



Prince William School

Economics Curriculum Overview



Why Teach Economics?

Economics as a subject provides high earning potential and strong career prospects. It is the second highest graduate earning subject, after Medicine and Dentistry, for both genders. Economics has a lot of transferrable skills that feed in to leadership and management, including research, problem skills, quantitative and qualitative data and communication. Economics also deals with the allocation of scarce resources and associated trade-offs which inform decision making and rational judgments. Economics focusses both on the individual and the firm but also over policies by national government and the international organisations and the interactions between different economies with varying states of development.

Substantive Big Ideas



Curriculum maps detail the sequencing of substantive knowledge through five 'big ideas' to enable pupils to build schemata of important concepts over time.

Economics Disciplinary Knowledge:

These core aspects of disciplinary knowledge are used to strengthen and develop substantive knowledge and underpin our common teaching approaches.

1. Interpretation and calculating using data
2. Diagrammatic analysis
3. Understanding of the price mechanism and the difference between efficient and inefficient outcomes.
4. Using both microeconomic and macroeconomic knowledge to make synoptic judgments.

Learning for Life

Employability skills:

This course focuses on decision making and allocating scarce resources in a manner that can achieve set objectives, be they individual, firm, government or society based. As with Business Studies, the course builds core skills such as management and leadership, collaboration, communication, problem solving, creativity, critical thinking and resilience. Additionally, as with Business Studies, this course develops numeracy and literacy, presentation skills and the ability to analyse and evaluate. Students are also exposed to theories which evidence use of modelling and prediction-based forecasting.

Linking the curriculum to careers:

Finance, banking, legal, insurance, management and leadership, entrepreneurship, consultancy.

Encounters with employers:

Access to local employers and business owners.

Examples of qualification pathways:

BsC and BA degrees in: Economics, Business and Economics, Economics and Accountancy, Politics and Economics, PPE, Social Sciences. Chartered Accountancy professional qualifications. Roles and hence qualifications in management and leadership. Banking qualifications, academic research in issues such as econometrics, labour markets, international and monetary economics and developmental economics.



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Economics Curriculum Map – Topics by Term



Scarcity and Choice



Market failure and government intervention



Economic problems and the Theory of the Firm



Macroeconomic policies and solutions



International growth and development



	Year 12 Micro	Year 12 Macro	Year 13 Micro	Year 13 Macro
Autumn 1	<p>Scarcity, choice, and opportunity cost Production possibility frontier Specialisation and division of labour and exchange Factors influencing demand and supply Determination of equilibrium price and output in a freely competitive market</p>	<p>The circular flow of income model Components of Aggregate Demand Consumption Investment Government expenditure Net exports AD function</p>	<p>Revise year 12 content Cost and revenue review Types of profit Concept of profit maximisation Revenue maximisation Long-run costs and growth of firms Business objectives Methods of growth of firms Organic and inorganic growth</p>	<p>Review and extend knowledge of circular flow of income Review components of AD Review SRAS and LRAS Economic growth and output gaps Inflation and deflation</p>
Autumn 2	<p>Consumer and producer surplus Price, income and cross-price elasticity of demand Price elasticity of supply How resources are allocated in a free market economy Understanding of market failure</p>	<p>Macroeconomic objectives: Economic growth Unemployment Inflation Balance of Payments Macroeconomic stability Aggregate supply. Neo-classical and Keynesian LRAS</p>	<p>Economies and diseconomies of scale Types of efficiencies Background of market structures Perfect competition Monopolistic competition Oligopoly</p>	<p>Balance of payments Quantitative easing Review monetary, fiscal and supply-side policies Debt Financial stability</p>
Spring 1	<p>Types of market failure Public goods Merit and de-merit goods Externalities Inequality Volatile prices Asymmetric information</p>	<p>SRAS Macroeconomic equilibrium and review of macroeconomic objectives Importance of macroeconomic policies Fiscal policy</p>	<p>Monopoly Characteristics of monopoly Profitability in the short and long-run Types of price discrimination Types of efficiencies in the short and long-run Government regulations that address monopolies. Competition policy Privatisation Nationalisation</p>	<p>Data analysis questions and practice Past paper exam practice Exam skills for extended answer questions Multiple choice strategy Revision of year 12 content</p>
Spring 2	<p>Types of government interventions Taxes Subsidies Price control Minimum wage Regulations</p>	<p>Monetary policy Supply-side policies</p>	<p>Global content from Micro teacher: Globalisation Trade and UK European Union Economic development Types of economic development Economic development: Obstacles and solutions</p>	<p>Global content from Macro teacher: Advantages and disadvantages of free trade Methods of protectionism: Tariffs, quotas, subsidies, exchange rate and manipulation of policies</p>
Summer 1	<p>Labour markets Factors of labour markets Trade Union power Welfare payments Income tax rates Minimum wage Impact of migration on labour markets</p>	<p>Exchange rates Free trade and protectionism</p>	<p>Revision of microeconomics and past exam papers. Extended answer questions, - 20 markers.</p>	<p>Revision of macroeconomics and past exam questions. Paper 3 focus.</p>
Summer 2	<p>Short-run costs, revenue and profits Law of diminishing returns Fixed and variable costs Short-run and long-run costs Calculate total costs Average cost Marginal cost</p>	<p>Exchange rate: J-curve and Marshall-Lerner condition Short-run Phillips curve Long-run Phillips curve Review and extension of macroeconomic objectives Review and extension of macroeconomic policies</p>		

