php

21

Supervision and Authentication

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- 21.1 Supervision of Candidates' Work** Candidates' work for assessment must be undertaken under conditions which allow the teacher to supervise the work and enable the work to be authenticated. If it is necessary for some assessed work to be done outside the centre, sufficient work must take place under direct supervision to allow the teacher to authenticate each candidate's whole work with confidence.
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- 21.2 Guidance by the Teacher** The work assessed must be solely that of the candidate concerned. Any assistance given to an individual candidate which is beyond that given to the group as a whole must be recorded on the Candidate Record Form.
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- 21.3 Unfair Practice** At the start of the course, the supervising teacher is responsible for informing candidates of the AQA Regulations concerning malpractice. Candidates must not take part in any unfair practice in the preparation of coursework to be submitted for assessment, and must understand that to present material copied directly from books or other sources without acknowledgement will be regarded as deliberate deception. Centres must report suspected malpractice to AQA. The penalties for malpractice are set out in the AQA Regulations.
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- 21.4 Authentication of Candidates' Work** Both the candidate and the teacher are required to sign declarations confirming that the work submitted for assessment is the candidate's own. The teacher declares that the work was conducted under the specified conditions, and records details of any additional assistance.

22

Standardisation

22.1 Standardising Meetings

Annual standardising meetings will usually be held in the autumn term. Centres entering candidates for the first time must send a representative to one of the meetings. Attendance is also mandatory in the following cases:

- where there has been a serious misinterpretation of the specification requirements;
- where the nature of coursework tasks set by a centre has been inappropriate;
- where a significant adjustment has been made to a centre's marks in the previous year's examination.

At these meetings guidance will be provided on setting and marking coursework.

22.2 Internal Standardisation of Marking

The centre is required to standardise the assessments across different teachers and teaching groups to ensure that all candidates at the centre have been judged against the same standards. If two or more teachers are involved in marking a component, one teacher must be designated as responsible for internal standardisation. Common pieces of work must be marked on a trial basis and differences between assessments discussed at a training session in which all teachers involved must participate. The teacher responsible for standardising the marking must ensure that the training includes the use of reference and archive materials such as work from a previous year or examples provided by AQA. The centre is required to send to the moderator the Centre Declaration Sheet, duly signed, to confirm that the marking of centre-assessed work at the centre has been standardised. If only one teacher has undertaken the marking, that person must sign this form.

Centre Declaration Sheets are available on the AQA website in the Administration area. They can be accessed via the following link: http://www.aqa.org.uk/admin/crf_pdf/AQA-CDS-W-08.PDF

23

Administrative Procedures

23.1 Recording Assessments

The candidates' work must be marked according to the assessment criteria set out in Section 20.2. The marks and supporting information must be recorded in accordance with the instructions in Section 20.3.

The completed Candidate Record Form for each candidate must be attached to the work and made available to AQA on request.

23.2 Submitting Marks and Sample Work for Moderation

The total component mark for each candidate must be submitted to AQA on the mark sheets provided or by Electronic Data Interchange (EDI) by the specified date. Centres will be informed which candidates' work is required in the samples to be submitted to the moderator.

23.3 Factors Affecting Individual Candidates

Teachers should be able to accommodate the occasional absence of candidates by ensuring that the opportunity is given for them to make up missed assessments.

Special consideration should be requested for candidates whose work has been affected by illness or other exceptional circumstances. Information about the procedure is issued separately.

If work is lost, AQA should be notified immediately of the date of the loss, how it occurred, and who was responsible for the loss. AQA will advise on the procedures to be followed in such cases.

Where special help which goes beyond normal learning support is given, AQA must be informed so that such help can be taken into account when assessment and moderation take place.

Candidates who move from one centre to another during the course sometimes present a problem for a scheme of internal assessment. Possible courses of action depend on the stage at which the move takes place. If the move occurs early in the course the new centre should take responsibility for assessment. If it occurs late in the course it may be possible to accept the assessments made at the previous centre. Centres should contact AQA at the earliest possible stage for advice about appropriate arrangements in individual cases.

