

OCR ADVANCED SUBSIDIARY GCE IN ECONOMICS (3812)

OCR ADVANCED GCE IN ECONOMICS (7812)

Foreword

This booklet contains OCR's Advanced Subsidiary (AS) and Advanced GCE (A Level) Economics specifications for teaching from September 2000.

The Advanced Subsidiary GCE is assessed at a standard appropriate for candidates who have completed the first year of study of a two year Advanced GCE course i.e. between GCSE and Advanced GCE. It forms the first half of the Advanced GCE course in terms of teaching time and content. When combined with the second half of the Advanced GCE course, known as 'A2', the Advanced Subsidiary forms 50% of the assessment of the total Advanced GCE. However, the Advanced Subsidiary can be taken as a 'stand alone' qualification. A2 is weighted at 50% of the total assessment of the Advanced GCE

The first year of certification of the OCR Advanced Subsidiary in Economics is 2001.

The first year of certification of the OCR Advanced GCE in Economics is 2002.

In these specifications the term **module** is used to describe specified teaching and learning requirements. The term **unit** describes a unit of assessment.

Each teaching and learning module is assessed by its associated unit of assessment.

APPROVED – ECONOMICS – APPROVED

These specifications meet the requirements of the *Common Criteria* (QCA, 1999), the *GCE Advanced Subsidiary and Advanced Level Qualification-specific Criteria* (QCA, 1999) and the relevant Subject Criteria (QCA, 1999).

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SPECIFICATION SUMMARY

Outline

The overall aim of these specifications is to enable Centres to devise courses which encourage candidates to:

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

The specifications provide candidates with:

- a coherent combination of micro- and macro-economic content and methods of enquiry;
- the ability to explore a range of current economic issues, particularly at the A2 stage, and to draw upon data from local, national and international sources;
- the ability to develop a critical approach to economic models and methods of enquiry.

The specifications encourage the development of a 'tool kit' of knowledge and skills used by economists. On completion of the Advanced Subsidiary, candidates are able to develop further their understanding of appropriate micro- and macro-economic aspects of applied economics. The subject matter of the modules is of relevance in today's complex global economy as well as being of significance in fostering a better appreciation of contemporary economic issues in the UK economy. Through the terminal synoptic unit, Economics in a European Context (Unit 2888), candidates are able to demonstrate their understanding of the relationship between different aspects of the subject, specifically within a European context.

The specifications are self-contained qualifications and, for some candidates, an Advanced Subsidiary GCE in Economics will be consistent with broadening the basis of their sixth form studies. For others, the Advanced Subsidiary GCE and Advanced GCE qualifications will be:

- (a) an appropriate foundation for a higher education in Economics or in other areas such as business administration, environmental planning, transport and logistics, development studies and European studies which have an economic underpinning to them;
- (b) an appropriate entry qualification for employment into a wide range of business and professional service employment.

Scheme of Assessment

The Advanced Subsidiary GCE forms 50% of the assessment weighting of the full Advanced GCE. Advanced Subsidiary GCE is assessed at a standard between GCSE and Advanced GCE and can be taken as a stand-alone specification or as the first part of the full Advanced GCE course.

Assessment is by means of **3 units of assessment** for Advanced Subsidiary GCE and **6 units of assessment** for Advanced GCE.

Advanced Subsidiary GCE Candidates take units 2881, 2882 and 2883.

Advanced GCE Candidates take units 2881, 2882, 2883 and 2888,
plus either unit 2884 or unit 2885,
plus either unit 2886 or unit 2887.

Advanced GCE is designed to offer maximum flexibility through a choice of two paired A2 optional modules, focusing on applied economics and incorporating aspects of micro- and macro-economics.

Units of Assessment

Unit	Level	Name	Duration	Weighting	
				AS	Advanced GCE
2881	AS	The Market System	1 hour 30 mins	30%	15%
2882	AS	Market Failure and Government Intervention	1 hour 30 mins	30%	15%
2883	AS	The National and International Economy	1 hour 30 mins	40%	20%
2884	A2	Economics of Work and Leisure	1 hour 30 mins	-	15%
2885	A2	Transport Economics	1 hour 30 mins	-	15%
2886	A2	Economics of Development	1 hour 30 mins	-	15%
2887	A2	The UK Economy	1 hour 30 mins	-	15%
2888	A2	Economics in a European Context	1 hour 45 mins	-	20%

All units are assessed by a written examination.

Unit 2888 is a compulsory terminal synoptic unit, involving a pre-issued case study.

Question Paper Requirements

Advanced Subsidiary

The question paper for each unit contains compulsory questions based on a short unseen case study drawn from real or synthetic material which may also contain quantitative information. In unit 2883 the final question requires candidates to write in continuous prose with a choice of question.

A2

The question paper for each optional unit (i.e. 2884 or 2885 and 2886 or 2887) contains two sections. Section A contains a compulsory data-response question. Section B offers a choice of one from three structured essay questions.

The question paper for the synoptic unit (Unit 2888) consists of a small number of compulsory questions where candidates have to draw upon the stimulus material provided. This stimulus material consists of a detailed case study drawn from a range of inter-related sources of information. These sources may be articles from newspapers or journals, extracts from textbooks and quantitative material. This case study is pre-issued to centres in order to provide a more specific framework for the study of the synoptic module. The question paper includes the case study and candidates are **not** allowed to take the original pre-issued material into the examination room.

Key Skills

Key Skills signposting appears in three sections of OCR specifications:

- (1) *Key Skills Coverage* – the matrix aids curriculum managers in mapping the potential Key Skills coverage within each OCR Advanced Subsidiary/Advanced GCE specification.
- (2) *Specification Content (section 5)* – the specific evidence references enable subject teachers to identify opportunities for meeting specific Key Skills evidence requirements within the modules they are delivering.
- (3) *Appendix A* – provides guidance to teachers in trying to identify those parts of their normal teaching programme which might most appropriately be used to develop or provide evidence for the Key Skills signposted.

These specifications provide opportunities for the development of the Key Skills of *Communication, Application of Number, Information Technology, Working With Others, Improving Own Learning and Performance* and *Problem Solving* as required by QCA's subject criteria for Economics.

Through classwork and preparation for external assessment, candidates may produce evidence for Key Skills at Level 3. However, the extent to which this evidence fulfils the requirements of the QCA Key Skills specifications at this level will be dependent on the style of teaching and learning adopted for each module. In some cases, the work produced may meet the evidence requirements of the Key Skills specifications at a higher or lower level.

Throughout section 5 the symbol  is used in the margin to highlight where Key Skills development opportunities are signposted. The following abbreviations are used to represent the above Key Skills:

C = Communication

N = Application of Number

IT = Information Technology

WO = Working with Others

LP = Improving Own Learning and Performance

PS = Problem Solving

These abbreviations are taken from the QCA Key Skills specifications for use in programmes starting from September 2000. References in section 5 and Appendix A , for example **IT3.1**, show the Key Skill (IT), the level (3) and subsection (1).

Key Skills Coverage

For each module, the following matrix indicates those Key Skills for which opportunities for at least some coverage of the relevant Key Skills unit exist.

