***English Language School (Pvt) Dubai***

***Commerce Department – Economics Year 10 (A,B,C,D)***

***Scheme of work for Third term (2019-2020)***

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| **Week** | **Content coverage** | **Course content** | **Exemplar activities and resources** |
| 12th April- 16th April | **2.1.1****Macroeconomic objectives** | a) Economic growth:* definition of economic growth

measurement using increases in gross domestic * product (GDP)
* limitations of GDP as a measure of growth
* the use of diagrams to show the economic cycle: annotating boom, downturn, recession and recovery
* the effect of each stage of the economic cycle on economic growth, inflation and unemployment
* the impact of economic growth on:
* employment
* standards of living
* poverty
* productive potential
* inflation
* the environment
 | 1. Ensure students can define Economic growth in terms of increasing real GDP. We will focus on increasing GDP as the key measure for growth.

It is important to consider how GDP has limitations as a measure of growth. It does not take account of population growth suggesting that GDP per capita might be better. It ignores subsistence farming and the informal sector. It says nothing about who is experiencing the growth as a very unequal society may see very few benefit. Other factors are important in terms of education and healthcare to determine the quality of life also.It is useful to show students data on economic growth for your country or another. Comment on when things seem to be going well and not so well. Start to build in the terms including boom, downturn, recession and recovery. Then get them to draw the diagram and to label each of these points. It is also useful to draw a table which has each stage and to write in the table what is happening at each stage to economic growth, inflation and unemployment. It is interesting to look at how economic growth affects other variables. It might be useful again to show real world data on economic growth and to compare this over time to unemployment to how the inverse relationship between the two.It is worth questioning how rising GDP should help increase standards of living. However it is also worth considering that higher incomes do not necessarily mean all are benefiting or that quality of life is improving if for example prices in the shops are rising. One significant success story has been the falling poverty levels, especially for absolute poverty. Showing the correlation between the two might again help here. For example the dramatic growth in China has contributed in part to the poverty reduction in China. Being able to identify that productive potential grows when there is economic growth is important. It is worth questioning how growth might affect inflation. Students should be able to consider why prices may rise, ceteris paribus. Focusing here on demand pull inflation. There are numerous case studies that show the impact of rapid economic growth on the environment. Is it worth looking at one of Brazil, India or China and how rapid growth has impacted on the environment.  |
| 19th April - 23rd April | **2.1.1****Macroeconomic objectives** | b) Low and stable inflation:* definition of inflation
* definition of deflation
* measurement using consumer price index (CPI)

Types of inflation:* demand pull
* cost push
* relationship between inflation and interest rates

Impact of inflation on:* prices
* wages
* exports
* unemployment
* menu costs
* shoe leather costs
* uncertainty
* business and consumer confidence
* investment
 | 1. It is important that students understand that the aim of governments is to have low and stable inflation. Key is how this helps with investment decisions and certainty. Students need to be able to define both inflation and deflation. Key is the need to be able to look at data and see when this is occurring, It is really worth following a nation’s inflation rate over time and clearly identifying on this when there is inflation which is any point above the 0% line and when there is a deflation when it is below the line. The big problems students face is when the inflation rate is falling at they say prices may be falling when in fact the rate of price increase is just dropping. This confusion with disinflation is common and needs addressing with students.

The measurement students need to focus on is the consumer price index (CPI) and it is worth them seeing this in any data you present. The two types of inflation, demand pull and cost push need to be understood. It is worth giving examples from the real world. For example when commodity prices rise this causes imported food and drink prices to rise and this drives up costs and pushes up inflation as firms are forced to pass on cost increases in higher prices. Or look at a booming economy and consider from a micro level how increased demand affects price and then relate this to the macroeconomy. Students need to understand the relationship between inflation and interest rates. They need to understand why high prices will lead to higher interest rates and why this happens. Key is that students understand the impact of inflation and should relate to how inflation measures average prices, so of course if inflation is high prices are rising. Inflation means the costs of living rises and they need to understand that employees may start asking for pay rises to maintain their standard of living. Rising prices when prices are not rising abroad may lead to falling exports. It is worth relating to the real world and why when prices go up a lot, restaurants and catalogues will need to reprint menus and price lists. Similarly if the prices are rising regularly, people will spend time searching for the best deal which is a shoe leather cost. Higher prices and unstable prices also make it more difficult to predict the future to help make investments decisions more risky and this uncertainty is likely to stifle growth. It is also important to consider how low stable inflation will help with predictability and help boost business and consumer confidence and thus lead to higher growth.  |
| 26th April - 30th April  | **2.1.1****Macroeconomic objectives** | c)Low unemployment:* definition of unemployment
* measurement of unemployment using International Labour Organization (ILO) measure

Types of unemployment:* cyclical
* structural
* seasonal
* voluntary
* frictional

Impact of unemployment on:* output
* use of scarce resources
* poverty
* government spending on benefits
* tax revenue
* consumer confidence
* business confidence
* society.
 | 1. It is important that students know the importance of targeting low unemployment. They need to be able to define unemployment and this means understanding the importance of being both willing to work and unable to find suitable employment. The measurement of unemployment should use the International Labour Organization (ILO) measure.