Students do not need to study KS4 to study KS5



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Economics Curriculum Map – Substantive Knowledge Progression



Scarcity and Choice



Market failure and government interventions



Business behaviour and labour markets



UK economic performance and policies



Global perspective



	Year 12		Year 13	
	<ul style="list-style-type: none"> The objectives of Government Economic policy Macroeconomic indicators Use of Index Numbers Use of National Income Data The fundamental economic problem 	<ul style="list-style-type: none"> Positive and normative statements PPCs Opportunity Cost Types of economies 	N/A	
	<p>The meaning of market failure:</p> <ul style="list-style-type: none"> Merit goods Demerit goods Positive and negative production externalities Public goods Types of Government intervention: 	<ul style="list-style-type: none"> Setting prices, Taxes, Direct provision, Legislation, Information, Subsidies Government Failure Policy Myopia, political self-interest, regulatory capture, unintended consequences 	N/A	
	N/A		<ul style="list-style-type: none"> Business growth Business objectives Revenue, cost and profit Market structures Labour markets The divorce between ownership and control and objectives Competition policy Price Discrimination 	
	<ul style="list-style-type: none"> Measures of UK economic performance Aggregate Demand Aggregate Supply National income Circular flow of income Multiplier effect Methods of economic growth 	<ul style="list-style-type: none"> Macroeconomic objectives: Unemployment, economic growth, inflation, balance of trade, macroeconomic stability Fiscal policy Supply-side policies Monetary policy Trade,- tariff diagrams Absolute and comparative advantage 	<ul style="list-style-type: none"> Phillips curve Debate between Hayek, Friedman and Keynes Revisiting macroeconomic policies and solutions The financial sector and financial regulation National debt and policies 	
	<ul style="list-style-type: none"> The role of trade and arguments for and against trade and protectionism. Introducing the theory of absolute and comparative advantage. 		<ul style="list-style-type: none"> International economics Poverty and equality Emerging and developing economies. Financial sector The role of the European Union. Obstacles and constraints to economic development and growth in developing economies Solutions to overcome obstacles and constraints for developing economies. 	



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Economics Curriculum Map – Disciplinary Knowledge Progression