Module	Communication	Application of Number	IT	Working with Others	Learning Performance	Problem Solving
	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3
	2881	✓	✓	✓	✓	✓
2882	✓		✓	✓	✓	✓
2883	✓	✓	✓	✓	✓	✓
2884	✓			✓	✓	✓
2885	✓			✓	✓	✓
2886	✓			✓	✓	✓
2887	✓		✓	✓	✓	✓
2888	✓		✓	✓	✓	

Overlap with GNVQ

The Advanced GNVQ in Business Unit, The Competitive Business Environment (GNVQ Unit 7226), overlaps with AS Module 2881, The Market System (interaction of demand and supply elements and the role of markets; how firms operate in a competitive marketplace) and AS Module 2882, Market Failure and Government Intervention (the impact of government policy upon the firm). Similarly, the Advanced GNVQ unit on Business and the European Union (GNVQ Unit 7247) has some overlap with the synoptic module, Economics in a European Context (Module 2888).

1 Introduction

These specifications are consistent with the Advanced Subsidiary GCE and Advanced GCE Subject criteria for Economics (QCA, 1999).

The overall aim of these specifications is to enable Centres to devise courses which encourage candidates to:

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

The specifications provide candidates with:

- a coherent combination of micro- and macro-economic content and methods of enquiry;
- the ability to explore a range of current economic issues, particularly at the A2 stage, and to draw upon data from local, national and international sources;
- the ability to develop a critical approach to economic models and methods of enquiry.

The specifications encourage the development of a 'tool kit' of knowledge and skills used by economists. On completion of the Advanced Subsidiary, candidates are able to develop further their understanding of appropriate micro- and macro-economic aspects of applied economics. The subject matter of the modules is of relevance in today's complex global economy as well as being of significance in fostering a better appreciation of contemporary economic issues in the UK economy. Through the terminal synoptic unit, Economics in a European Context (Unit 2888), candidates are able to demonstrate their understanding of the relationship between different aspects of the subject, specifically within a European context.

The specifications are self-contained qualifications and, for some students, an Advanced Subsidiary GCE in Economics will be consistent with broadening the basis of their sixth form studies. For others, the Advanced Subsidiary GCE and Advanced GCE qualifications will be:

(a) an appropriate foundation for a higher education in Economics or in other areas such as business administration, environmental planning, transport and logistics, development studies and European studies which have an economic underpinning to them;

(b) an appropriate entry qualification for employment into a wide range of business and professional service employment.

These specifications assume no previous study of Economics.

1.1 Certification Title

These specifications are shown on a certificate as

- OCR Advanced Subsidiary GCE in Economics.
-

- OCR Advanced GCE in Economics.

1.2 Language

These specifications and associated assessment materials are available in English only.

1.3 Overlap with other qualifications

The Advanced GNVQ in Business unit, The Competitive Business Environment (GNVQ unit 7226), overlaps with AS module 2881, The Market System (interaction of demand and supply elements and the role of markets; how firms operate in a competitive marketplace) and AS module 2882, Market Failure and Government Intervention (the impact of government policy upon the firm). Similarly, the Advanced GNVQ unit on Business and the European Union (GNVQ unit 7247) has some overlap with the synoptic module at Advanced GCE, Economics in a European Context (Module 2888).

1.4 Exclusions

Candidates who enter for this Advanced Subsidiary GCE specification may **not** also enter for any other Advanced Subsidiary GCE specification with the certification title Economics or Business Studies & Economics in the same examination session.

Candidates who enter for this Advanced GCE specification may **not** also enter for any other Advanced GCE specification with the certification title Economics or Business Studies & Economics in the same examination session.

Every 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.

1.5 Code of Practice requirements

These specifications will comply in all respects with the revised Code of Practice requirements for courses starting in September 2000.

2 Specification Aims

The purpose of these specifications is to enable Centres to devise courses that will provide candidates with a knowledge and understanding of the tools of economic analysis and of the problems to which these tools can be applied. The specifications are intended to enable students to understand the allocative problems and economic issues that affect their lives and those of others, and thereby provide them with the skills and knowledge to analyse and evaluate decision-making by consumers, producers and citizens.

In addition to the overall aim stated on page (iv), the specification is intended to encourage candidates to:

- understand current economic issues, problems and institutions that affect their lives;
- develop their understanding of economic concepts and theories and the ability to apply these concepts to an appropriate range of issues;
- use contemporary applications and issues to develop understanding of relevant concepts and appreciation of their value and limitations in explaining present day economic problems;
- analyse, explain and evaluate the strengths and weaknesses of the market economy and the role of government within it;
- apply their understanding of Economics to aspects of the recent performance of the UK economy, the rest of the European Union and the rest of the world;
- be able to think as economists and see the relationship between different aspects of the subject and apply the economists' 'tool kit' in a meaningful way.

2.1 Spiritual, Moral, Ethical, Social and Cultural Issues

The specifications are presented in such a way as to include, as appropriate, the spiritual, moral, ethical, social and cultural dimensions of Economics. In particular, the strengths and weaknesses of the market economy (Module 2881), and quality of life and distribution of well-being between and within economies include a spiritual and moral perspective. This is further developed in A2 optional modules; for example, the need to ensure through government intervention that wages paid to workers are fair and equitable (Module 2884), the concept of sustainability in transport policy (Module 2885), the relationships between rich and poor countries (module 2886), and the distribution of income and wealth within a particular society (module 2887). The marking of candidates' responses to questions in areas such as the above will reward answers containing relevant material on such spiritual, moral, ethical, social and cultural issues.

2.2 Environmental Education

Implications for the environment are covered in module 2882.

2.3 The European Dimension

This specification is designed to support the European Dimension in Economics. Material on the European economy may be introduced across the specification to aid economic knowledge and understanding and the development of appropriate skills. The synoptic module (Module 2888) places economic principles and concepts specifically within a broad European context.

Note: For the purposes of the specification, Europe is defined as the Economic Union, the European Economic Area and the transitional economies of central and eastern Europe.

2.4 Avoidance of Bias

OCR has taken great care in the preparation of these specifications and associated assessment materials to avoid bias of any kind.

3 Assessment Objectives

This section is intended to provide a general indication of the skills which the units are designed to test in conjunction with the subject matter listed in the Specification Content (Section 5). It is not suggested that clear distinctions can always be drawn in constructing examination questions and a particular question may therefore test more than one skill.

These specifications require that the candidate demonstrate the following Assessment Objectives in the context of the subject content and skills prescribed:

- AO 1** demonstrate knowledge and understanding of the specified content;
- AO 2** apply this knowledge and critical understanding to problems and issues arising from both familiar and unfamiliar situations;
- AO 3** analyse economic problems and issues;
- AO 4** evaluate economic arguments and evidence, making informed judgements.

The assessment objectives are weighted, in percentage terms, as follows

	Advanced Subsidiary GCE	A2	Advanced GCE
AO1	30%	20%	25%
AO2	30%	20%	25%
AO3	20%	30%	25%
AO4	20%	30%	25%

3.1 Specification Grid

The relationship between the assessment objectives and the units of assessment is shown in the specification grid below.