Students need to be able to explain the different types of unemployment. It is worth returning to the business cycle here and identifying the cyclical nature of this. More worrying is structural unemployment and students should consider sectors that have declined in their economy and why it is difficult for the unemployed to transfer sectors. Less worrying is seasonal unemployment as this is just following the peak season. Frictional unemployment is where people are between jobs. It is worth getting students to work in groups here to identify what they think are the impacts of unemployment. You may want to give them ideas to think of linked to: output, use of scarce resources, poverty, government spending on benefits, tax revenue, consumer confidence, business confidence and society for example linked to crime and mental health.  |
| 3rd May - 7th May | **1.2.5 The labour market** | )Factors affecting the demand for labour:* demand for the final product (derived demand)
* availability of substitutes, including machines
* productivity of workforce.

b) Factors affecting the supply of labour:* population size
* migration
* age distribution of population
* retirement age
* school-leaving age
* female participation
* skills and qualifications
* ability to move geographic locations/move to different types of employment

c) Importance of the quantity and quality of labour to business. | 1. In supply and demand the demand comes from households and the supply from firms. It is important that students understand that now households supply labour and firms demand their labour. Understanding this will help them grasp what is likely to happen when changes happen in the economy. The understanding of derived demand and how it affects the demand for labour is critical here. Giving examples here that shows rising demand for a good and how it affects the firms wiliness to make more and the need to employ more people. Likewise showing falling demand and then how the labour market is affected. If the demand for Chinese steel falls then they need to produce less and this has caused a fall in demand for steel workers. Likewise it is worth showing images of labour intensive production and comparing this to robots being used on a production in place of people. It is not just that the machines exist but that they are affordable that is important. The productivity of labour being weak would limit demand and a productive workforce would mean firms can produce more so they will demand more labour.
2. Supply comes from households and to maximise their benefit they will tend to work more as wage rise. Students should be encouraged to look at real world changes and how these will affect the supply of labour. For example, give real world or hypothetical scenarios to consider how changes will affect the labour market in terms of demand. It should be reasonable to find data on population, the school leaving age but more recently with significant level of migration it is worth looking at the impact of this as well as the other factors listed in the specification.
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| 10th May - 14th May | **1.2.5 The labour market** | Impact of education and training on human capital and quality of labour.e) The use of labour market diagrams showing:* supply of labour, demand for labour, market equilibrium wage and quantity of labour (employment)
* effect of shifts in demand for labour and supply of labour.

f) Trade union involvement in the labour market:impact of trade union activity to improve working conditions and increase wages. | 1. - d)

 It is useful to look at practical ways the quantity of labour can rise in terms of population changes such as increasing birth rates, immigration and raising of the retirement age. Equally ways the quality of labour can improve in terms of education and training developing the skills so that staff can be more productive.e) – f) Key when looking at the labour market is that they remember to label the y axis wages and not price. It is also useful that they know the axis can be labelled quantity of labour or employment. A worthwhile activity is giving them scenarios and then the students sketching the impact on the diagram and summarising the impact of the wage and employment. f)Trade union involvement in the labour market needs considering. Examples of trade unions and an understanding of what they want to do in terms of improving working conditions and wages,  |
| 17th May – 24THMay  | **1.2.6 Government intervention** | a) Government policy to deal with externalities:* taxation
* subsidies
* fines
* regulation
* pollution permits.

b) Advantages and disadvantages of each government policy. | 1. For each policy it is important they can define what it is, explain how it works in order to reduce or limit externalities. Most policies link to external costs although subsides can be used to encourage production of these goods with external benefits.
2. For each policy the students need to be encouraged to discuss at least two advantages and disadvantages. It is useful to consider the policy and how it affects consumers, producers and government which helps them to look in depth at the impact.
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| 25th May - 27th May  | **EID HOLIDAYS - Tentative (Depending on Moon Citing)** |
| 31st May - 9thJune  | **Revision week** |
|  | **Final Term Examination** |