	Interpretation and Calculating using Data	Diagrammatic Analysis	Understanding of the Price Mechanism and the Difference between Efficient and Inefficient Outcomes	Using both microeconomic and macroeconomic knowledge to make synoptic judgments
	Year 12		Year 13	
Interpreting and calculating using data	<ul style="list-style-type: none"> • Interpretation of data, how to find the mean and median for figures over a period of time. • To calculate % change in income in nominal and real terms. • Calculation and interpretation of index numbers • To use data to make comparisons between countries. 		Define, calculate and illustrate Fixed costs, Variable Costs, Average Costs, Average Fixed Costs, Average Variable Costs, Marginal Costs, Average Revenue, Marginal Revenue <ul style="list-style-type: none"> • Analyse the effect of the law of diminishing returns, economies and diseconomies of scale. • Analyse and evaluate the effect of a Divorce of ownership and control and differing objectives on the performance of a firm • Define, draw Short run and Long run, analyse and evaluate – Perfect Competition, Monopoly, Oligopoly, Monopolistic Competition • Evaluate different competition policy such as privatisation, de-regulation, price controls, CMA • Define, illustrate and analyse the 3 different types of price discrimination 	
Diagrammatic analysis	<ul style="list-style-type: none"> • Use a PPC to illustrate opportunity cost, inefficient, efficient and unattainable points • Be able to explain the shape of the supply and demand curves and explain the causes and impact of any shifts. • For each type of elasticity know a definition, the factors that influence, formulas and interpretation of coefficients, diagrammatical analysis and how it can be used for evaluation • Understand that, whilst market forces often allocate resources efficiently, there can be a variety of markets where the price mechanism doesn't always lead to efficient outcomes. • Analysis of the 4 different externality diagrams • Analysis of why public goods can lead to missing markets • Analyse and evaluate the effect of different types of intervention using S+D diagrams • To identify and analyse leakages and injections to the circular flow of income. • To draw and interpret AD/AS diagrams 		<ul style="list-style-type: none"> • Diagrammatic analysis of the concept of diminishing marginal utility • Use of AD/AS, economic cycles and production possibility curve diagrams to illustrate economic growth. • To evaluate the methods that can be used to achieved prolonged Economic Growth. • Use of AD/AS diagram to illustrate demand deficient (cyclical) unemployment. • Analyse and evaluate the different causes of unemployment and potential solutions. • Understanding and identify rates of inflation/deflation. • To explain the causes and consequences of inflation/deflation and evaluate potential solutions. • Analysis and application of Short run and Long run Phillips curve • Identification of different areas of government spending and types of taxes. • Analysis and application of AD/AS diagrams. • Evaluation of the benefits and problems of increasing/decreasing government spending and increasing/decreasing taxation • Analysis and application of national debt with comparisons of the data. • Students to evaluate different schools of thought on intervention • To draw and interpret the transmission mechanism of monetary policy 	

<p>Understanding of the price mechanism and the difference between efficient and inefficient outcomes.</p>	<ul style="list-style-type: none"> • Understand that, whilst market forces often allocate resources efficiently, there can be a variety of markets where the price mechanism doesn't always lead to efficient outcomes. • Analysis of the 4 different externality diagrams • Analysis of why public goods can lead to missing markets 	<ul style="list-style-type: none"> • Evaluation of whether the market failures justify government intervention • Explain and illustrate the concepts of productive and allocative efficiency Learners should be able to illustrate productive and allocative efficiency through diagrams Learners should have an awareness of dynamic efficiency and Pareto efficiency
<p>Using both microeconomic and macroeconomic knowledge to make synoptic outcomes</p>	<p>N/A</p>	<p>Micro aspects</p> <p>Prices: Prices for consumers, paid to growers Output: Production for individual firms/sectors Profits: Supernormal, normal subnormal Inefficiency: Allocative, productive, dynamic, X-inefficiency Competition: Price and non-price competition in markets Labour market: Impact on levels / patten of jobs, real wages Externalities: Effects on social costs and benefits</p> <p>Macro aspects</p> <p>Development: Human development, sustainability Inflation: Cost push / demand pull factors, expectations Growth: Impact on short run / long run growth paths Employment: Jobs, natural rate of unemployment Structure of Economy: Pattern of GDP, jobs, investment, incomes Trade: Trade balance, current account, capital flows Inequality: Effects on income and wealth inequality Fiscal Balance: Impact on state borrowing, debt, tax burdens</p>



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Economics Disciplinary Vocabulary