Unit	Level	Percentage of Advanced GCE (AS + A2)				Total
		AO1	AO2	AO3	AO4	
2881	AS	4.5	4.5	3	3	15
2882	AS	4.5	4.5	3	3	15
2883	AS	6	6	4	4	20
A2 option (unit 2884 or 2885)	A2	3	3	4.5	4.5	15
A2 option (unit 2886 or 2887)	A2	3	3	4.5	4.5	15
2888	A2	4	4	6	6	20
		25	25	25	25	100

3.2 Quality of Written Communication

All units contain a question (or questions) in which candidates are required to present answers in continuous prose. Candidates are required to select and use a form and style of writing appropriate to purpose and to complex subject matter; organise relevant information clearly and coherently, using specialist Economics vocabulary and conventions; and ensure text is legible, and spelling, grammar and punctuation are accurate, so that meaning is clear.

The quality of written communication is assessed in the following: – one question in each AS unit which requires continuous prose drawn out by the command words 'discuss' or 'evaluate', Section B essay questions in each of the A2 optional units, and in the synoptic unit (Unit 2888), Economics in a European Context. The assessment of the Quality of Written Communication is included in all the assessment objectives and is embedded within each question paper's specification grid and mark scheme, as appropriate.

Further details of the assessment of the Quality of Written Communication is found in Appendix B.

4 Scheme of Assessment

Candidates take three units for Advanced Subsidiary, followed by three further units at A2 if they are seeking an Advanced GCE award.

Unit	Level	Name	Duration	Weighting	
				AS	Advanced GCE
2881	AS	The Market System	1 hour 30 mins	30%	15%
2882	AS	Market Failure and Government Intervention	1 hour 30 mins	30%	15%
2883	AS	The National and International Economy	1 hour 30 mins	40%	20%
2884	A2	Economics of Work and Leisure	1 hour 30 mins	-	15%
2885	A2	Transport Economics	1 hour 30 mins	-	15%
2886	A2	Economics of Development	1 hour 30 mins	-	15%
2887	A2	The UK Economy	1 hour 30 mins	-	15%
2888	A2	Economics in a European Context	1 hour 45 mins	-	20%

Rules of Combination

Candidates must take the following combination of units.

Advanced Subsidiary GCE Units 2881, 2882 and 2883.

Advanced GCE Units 2881, 2882, 2883 and 2888
 plus either Unit 2884 or Unit 2885
 and either Unit 2886 or Unit 2887

Unit Availability

There are two examination sessions each year, in January and June.

The availability of units is shown below.

Unit	Unit title	Jan 2001	June 2001	Jan 2002	June 2002
2881	The Market System	✓	✓	✓	✓
2882	Market Failure and Government Intervention	✓	✓	✓	✓
2883	The National and International Economy	✓	✓	✓	✓
2884	Economics of Work and Leisure			✓	✓
2885	Transport Economics			✓	✓
2886	Economics of Development			✓	✓
2887	The UK Economy			✓	✓
2888	Economics in a European Context			✓	✓

In 2001 only the Advanced Subsidiary (AS) units will be available as shown in the table above.

The availability shown for 2002 will be the same for subsequent years.

Sequence of Units

The normal sequence in which the units could be taken is units 2881, 2882 and 2883, leading to an Advanced Subsidiary GCE award. This should be followed by any combination of two of the paired optional units (i.e. one of 2884 or 2885 and one of 2886 or 2887) and unit 2888 to give an Advanced GCE award. However, the units may be taken in other sequences. Alternatively, candidates may take all relevant units at the end of their Advanced Subsidiary GCE or Advanced GCE course in a 'linear' fashion.

Synoptic Assessment

The Advanced GCE specification includes a minimum of 20% synoptic assessment which tests candidates' understanding of the connections between different elements of the subject. All questions in unit 2888, Economics in a European Context, are synoptic and represent 20% of the total Advanced GCE assessment.

More specifically, synoptic assessment tests the ability of candidates 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;
- see the relationships between different aspects of the subject.

The emphasis in the synoptic assessment is on candidates' ability to think as economists and to use the economists' 'tool kit' of concepts, theories and techniques in a variety of micro- and macro-economic applications set within a European context.

Unit 2888 must be taken at the end of a candidate's course of study.

Aggregation

Candidates may enter for:

- Advanced Subsidiary GCE aggregation;
- Advanced Subsidiary GCE aggregation, bank the result, and complete the A2 assessment at a later date;
- Advanced GCE aggregation.

Candidates must enter the appropriate Advanced Subsidiary and A2 units to qualify for the full Advanced GCE award.

Individual unit results, prior to certification of the qualification, have a shelf-life limited only by that of the qualification.

Re-sits of Units

Candidates are permitted to re-sit all units once only before seeking an Advanced Subsidiary GCE or Advanced GCE award, and the better result will count.

Re-sits of Advanced Subsidiary GCE and Advanced GCE

Candidates may retake the whole qualification more than once.

4.1 Question Papers

4.1.1 Advanced Subsidiary

Advanced Subsidiary GCE candidates should be able to:

- demonstrate knowledge and understanding of the specified content;
- apply this knowledge and critical understanding to a variety of current economic problems and issues.

In addition, they should also be able to:

- analyse these economic problems and issues;

- evaluate economic arguments and evidence;

whilst recognising that these skills will further be developed, applied and integrated in more depth at the A2 stage.

Unit 2881: The Market System (1 hour 30 minutes)

Unit 2882: Market Failure and Government Intervention (1 hour 30 minutes)

Unit 2883: The National and International Economy (1 hour 30 minutes)

The question papers for all AS units are of a similar format, i.e. compulsory questions based on an unseen case study. Some questions towards the end of each paper require candidates to write in continuous prose. In unit 2883, in the final question, candidates chose one from two alternatives and are required to write at length.

The Quality of Written Communication is assessed where answers are written in continuous prose.

4.1.2 A2

Advanced GCE candidates are expected to develop further the skills assessed at Advanced Subsidiary whilst extending and deepening their ability to:

- analyse economic problems and issues;
- evaluate economic arguments and evidence, making informed judgements.

Candidates take the following units:

either Unit 2884 Economics of Work and Leisure (1 hour 30 mins)

or Unit 2885 Transport Economics (1 hour 30 mins)

and

either Unit 2886 Economics of Development (1 hour 30 mins)

or Unit 2887 The UK Economy (1 hour 30 mins)

and

Unit 2888 Economics in a European Context (1 hour 45 mins) (pre-issued case study)

The assessment of A2 optional units consists of:

- a compulsory data response question;
- a choice of one structured essay question from three questions.

The assessment of the synoptic unit (Unit 2888) consists of a small number of essay questions prompted by the case material in the pre-issued case study.

4.2 Coursework

There is no coursework in these specifications.

4.3 Differentiation

In all units, differentiation is achieved by setting questions which are designed to assess candidates at their appropriate levels of ability and which are intended to allow all candidates to demonstrate what they know, what they understand and what they can do.

4.4 Special Arrangements

For candidates who are unable to complete the full assessment or whose performance may be adversely affected through no fault of their own, teachers should consult the *Inter-Board Regulations and Guidance Booklet for Special Arrangements and Special Consideration*. In such cases, advice should be sought from OCR as early as possible during the course.

4.5 Awarding of Grades

The Advanced Subsidiary has a weighting of 50% when used in an Advanced GCE award.

Advanced GCE awards are based on the aggregation of the weighted Advanced Subsidiary (50%) and A2 (50%) marks.

Both Advanced Subsidiary GCE and Advanced GCE results are awarded on the scale A-E and U (unclassified).

4.6 Grade Descriptions

The following grade descriptions indicate the level of attainment characteristic of the given grade at Advanced GCE. They give a general indication of the required learning outcomes at each specified 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 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.