23.4 Retaining Evidence and Re-Using Marks

The centre must retain the work of all candidates, with Candidate Record Forms attached, under secure conditions, from the time it is assessed, to allow for the possibility of an enquiry upon result. The work may be returned to candidates after the issue of results provided that no enquiry upon result is to be made which will include re-moderation of the coursework component. If an enquiry upon result is to be made, the work must remain under secure conditions until requested by AQA.

Moderation

24.1 Moderation Procedures

Moderation of the coursework is by inspection of a sample of candidates' work, sent by post from the centre to a moderator appointed by AQA. The centre marks must be submitted to AQA and the sample of work must reach the moderator by a specified date in the year in which the qualification is to be awarded.

Following the re-marking of the sample work, the moderator's marks are compared with the centre marks to determine whether any adjustment is needed in order to bring the centre's assessments into line with standards generally. In some cases it may be necessary for the moderator to call for the work of other candidates. In order to meet this possible request, centres must have available the coursework and Candidate Record Form of every candidate entered for the examination and be prepared to submit it on demand. Mark adjustments will normally preserve the centre's order of merit, but where major discrepancies are found, AQA reserves the right to alter the order of merit.

24.2 Post-Moderation Procedures

On publication of the GCE results, the centre is supplied with details of the final marks for the coursework component.

The candidates' work is returned to the centre after the examination. The centre receives a report giving feedback on the appropriateness of the tasks set, the accuracy of the assessments made, and the reasons for any adjustments to the marks.

Some candidates' work may be retained by AQA for archive purposes.

Awarding and Reporting

25

Grading, Shelf-Life and Re-Sits

25.1 Qualification Titles	<p>The qualifications based on these specifications have the following titles:</p> <p>AQA Advanced Subsidiary GCE in Economics; AQA Advanced GCE in Economics.</p>
25.2 Grading System	<p>Both the AS and the full A Level qualifications will be graded on a five-grade scale: A, B, C, D and E. Candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate.</p> <p>Individual assessment unit results will be certificated.</p>
25.3 Shelf-Life of Unit Results	<p>The shelf-life of individual unit results, prior to the award of the qualification, is limited only by the shelf-life of the specification.</p>
25.4 Assessment Unit Re-Sits	<p>Each assessment unit may be re-taken an unlimited number of times within the shelf-life of the specification. The best result will count towards the final award.</p> <p>Candidates who wish to repeat an award must enter for at least one of the contributing units and also enter for certification (cash-in). There is no facility to decline an award once it has been issued.</p>
25.5 Minimum Requirements	<p>Candidates will be graded on the basis of work submitted for the award of the qualification.</p>
25.6 Awarding and Reporting	<p>This specification complies with the grading, awarding and certification requirements of the GCSE, GCE, GNVQ and AEA Code of Practice April 2007 and will be revised in the light of any subsequent changes for future years.</p>

Appendices

A

Grade Descriptions

The following grade descriptions indicate the level of attainment characteristic of the given grade at A Level. They give a general indication of the required learning outcomes at each specific grade. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define that content.

The grade awarded will depend in practice upon the extent to which the candidate has met the Assessment Objectives (as in Section 6) overall. Shortcomings in some aspects of the examination may be balanced by better performances in others.

- Grade A** Candidates will demonstrate in-depth knowledge and critical understanding of a wide range of economic theories and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, issues and problems, using appropriate numerical and non-numerical techniques accurately. They will effectively evaluate evidence and arguments, making reasoned judgements to present appropriate and well supported conclusions.
- Grade C** Candidates will demonstrate knowledge and understanding of a range of economic theories and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, issues and problems, using appropriate numerical and non-numerical techniques. They will evaluate evidence and arguments to present reasoned conclusions.
- Grade E** Candidates will demonstrate knowledge and understanding of a limited range of economic theories and concepts. They will show some ability to use this knowledge and understanding in order to analyse familiar and unfamiliar situations, issues and problems making use of numerical and/or non-numerical techniques. Candidates' evaluation of evidence and arguments will be limited.

B

Overlaps with other Qualifications

GCE Business Studies

Elements of Modules 3 and 6 ‘External Influences’ overlap with Modules 2 and 4 of the AS and A Level Economics specification.