	Year 12	Year 13
Interpreting and calculating using data	Percentages, percentage change, averages, revenue, cost and profit, average rate of return, cash flow forecast, total cost, total revenue, net cash flow, graphs and charts (i.e. line graphs, bar charts and pie charts), gross profit margin, net profit margin, market share, market size.	← Reinforce Previous Histogram, index numbers, price elasticity of demand, income elasticity of demand, three-point moving average, scatter graph and line of best fit, time series analysis, correlation, Delphi method, intuition, brainstorming, budget variance, working capital, capital employed, depreciation, balance sheet, return on capital employed, current ratio, acid test ratio, gearing ratio, decision trees, critical path analysis, average rate of return, discounted cash flow, net present value.
Diagrammatic Analysis	Production possibility frontiers, demand and supply, price elasticity of demand, price elasticity of supply, total revenue, fixed and variable costs, demand and supply of labour. Macro: Aggregate demand and aggregate supply, short-run aggregate supply, macroeconomic equilibrium, exchange rates, tariffs, absolute and comparative advantage, Laffer curve.	Micro: Perfect competition, monopolistic competition, oligopoly, and monopoly. Short-run and long-run. Firm and industry. Backward bending supply curve of labour Macro: J-curve, Marshall-Lerner condition, Phillips curve, tariffs, European integration, exchange rates.
Understanding of the price mechanism and the difference between efficient and inefficient outcomes	Demand and supply, Adam Smith and the 'invisible hand,' social welfare, market failure, government intervention, deadweight welfare loss.	Allocative efficiency, productive efficiency, Pareto efficiency, dynamic efficiency, X-efficiency.
Using both microeconomic and macroeconomic knowledge to make synoptic outcomes	Government intervention, government failure, opportunity cost, distribution of resources, income inequality, living standards.	Growth and development for developing economies, trade-off between growth and inflation trade-off between and unemployment and inflation, investment, multiplier effect, circular flow of income, Pareto efficiency outcomes, Ricardian equivalence.
Writing conclusions to facilitate full evaluation	Judgment is dependent on, on the one hand, however, ultimately, economic agents, households, firms, government.	Export markets, Bank of England, financial institutions, international organisations, European Central Bank, International Monetary Fund, World Bank, BRICs (Brazil, Russia, India, China and South Africa), other trading areas e.g. NAFTA, East African Union.



Prince William School Economics Key Vocabulary –



	Year 12			Year 12			Year 13			Year 13		
	Micro			Macro			Micro			Macro		
Autumn 1	Ability to pay	Barriers to entry	Cartel	Capital market	Creeping protectionism	Discretionary income	Abnormal profit	Internal growth	Vertical integration	Absolute advantage	Autonomous investment	Free trade
	Ad valorem tax	Behavioural economics	Ceteris paribus	Capital stock	Current account	Disposable income	Anti-competitive behaviour	Labour demand	Work leisure trade off	Absolute poverty	Devaluation	Free trade agreements
	Adam Smith	Black market	Cigarette duties	Capital-labour substitution	Current account deficit	Double dip recession	Asymmetric information	Labour force	X inefficiency	Accelerating inflation	Developed country	Free floating exchange rate
	Adverse selection	Bottlenecks	Collusion	Claimant Count	Cyclical trade deficit	Dumping	Barriers to entry	Labour market	Cyclical deficit	Accelerator	Developing country	General government final consumption
	Air passenger duty	Buffer stock	Command and control	Classical LRAS	Cyclical unemployment	Economic cycle	Behavioural economics	Labour market discrimination	Managed floating exchange rate	Active balances	Discretionary fiscal policy	Globalisation
	Alcohol duties	Bulk-buying	Command economy	Comparative advantage	Deflation	Economic shocks	Bilateral monopoly	Law of unintended consequences	Marshall-Lerner condition	Actual growth in national output	Economic development	Harrod-Domar model
	Alienation	Buyer's market	Common resources	Consumer confidence	De-industrialisation	Economic stability	Break even output	Limit pricing	Trade liberalisation	Currency manipulation	Phillips curve	Hyperinflation
	Allocative efficiency	Capacity utilisation	Competition policy	Consumer durables	Depreciation	Economically active	Business ethics	Marginal cost	Transfer payments	Asset bubbles	Short-run Phillips curve	Factor immobility
	Asking price	Capital goods	Competitive market	Consumer price index	Depression	Economically inactive	Collective bargaining	Marginal revenue	Transfer pricing	Property	Long-run Phillips curve	Non-accelerating inflation rate of unemployment
	Asymmetric information	Capital-intensive	Competitive supply	Corporation Tax	Deregulation	Emerging markets	Collusive oligopoly	Marginal revenue product	Unit labour costs	Wealth effect	Wage-price spiral	Natural unemployment
	Automation	Capitalist economy	Complements	Cost push inflation	Developing country	Exchange rate	Compensating wage differentials	Market failure under monopoly	World Trade Organization	Neo-classical	Keynesian	Money supply
	Average cost	Carbon capture and storage	Composite demand	Credit rating	Discouraged workers	Expansionary monetary policy	Competition policy	Means tested benefits	Trade-weighted exchange rate	Keynes	Hayek	Friedman
Average fixed cost	Carbon credits	Congestion charging	Creeping inflation	Discretionary fiscal policy	Expenditure measure of GDP	Complex monopoly	Minimum efficient scale	Transactions demand for money	Monetarism	Free markets	Market intervention	
Autumn 2	Conspicuous consumption	Cyclical demand	Diseconomies of scale	Expenditure switching policies	Foreign direct investment	Hysteresis	Concentration ratio	Minimum wage		Ad valorem tax	Emerging economies	International competitiveness
	Consumer durable	Deadweight loss	Disequilibrium	Export revenue	Full capacity output	Immobility of labour	Constrained revenue maximisation	Monopsony employer		Aggregate demand (AD)	Financial account	J-curve
	Consumer sovereignty	Demand	Diversification	Financial assets	Full employment	Income elasticity	Consumer surplus	Nash equilibrium		Aggregate supply (AS)	Financial markets	Laffer curve
	Consumer surplus	Demand curve	Division of labour	Fiscal austerity or fiscal tightening	Government debt	Inflation expectations	Contestable market	Natural monopoly		Allocative mechanism	Fiscal deficit	Lorenz curve
	Consumption	De-merit goods	Dominant monopoly	Fiscal deficit	Gross Domestic Product per capita	Inflation target	Cost benefit analysis	Negative externality		Alternative demand	Fixed exchange rate	Market bubbles
	Contestable market	Deregulation	Economic efficiency	Fiscal policy	Human capital	Inflationary pressures	Cost reducing innovation	Non price competition		Anticipated inflation	Foreign currency gap	Market rigging