5 Specification Content

These specifications are set out in the form of teaching modules. Each teaching module is assessed by its associated unit of assessment.

AS Level

The AS specification requires candidates to study:

- The Market System (Module 2881);
- Market Failure and Government Intervention (Module 2882);
- The National and International Economy (Module 2883).

The content of Module 2881 underpins the whole AS specification - it is therefore recommended that this module is taught as the first of the three AS Level modules. Knowledge of the subject content of this module is required to fully understand the content and context of modules 2882 and 2883.

It should be recognised from the outset that the content of all AS Level modules will be further examined through synoptic assessment in the terminal Unit 2888, Economics in a European Context.

Modules 2881 and 2882 emphasise the market model of resource allocation. Through the subject content of these modules, candidates are able to understand the economic behaviour of consumers and producers and the role and actions of governments in both competitive and non-competitive markets. The context of this study is that candidates will appreciate the impact of technological innovation, environmental change and globalisation and be better informed consumers in terms of present and future economic behaviour. Some general understanding of the methods of enquiry used by economists is required, although the evaluation of these methods and the more extensive interpretation of different types of data will be assessed at the A2 stage.

The emphasis of module 2883 is to develop a critical understanding of macro-economic issues relating to the contemporary national and international economy. Although some knowledge of historical trends is required in order to appreciate this context, the data used in the case study and its related questions will normally relate back no more than the last ten years. A basic knowledge of forecasting and why economists make forecasts is also required. More specifically, this module concentrates on the use and application of the basic AD/AS model and the data which underpins it. Candidates should be able to understand why supply side and/or demand side policies may be seen as appropriate ways of managing an economy. They should be able to recognise the assumptions involved, argue for different approaches and identify basic success criteria.

The assessment in each AS unit is by means of an integrated case study from which a series of structured questions are generated. The emphasis throughout is on useful, meaningful and accessible case study material derived from real information. Exceptionally in Unit 2881, synthetic information may be used, though this will draw upon real situations. Teachers are therefore encouraged to set the principles of Economics contained in the specification content within such an applicable context.

A2 Modules

In the A2 half of the Advanced GCE course candidates study **two** optional modules from the following pairs:

APPROVED – ECONOMICS – APPROVED

Module 2884 Economics of Work and Leisure **or** Module 2885 Transport Economics

Module 2886 Economics of Development **or** Module 2887 The UK Economy

and the synoptic module

Module 2888 Economics in a European Context

The scope of these modules provides candidates with an opportunity to develop and apply their AS Level study of Economics in a wide range of micro- and macro-economic contexts.

Modules 2884 and 2885 focus predominantly on micro-economic concepts and their application, with some macro-economic context. Modules 2886 and 2887 stress the macro-economic framework and its application, although there is some development of the micro-economic context. Each specification for these pairs of modules follows common formats, and in the case of modules 2884 and 2885 has common conceptual content on modelling market structures. The logic of this pairing is that all students receive a well-rounded A2 experience and from an assessment standpoint, an outcome which is comparable.

All A2 modules have a focus on applied economics and are designed to provide candidates with a varied, interesting and accessible study of a recognised area of the subject.

5.1 Module 2881 The Market System



C3.1a, C3.1b, C3.2, C3.3; IT3.1, IT3.3;
N3.2, N3.3

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3

This module provides an introduction as to why economic choices have to be made and how the market model operates. The subject content covers the basic principles of:

- why individuals, organisations and societies have to make choices;
- how competitive markets work;
- the objectives and competitive behaviour of firms and how models of market structure are used by economists to explain this behaviour.

5.1.1 Managing Scarce Resources - the reasons for choice and its consequences

Content

The economic problem of what to produce, how to produce and for whom production should take place. Economic resources and the nature of factors of production. The need for choice and exchange. Concepts of opportunity cost and the production possibility curve. Specialisation, the division of labour and exchange.

Candidates should be able to:

- describe what economists mean by the 'economic problem';
- understand the factors of production as economic resources;
- explain the concept of specialisation and the economic benefits it offers;
- explain the concept of opportunity cost and the nature of trade-offs;
- explain the principles underlying production possibility curves and how opportunity cost can be used to analyse production decisions which have to be taken in an economy;
- understand the importance of money and exchange in an economy;
- understand the role of markets.

5.1.2 Competitive markets and how they work

Content

The nature of a competitive market. Role of markets in influencing choice and allocating resources. Broad objectives of consumers and producers in markets.

Demand. Determinants of demand in product markets. Relationship between price and quantity demanded. The concept of consumer surplus. Individual and market demand curves. Distinction between movements along, and shifts of, demand curves. Elasticity of demand - price, income and cross elasticity of demand: meanings and determinants of each. Their use and relevance in business situations.

Supply. Determinants of supply in product markets. Relationship between price and quantity supplied. The concept of producer surplus. The supply curve for an individual firm and for the market as a whole. Distinctions between movements along, and shifts of, supply curves. Elasticity of supply: meaning and determinants.

Market Equilibrium. Determination of equilibrium price and quantity. Changes in demand and supply and effects of changes on equilibrium price and quantity.

Factor Markets. Application of demand and supply to factor markets. Market equilibrium, particularly in labour markets, and in the money market.

Candidates should be able to:

- understand what is meant by a competitive market;
- explain the role of markets in allocating resources;
- understand the different objectives of consumers and producers in markets;
- understand what is meant by individual demand, market demand, effective demand and consumer surplus;
- explain how demand is influenced by price, income, the prices of other goods and taste;
- analyse the difference between shifts in demand and movement along a demand curve;
- explain what is meant by the concepts of price, income and cross elasticity of demand and how they can be calculated;
- evaluate the business relevance of these elasticity estimates;
- explain what is meant by individual supply, market supply and producer surplus;
- understand the range of factors influencing supply;
- analyse the difference between shifts in supply and movement along a supply curve;
- explain the concept of elasticity of supply, how it can be calculated and its economic relevance;
- analyse how equilibrium price and quantity are determined;
- analyse how and why the equilibrium position changes;
- apply the analysis of demand and supply to the labour market and to the money market.

5.1.3 Firms and how they operate

Content

The costs of firms. Total, average and marginal concepts. Short and long run distinction. Nature and sources of economies of scale.

Revenue of firms. Total, average and marginal revenue. Profit maximisation as the firm's objective. Alternative objectives such as market share maximisation, sales revenue maximisation and satisficing.

Market operations of firms. The spectrum of competition - main forms of market structure: monopoly, monopolistic competition and oligopoly. Relevance of barriers to entry in explaining differences in market structures.

[Note: the modelling of the market structures of perfect competition, monopoly, monopolistic competition and oligopoly will **not** be required in Advanced Subsidiary units.]

Candidates should be able to:

- understand what economists mean by costs;
- distinguish between the short run and long run;
- explain what is meant by economies of scale and how firms might benefit from them;
- understand what economists mean by revenue;
- describe what is meant by the profit maximisation objective;
- understand other alternative objectives of firms;
- describe the characteristics of the main forms of market structure in which firms operate;
- explain why barriers to entry can be used to explain differences between market structures.

5.2 Module 2882 Market Failure and Government Intervention



C3.1a, C3.1b, C3.2, C3.3; IT3.1, IT3.3;

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3;
PS3.1, PS3.2, PS3.3

This module provides an overview of how markets can be efficient and how they can fail. It further considers how governments intervene in markets to try to overcome market failures and how that intervention could itself create inefficiencies.

The emphasis throughout the module should be on the use of economic principles to explain economic issues of current concern. For example, an issue might be pollution: why it represents a market failure; how governments might try to tackle the problems; and the problems involved in the government trying to tackle it on a national and global basis.

5.2.1 Economic efficiency within competitive markets

Content

The conditions for efficient allocation of resources including the concepts of allocative, productive and Pareto efficiency.

Competition and the efficient allocation of resources.

Candidates should be able to:

- describe what is meant by efficiency in economics;
- explain what is meant by productive efficiency;
- explain what is meant by allocative efficiency;
- explain what is meant by Pareto efficiency;
- illustrate how the concepts of efficiency can be applied to the productive possibility curve;
- understand how competition can lead to an efficient allocation of resources.

5.2.2 Why markets may not work efficiently

Content

The causes and consequences of why markets may not work efficiently to include the market failures of externalities, market dominance, public goods, merit goods, de-merit goods, information failures and factor immobility. The unequal distribution of income and wealth.

Candidates should be able to:

- describe what is meant by market failure;
- understand why market failures arise;
- describe what is meant by positive and negative externalities and explain these in terms of a divergence between private and social benefits and costs;
- analyse why market dominance can lead to inefficiency;
- differentiate between public, quasi-public and private goods with an understanding of the terms 'non-excludability' and 'non-rivalry';
- explain why public goods may not be provided by the market;
- explain the problems created by information failures, including the concepts of merit and de-merit goods and why these create market failures;
- explain the possible inefficiencies caused by factor immobility, such as structural and regional unemployment;
- understand that markets can lead to an 'unacceptable' distribution of resources such as 'unfair' access to healthcare and education;
- apply these concepts of market failure to a range of possible economic issues;
- comment upon their likely impact.

5.2.3 Making choices and the impact of government intervention on market outcomes and efficiency

Content

The cost-benefit approach as a means of identifying and measuring market failure. Broad use and limitations of cost-benefit approach.

[Note: knowledge of the technical methodology of cost-benefit analysis, including discounting, is **not** required.]

The way governments, in pursuit of their economic, social and distributional objectives, intervene in markets to correct market failure, for example, through taxation, subsidies, price controls, state provision, regulation, information provision and competition policy. The impact of these forms of

intervention on markets. The ways in which governments may create rather than remove distortions.

Candidates should be able to:

- understand what is meant by a cost-benefit approach;
- understand and interpret information collected in a cost-benefit study;
- understand the limitations of a cost-benefit approach;
- describe the various methods by which governments intervene in markets;
- analyse how the imposition of taxes and subsidies affects equilibrium in markets;
- analyse the effects of price control and minimum wage control in product and factor markets respectively;
- explain how state provision, regulation and standards can be applied in markets;
- discuss the possible role of information provision in a range of possible market failures;
- examine the role and analyse the impact of competition policy in tackling problems of market power;
- discuss how governments may create inefficiencies when they intervene in markets due to such factors as political objectives, distorting incentives and lack of information.

5.3 Module 2883 The National and International Economy



C2.3, C3.1a, C3.1b, C3.2, C3.3; IT3.1, IT3.3; N3.1, N3.2, N3.3

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3; PS3.1, PS3.2, PS3.3

The emphasis of the module is on government objectives and policies relating to economic growth, employment and unemployment, the stability of prices and the balance of payments. For this purpose, candidates should have some understanding of the macro-economic circumstances of the last decade. The module emphasises the use of the AD/AS approach as a tool for the analysis of the use of fiscal, monetary and supply-side policies, their impact and the inter-relationship between them. Candidates should also understand the conflicts involved in achieving multiple policy objectives, and be able to predict the effects of policy changes in local, national and international markets.

The subject content covers:

- government policy objectives and indicators of national economic performance;
- the reasons for, and compatibility of, government policy objectives;
- aggregate demand and aggregate supply; the determination of output, employment and prices;
- the application of macro-economic policy instruments;
- structure and essential determinants of international transactions.

5.3.1 Government macro-economic policy objectives and indicators of national economic performance

Content

A broad overview of government policy objectives for the macro-economy with respect to employment and unemployment, inflation, the balance of payments account and economic growth.

The meaning of Gross Domestic Product (GDP). Measurement through the output, income and expenditure methods.

The meaning of 'real' and 'nominal' values: the use of price index numbers.

The meaning of the following terms, and methods of measurement, including potential difficulties of those measurement approaches: employment/unemployment, inflation, balance of payments, growth. The use of data to measure economic performance, including international comparisons, in broad terms.

Consequences of inflation, unemployment, instability of exchange rates and a balance of payments deficit. The costs, benefits and sustainability of economic growth. Possible conflicts between policy objectives.

Candidates should be able to:

- define, in broad terms, employment and unemployment, inflation, the balance of payments account and economic growth;
- understand the objectives of government economic policy in terms of the above and why it is necessary for governments to establish such objectives;
- define GDP;
- outline its measurement through the output, income and expenditure approaches;
- explain the difference between real and nominal values of GDP;
- define unemployment and explain how it is measured in the UK economy;
- explain the difficulties of measuring unemployment;
- define inflation and explain the main methods by which it is measured in the UK economy;
- outline the broad structure of the balance of payments accounts of the UK economy;
- define economic growth and explain how it is measured in the UK economy;
- show an awareness of trends in these key policy indicators;
- discuss the consequences of unemployment, inflation and balance of payments problems;
- discuss the benefits and costs of economic growth;
- explain the reasons for, and consequences of, possible conflicts in macro-economic policies.

5.3.2 Aggregate demand and aggregate supply: the determinants of output, employment and prices

Content

The constituents of, and influences upon, aggregate demand - consumer expenditure, investment, government spending, exports minus imports.

The factors which influence aggregate supply - land, labour, capital and changes in technology.

How aggregate demand and supply analysis can be used to illustrate macro-economic problems and issues.

[Note: knowledge of the Keynesian 45° Line Diagram and the mathematical derivation of the multiplier is **not** required.]

Candidates should be able to:

- define aggregate demand;
- explain why the AD curve slopes down from left to right;
- describe the main components of AD and explain what determines each of them;
- account for why the AD curve in an economy shifts outwards or inwards;
- define aggregate supply;
- distinguish between short run and long run aggregate supply curves;
- explain why AS curves may shift;
- explain what is meant by equilibrium in the macro-economy and how the equilibrium output and price level is determined;
- analyse how the equilibrium is affected by changes in aggregate demand and aggregate supply;
- show a broad awareness of the multiplier effect and the concepts of leakages and injections;
- use AD and AS analysis to illustrate the macro-economic problems in an economy.

5.3.3 The application of macro-economic policy instruments

Content

The nature and impact of fiscal, monetary, exchange rate and supply-side policies. Demand management through fiscal and monetary policies. Exchange rate policy and its effects on aggregate demand. The nature of supply-side economics and the scope of supply-side policies. The use and effects of these policies on the level of employment and unemployment, rate of inflation, economic growth and the balance of payments position. The theories of interest rate and exchange rate determination from a supply and demand perspective only.