	Cost Benefit Analysis	Derived demand	Economic growth	Fiscal stability	Human Development Index	Infrastructure	Cross subsidy	Oligopoly		Automatic stabilisers	Foreign direct investment	Microfinance schemes
	Cross price elasticity of demand	Diminishing returns	Economy of scale	Fiscal stimulus	Price stability	Retail Price Index (RPI)	Deadweight loss	Participation rate				
Spring 1										Year 13 Global		
	Effective demand	Excess supply	First mover advantage	Innovation	Productive potential	Risk averse	Dependency ratio	Peak pricing		Developing economies	Trade	Free movement of labour
	Elastic demand	Excise duties	Fixed costs	International Monetary Fund (IMF)	Propensity to import	Saving ratio	Deregulation of markets	Penetration pricing		H.D.I	Absolute advantage	Free movement of capital
	Elastic supply	Excludability	Flexible pricing	International reserves	Protectionism	Slowdown	Derived demand	Perfect price discrimination		Millennium Goals	Comparative advantage	Free movement of currency
	Elasticity of supply	External cost	Free market	Investment	Propensity to save	Sovereign debt	Diminishing returns	Polluter pays principle		G.N.I	Tariffs	Trade creation
	Emission tax	Externalities	Geographical immobility	Investment income	Quantitative easing (QE)	Stagflation	Diseconomies of scale	Poverty trap		Scarce resources	Quotas	Trade diversion
	Entrepreneur	Extreme poverty	Gini Coefficient	Keynesian economics	Real disposable income	Sterling exchange rate index	Disposable income	Predatory pricing		Literacy	Administrative barriers	Domestic demand
	Equilibrium	Factor incomes	Globalisation	Keynesian unemployment	Real income	Structural trade deficit	Divorce between ownership and control	Price discrimination		Education	Embargoes	Domestic suppliers
	Excess demand	Finite resources	Government failure	Labour shortages	Real interest rate	Structural budget deficit	Dominant market position	Price fixing		Life Expectancy	Dumping	Common External Tariff
	Spring 2											
Government spending		Indirect tax	Internalised	Labour supply	Redundancy	Structural unemployment	Duopoly	Price leadership		European Integration	Tariffs	Professional (national) qualifications
Health rationing		Inefficiency	Inventories	Lagging indicators	Relative deflation	Sustainable growth	Duopsony	Privatisation		European Union	Quotas	Preference Trading Area
Hedging		Inelastic demand	Invisible hand	Leading indicators	Repo Rate (policy rate)	Tight labour market	Dynamic efficiency	Product differentiation		Euro	Government Subsidies	Monetary Union
Horizontal equity		Inelastic supply	Joint supply	Liquidity trap	Tragedy of the Commons	Trade deficit	Economic efficiency	Product line pricing		Single market	Taxation	Complete economic integration
Horizontal integration		Inferior good	Latent demand	Macroeconomic performance	Transmission mechanism	Trade-off	Economies of scope	Product markets		Customs unions	Exchange Rates	European Commission
Income		Information failure	Law of demand	Marginal propensity to consume	Trend growth	Trough	Elasticity of labour demand	Profit maximisation		Free trade area	Barriers to entry	European Central Bank
Income elasticity of demand		Infrastructure	Living Wage	Marginal propensity to save	Twin Deficits	Under-employment	Elasticity of labour supply	Profit per unit		Economic Union	Administrative barriers	European Parliament
Income gap		Innovation	Local monopoly	Monetary Policy Committee (MPC)	Unemployment trap	Unsecured credit	Emissions trading	Profit related pay		Membership	Regulatory barriers	Council of Europe
Independent goods		Intellectual property	Long run	Monetary stimulus C	Wealth effect	World Bank	Equal Pay Act	Regulatory capture		Regional economic integration	Public procurement	International Organisations
Summer 1										Year 13 Global		
	Manufacturing	Moral hazard	Poverty trap	Moral hazard	World Trade Organisation	Zero Hours Contract	Equilibrium wage	Rent seeking behaviour		N/A (Revision on exam technique)		
	Marginal benefit	Nationalisation	Price elasticity of demand	Multiplier effect	Zombie Companies	Negative interest rate	Excess capacity	Returns to scale				
	Marginal cost	Negative externality	Price mechanism	NAFTA	AAA credit rating	Accelerator effect	Excess demand	Revenue maximisation				