Candidates should be able to:

- describe what is meant by fiscal policy;
- define monetary policy and understand the basic relationship between money supply and interest rates;
- outline how exchange rate changes are determined by supply and demand for currencies;
- explain how interest rates are determined by supply and demand for money;
- explain how the AD/AS model may be used to analyse the way fiscal, monetary and supply-side policies, and exchange rate changes, can affect the levels of employment, rate of inflation, economic growth and the balance of payments position.

5.3.4 Structure and essential determinants of international transactions

Content

The general pattern of trade between the UK and the rest of the world, including developing countries. The nature of the benefits from trade. Free trade and protection. Reasons for, and methods and consequences of, protection.

[Note: knowledge of absolute and comparative advantage is **not** required.]

Candidates should be able to:

- recognise the similarities and differences between internal and external trade;
- understand the main types of goods and services traded internationally, the main destinations of UK exports and the main sources of UK imports;
- describe the broad impact of EU membership on the pattern of UK international trade;
- explain the gains from international trade in general terms;
- understand the meaning and advantages of free trade;
- explain tariff and non-tariff methods of protection, using relevant diagrams;
- discuss the arguments for and against protection.

5.4 Module 2884 Economics of Work and Leisure



C3.1a, C3.1b, C3.2, C3.3;

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3;
PS3.1, PS3.2, PS3.3

The subject content of this module principally focuses on the economic concepts and theories that help economists to understand and analyse labour market issues. In addition, it considers leisure industries in terms of models of market structure and the ways in which leisure needs have a bearing upon the demand and supply of labour. Candidates should recognise that the specification is set within both UK and international contexts, although questions requiring specific knowledge of labour markets and leisure industries of individual countries other than the UK will not be asked.

Some knowledge of the historical and institutional background to labour market issues over the past 10 years, with particular reference to the UK, is required in order to appreciate contemporary applications. However, the content of the specification focuses on present day issues and their economic underpinnings.

The use of relevant statistical material should be incorporated into the teaching of this module. **Labour Market Trends (DfEE)** is a particularly useful source. Other data are incorporated in newspaper articles, magazines and on the World Wide Web. In terms of leisure industries, a useful source of information that can be accessed is <http://quad.citymutual.com>.

5.4.1 Nature of work and leisure and trends in employment and earnings

The structure of UK employment and earnings, categorised by age, gender, ethnicity, occupation, region and sector.

Broad comparisons of the structure of earnings and employment between the UK and the rest of the EU, and with other international economies. Unit labour cost comparisons and their implications.

The distinction between work and leisure. Time as a constraint. Distinguishing different uses of leisure time. The allocation of time between these different categories of leisure.

Broad trends in leisure industries by expenditure and employment.

Candidates should be able to:

- understand the structure of earnings and employment in the UK;
- describe, in general terms, the recent trends in UK employment and earnings;
- explain the above trends using the categories of age, gender, ethnicity, occupation, region and sector;
- make broad comparisons in terms of employment and earnings structures between the UK, the rest of the EU, and the rest of the world;
- explain what is meant by unit labour costs;

- distinguish between work and leisure and the range of leisure activities;
- understand how to categorise leisure time into its competing uses;
- understand in broad terms the contribution of the leisure industries to an economy.

5.4.2 Theories of market structure and competitive behaviour in markets for leisure

The models of perfect competition, monopolistic competition, oligopoly and monopoly. The concept of contestability in markets. Comparison of outcomes in terms of prices, output, profit and efficiency.

Application of these models to the behaviour of firms in leisure markets, to include the market for package holidays, the market for air travel, the market for spectator sports and television broadcasting.

Candidates should be able to:

- explain the models of perfect competition, monopolistic competition, oligopoly and monopoly;
- explain the characteristics of a contestable market;
- evaluate the implications of different market structures for resource allocation;
- apply the outcomes of the models of market structures to the actual behaviour of firms in leisure markets;
- discuss the relationship between efficiency and market structure in leisure markets;
- analyse the structure of leisure markets such as those for package holidays, spectator sports, television broadcasting;
- comment upon the behaviour of firms in such markets.

5.4.3 Labour demand, supply and wage determination

Content

Determination of wages and employment, in terms of supply and demand for labour in a market/occupation/firm.

Demand for labour: marginal revenue product and its determination.

Supply of labour in the short-run: choice for the individual between income and leisure, including the backward-sloping supply curve.

Supply of labour in the long-run: net advantages, pecuniary and non-pecuniary, positive and negative. The influence of education and training on human capital.

Transfer earnings and economic rent; elasticity of supply, and factors influencing it.

Candidates should be able to:

- explain what is meant by the demand for labour in terms of marginal revenue product;
- explain the derivation of the supply curve of labour, both in the short and long run;
- discuss the usefulness of supply-side concepts, including net advantages and pecuniary and non-pecuniary benefits;
- analyse how wage rates are determined in theory in a competitive labour market;
- evaluate the usefulness and relevance of the above model of wage determination within contemporary, real-world labour markets;
- understand what is meant by elasticity of supply of labour and explain the factors which determine it;
- define the terms, transfer earnings and economic rent, and explain their application to labour market situations.

5.4.4 Market failure and the role of the government and unions in the labour market

Content

Causes and consequences of labour market failure: imperfect competition including monopoly in the goods market and monopsony, union power and bilateral monopoly in the labour market, imperfect information, disequilibrium in the labour market, discrimination, segmented labour markets, geographical and occupational immobility of labour.

The changing nature and role of the trade union movement, trends in union membership, forms and outcomes of bargaining (including collective bargaining), the implications of labour market flexibility.

The role of the government in relation to inequality, poverty and the distribution of income and wealth and the meaning, measurement and causes of inequality and poverty. Government policies towards inequality and poverty including the role and effects of taxes and benefits, reform of the tax and benefits system, the minimum wage. Government policies to remove or reduce labour market failure, the role of the EU and the Social Charter.

Candidates should be able to:

- understand the main causes of market failure in the labour market;
- analyse the nature of the various causes of labour market failure and explain the consequences for wage rates, labour supply and demand and levels of employment;
- discuss the wider economic effects of labour market failures;
- describe, in general terms, the trends in trade union membership in the UK;

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- understand the forms of bargaining in the UK and the EU and use them to evaluate theories of wage determination;
- understand the idea of labour market flexibility and explain the consequences of flexibility for the operation of labour markets in the UK and the EU;
- explain how and why governments intervene in the labour market;
- analyse the consequences of such intervention;
- understand the nature and causes of inequality and evaluate measures to reduce inequality in the UK;
- explain how the UK labour market is affected by the Social Charter provisions and directives and evaluate the effects on UK firms and workers.

5.5 Module 2885 Transport Economics



C3.1a, C3.1b, C3.2, C3.3;

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3;
PS3.1, PS3.2, PS3.3

The subject content of this module focuses on the economic principles and context underlying a range of transport problems and issues. In particular, it considers transport industries in terms of the models of market structure, especially in the context of the contestability in such markets. Although there is a particular emphasis on the transport situation in the UK, candidates may draw upon the experience of the rest of the EU and rest of the world where this is appropriate to the requirements of the topic. Some knowledge of the recent historical background to transport issues and policies is required in order to appreciate contemporary applications. However, the specification content focuses upon present day transport economics problems and issues.