	Marginal revenue	Niche market	Price rigidity	National debt	Animal spirits	Appreciation	Explicit collusion	Satisficing behaviour				
	Market equilibrium	Non price competition	Private benefit cost	Nationalisation	Automatic stabilisers	Bank run	External benefits	Second degree price discrimination				
	Market failure	Non-renewable resources	Producer surplus	Net investment	Bond	Brain drains	External costs	Sex Discrimination Act				
	Market incentives	Non-rival consumption	Production possibility frontier	Net inward migration	Utility maximisation	Variance	External economies of scale	Shut down price				
	Market power	Normative statements	Productive efficiency	Nominal GDP	Unanticipated shocks	Time deposits	First mover advantage	Social benefit				
										Year 13 Global		
Summer 2	Market shortage	Normal goods	Property rights	Nominal wage growth	Conglomerate integration	Constant returns to scale	Free rider problem	Spare capacity		N/A (Revision on exam technique and students taking their public exams)		
	Market supply	Office of Fair Trading A	Public goods	Non-inflationary growth	Default	Fine-tuning	Game theory	Static efficiency				
	Maximum price	Oligopoly	Regressive tax	Output measure GDP	Fiscal stability	G20	Government failure	Strategic entry deterrence				
	Merit good	Opportunity cost	Social benefit & cost	Overseas assets	G7	GDP	Horizontal integration	Sub-normal profit				
	Minimum price	Optimum output	Social efficiency	Per capita incomes	Gini Coefficient	GNI	Imperfect competition	Sunk costs				
	Mixed economy	Ostentatious consumption	Tragedy of the Commons	Policy asymmetry	Golden Rule	Haircut	Inequality	Tacit collusion				
	Mixed goods	Pareto efficiency	Value judgement	Phillips Curve	Hard Landing	Hot money	Innovation	Trade unions				
	Monopoly	Positive externalities	Zero Hours Contracts	Precautionary saving	<i>Inventories</i>	Job search	Interdependence	Two part pricing tariffs				