The use of relevant statistical information should be incorporated into the teaching of this module. **Transport Statistics Great Britain** (annual), Office for National Statistics, is a particularly useful source. Other data is incorporated in newspaper articles and transport publications as well as material on the World Wide Web. The web site of the Department of Transport, Environment and the Regions (<http://www.detr.gov.uk>) is particularly useful.

5.5.1 Transport, Transport Trends and the Economy

Content

Definition of transport, Transport modes and modal characteristics. Transport as a derived demand. Factors affecting the supply of transport services.

Recent trends in transport demand in the UK. Forecasted demand and the economic basis of transport forecasts. The importance of the transport sector in the UK economy.

Candidates should be able to:

- define 'transport' in terms of transport operations and infrastructure;
- understand the advantages and disadvantages of the main modes of transport, for passenger and freight transport;
- apply an understanding of these characteristics to appreciate why transport is a derived demand;
- understand the structure of transport operations in the UK, in terms of private and public sector ownership and responsibilities;
- interpret and understand the reasons for recent trends in the demand for and supply of transport in the UK;
- apply economic principles in order to understand how and why transport forecasts are made and used by transport economists;

- handle and interpret data on the economic importance of transport in the UK economy.

5.5.2 Theories of market structure and competitive behaviour in transport markets

Content

The models of perfect competition, monopolistic competition, oligopoly and monopoly. The concept of contestability in markets and comparisons of outcomes in terms of prices, output, profits and efficiency.

Application of these models to the behaviour of firms in transport markets, to include: recent ownership trends; transport as a natural monopoly; transport as a franchised monopoly; deregulation and the principle and impact of contestability in road passenger (bus) and air transport in the UK; the process and impact of rail privatisation, including the role of franchising and direct sale of freight.

Candidates should be able to:

- explain the models of perfect competition, monopolistic competition, oligopoly, monopoly and contestability;
- evaluate the implications of different market structures for resource allocation;
- apply the outcomes of the models of market structures to the actual behaviour of firms in transport markets;
- analyse the natural monopoly argument applied to transport;
- understand what is meant by deregulation and analyse the characteristics of contestable markets;
- evaluate the impact of deregulation in road passenger (bus) and air transport in the UK;
- describe how the transport industry in the UK has been privatised;
- understand how and why the UK's railways have been privatised and evaluate the impact of this privatisation for passenger and freight services;
- discuss the relationship between efficiency and market structure in transport.

5.5.3 Resource allocation issues in transport

Content

Objectives of transport policy and how to achieve the 'best' allocation of resources; the concept of an 'integrated' transport policy.

How resources are allocated in transport – role of government and the private sector.

New initiatives and opportunities for the private sector in transport projects. The cost structure of the main modes of transport.

Cost-benefit analysis – application in transport decision-making.

Candidates should be able to:

- understand and evaluate the objectives of transport policy;
- analyse why the 'best' allocation of resources is not always possible and why this may constitute market failure;
- understand the nature and features of an 'integrated' transport policy;
- understand how resources are allocated in the transport sector;
- understand how and why the private sector has funded recent transport projects through initiatives such as the Private Funding Initiative;
- evaluate the contribution of the private sector in transport investment decisions;
- understand and analyse the cost structure of the main modes of transport operations in terms of fixed costs and variable costs;
- understand how and why some costs and benefits can be expressed in monetary terms, whilst others cannot;
- understand how the costs of traffic congestion can be calculated;
- understand and interpret information collected in a transport cost-benefit analysis and apply this knowledge in transport decision-making;
- discuss the uses and limitations of the cost-benefit approach to transport decision-making.

5.5.4 Market failure and the role of the government in transport

Content

Negative externalities associated with increased transport use – pollution, noise, accidents, blight, stress, congestion – and how these may be expressed in monetary terms.

Transport and the environment: role of regulation and taxation in dealing with negative externalities; transport policy and the environment – the contribution of the Royal Commission of Environmental Pollution; the nature and meaning of sustainability in transport; the relevance of sustainability for transport policy and in transport policy strategies for the future.

Traffic congestion as a market failure: policies for combating congestion – role of transport subsidy, public transport development, fiscal measures and direct control; the nature of road pricing – its advantages and disadvantages; international comparisons of policies for reducing congestion in cities; road pricing in transport policy in the UK and elsewhere.

Candidates should be able to:

- discuss how regulation and taxation are used in transport to reduce negative externalities;
- evaluate the extent to which transport policy in the UK is sensitive to environmental issues;
- define sustainability and apply this to the transport sector;
- analyse and evaluate the extent to which current and future transport policies are sustainable;
- apply the principle of market failure to the problem of traffic congestion;
- understand the policy options for combating congestion and discuss their respective advantages and disadvantages;
- understand what is meant by road pricing and analyse its economic basis;
- evaluate the theoretical and practical arguments for the introduction of road pricing schemes;
- compare the experience of the UK with that of other countries.

5.6 Module 2886 Economics Of Development



C3.1a, C3.1b, C3.2, C3.3;

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3;
PS3.1, PS3.2 PS3.3

The focus of this module is on the economic problems and prospects facing developing economies in an increasingly hostile global economy. It builds upon the macro-economic content of module 2883 through the application of the measures of economic performance and the study of economic growth in developing countries.

The module concentrates upon the economic principles and context underpinning development economics. The scope of this study includes Third World, low income countries and the emerging middle income and newly industrialised countries, particularly in South East Asia. Consideration of less developed or developing regions within developed economies is also appropriate. Candidates should seek to integrate theory into their consideration of the characteristics, problems and policies to promote the development of these economies. They should be able to illustrate their answers with reference to up-to-date examples. A specific knowledge of any one developing economy is **not** required. Some knowledge of the historical background to relations between developed and developing economies, particularly over the past ten years, is required in order to appreciate the present-day context.

The use of relevant statistical information should be incorporated into the teaching of this module. The **Human Development Report** and **World Development Report** are particularly useful sources. Other data are incorporated in newspaper articles and material on the World Wide Web.

5.6.1 The Concept of Development

Content

The meaning and definition of development. Growth and development.

Measurement: the limitations of national income statistics and the use of the Human Development Index.

The range of terms used to identify economies at different stages of development: developing, transitional and developed. Sub-division of developing economies to include low and middle income countries and newly industrialised countries. Differentiated development within developed economies.

Candidates should be able to:

- define development in terms of material and non-material progress;
- distinguish between development and growth;
- understand the limitations of national income statistics in measuring development;
- understand the HDI and how it improves on national income statistics;

- interpret measurements of development and the classification of developing economies;
- recognise the variety of terms used to identify levels of development;
- discuss the appropriateness of the different terms.

5.6.2 Economies at Different Stages of Development

Content

The characteristics of different types of developing economy. Similarities and differences between them.

The sectors of an economy: primary, secondary, tertiary and quaternary, formal and informal, rural and urban, traditional and modern.

The economic, political and social influences on development and their occurrence in different types of developing economy: culture, system of government, colonial background, economic system.

Candidates should be able to:

- understand how the sectors in an economy can be identified and classified;
- apply these classifications to different types of developing country and to different regions within more developed countries;
- understand the economic, cultural, political and social influences that have determined an economy's level of development;
- analyse how these influences have had impacts on different economies and regions.

5.6.3 Theories and Models linked to Development

Content

The content and limitations of models and theories linked with development.

Absolute and comparative advantage - the basis for trade, gains from trade and the role of trade in development.

Rostow's model - the stages of growth.

The Harrod-Domar model - the role of saving and investment.

Lewis' model - the role of structural change.

Dependency theory – relationships and links between developed and developing economies and regions.

Balanced and unbalanced growth theory - the approach to industrialisation.

Candidates should be able to:

- explain the difference between absolute and comparative advantage;
- evaluate how external trade can promote economic development and growth;
- understand the assumptions and predictions of the theories and models of economic development and growth;
- understand the limitations of the theories and models;
- apply the theories and models to actual cases;
- discuss their usefulness in the understanding of the process and problems of development.

5.6.4 Problems of Developing Economies

Content

The causes and the implications of the problems faced by developing economies.

Domestic problems: environment and sustainability, factor endowment, population change and migration, poverty and inequality, savings rates and capital accumulation, structural change, unemployment and underemployment, weaknesses of financial markets, price instability.

International problems: patterns of trade, balance of payments, dependency, foreign debt, terms of trade, international capital flows, exchange rate fluctuations. The impact of globalisation.

Similarities and differences between different types of developing economy.

Candidates should be able to:

- understand the problems faced by developing economies;
- analyse the causes of the problems faced by developing economies;
- analyse the implications of these problems for future development;
- distinguish between problems arising from within the economy and those relating to external factors;
- discuss the relative importance of the different problems;
- discuss the links between domestic and international problems;
- evaluate the extent to which developing economies have similar underlying problems.

5.6.5 Policies to Promote Development

Content

The operation and limitations of policies to promote development. The role of governments, non-government organisations, multi-national companies, the IMF, World Bank and World Trade Organisation. Their contribution and effectiveness in the promotion of development.

The alternative approaches to economic development through the free market and state planning.

Domestic policies: resource improvement and management, promotion of sectoral change, industrialisation, population control, structural adjustment programmes, macro-economic stabilisation.

International policies including those of the European Union: export promotion and import substitution, foreign debt management, foreign aid, foreign direct investment, trade agreements and trade liberalisation, currency stabilisation.

Candidates should be able to:

- understand the role of domestic and international institutions in tackling problems of development;
- discuss their relative importance and success;
- analyse the effectiveness of market and state approaches to promoting development;
- understand the scope of domestic and international policies to promote development;
- explain how such policies seek to address the problems of developing countries;
- assess the effectiveness and limitations of these policies.

5.7 Module 2887 The UK Economy



C3.1a, C3.1b, C3.2, C3.3; IT3.1, IT3.3

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3;
PS3.1, PS3.2, PS3.3

The focus of this module is on the recent economic performance of the UK economy. It particularly builds upon the conceptual content of Module 2883 through the application of the measures of economic performance and the processes of economic management to the UK. Policy conflicts and current controversies are also developed, with more extensive consideration of the impact of macro-economic policies of equity and the distribution of income. The basic AD/AS model from Module 2883 is developed and refined and more advanced and alternative models are discussed.

Candidates should seek to integrate theory into their consideration of the characteristics, problems and policies to be found in the UK economy over the past decade. Candidates should be able to illustrate their answers by reference to current examples through a background knowledge of the recent performance of the UK economy, although precise knowledge of the components of economic performance is not expected. Some knowledge of the historical background [especially over the previous ten years] to fiscal, monetary and other macro-economic policies is required in order to understand the development of macro-economic policy.

The use of relevant statistical information should be incorporated into the teaching of the module. The **Bank of England Quarterly Bulletin** and **Financial Statistics** are particularly useful sources of information.

Websites of interest include:

The Virtual Economy on the IFS website	http://www1.ifs.org.uk
The BizEd website	http://bized.ac.uk
Tutor 2U Economics by Geoff Riley	http://www.tutor2u.com
The Bank of England	http://www.bankofengland.co.uk

5.7.1. The Performance of the UK Economy

Content

The measurement and analysis of the UK's economic performance in terms of unemployment, inflation, balance of payments, economic growth, productivity and equity.

A review of trends in the UK's economic performance over the last decade. Measuring the standard of living, productivity and the distribution of income and wealth. The limitations of statistical measures of the performance of the UK economy.

Comparison of recent UK economic performance and competitiveness with that of other countries.

Candidates should be able to:

- understand in broad terms measures of the distribution of income and wealth using concepts such as deciles and Lorenz curves;
- define and measure the standard of living using concepts such as real GDP per capita and MEW (measures of economic welfare);
- understand the limitations of the statistical measures of economic performance;
- analyse and interpret measurements of UK economic performance;
- compare and analyse UK economic performance with that of other economies.

5.7.2 Controlling the Performance of the UK Economy

Content

The means of controlling the performance of the UK economy as a whole.

The functions, measurement and recent trends in policy instruments and means of control used by UK policy makers.

The measures and means of control to include the money supply, interest rates, exchange rates, fiscal policy instruments, the government's budget and public borrowing, direct controls.

Candidates should be able to:

- understand the functions and measure of money including the difference between narrow (M0) and broad money (M4);
- understand the role of interest rates and why there are different rates of interest in an economy. This should be in terms of differences in the rates for savers and borrowers, and differences in long-term and short-term rates of interest;
- understand the role and measurement of the rate of exchange;
- understand the alternative types of fiscal policy instrument such as income tax as a direct tax, VAT as an indirect tax, government spending and transfer payments;
- analyse the impact of changing fiscal policy instruments on the distribution of income;
- understand the meaning and measurement of the government's budget and its borrowing requirement;
- analyse the consequences of a fiscal budgetary deficit or surplus on both the performance of the economy and on other policy instruments;
- interpret data on changes in the relative importance of direct and indirect tax as a means of raising revenue to fund government expenditure;
- understand alternative methods of controlling the performance of the UK economy as a whole through direct controls such as minimum wages, import tariffs and quotas, retraining and relocation of labour, limits on public sector wage rises.

5.7.3 Modelling the Economy

Content

Models of the economy that explain the determination of the UK's economic performance.

Determinants of the size of the multiplier, AD/AS and the impact of fiscal policy on economic performance.

The credit creation multiplier, the Quantity Theory of Money and Keynesian Liquidity Preference as the means of explaining the impact of monetary policy on economic performance. Loanable Funds theory to explain the determinants of the rate of interest. The effect of interest rate changes on investment and economic performance.

Absolute and comparative advantage as a tool to explain the UK's trading position and the Marshall-Lerner condition to explain the impact of exchange rate changes.

The effect of interest rate changes on "hot money" flows and the impact of international financial flows on the exchange rate. Using the exchange equalisation account to control the exchange rate.

Candidates should be able to:

- understand the predictions and assumptions of the named theories and models;
- apply the theories and models to actual cases;
- discuss the limitations of the theories and models;
- determine the size of both the national income multiplier and the credit creation multiplier;
- comment upon their usefulness in understanding the determinants of economic performance;
- explain the causes and consequences of changes in interest rates using the theories of Liquidity Preference and Loanable Funds;
- explain the reasons for international trade using the concepts of absolute and comparative advantage;
- analyse the causes and consequences of changes in exchange rates.

5.7.4. Policies to Improve Economic Performance

Content

The operation and limitation of policies to promote the performance of the UK economy.

The role of the UK Government, the Bank of England, the Treasury, the World Bank, the IMF and the World Trade Organisation.

Domestic policy changes and their impact on the economy including a comparison of predictions from alternative models of the economy. Changes in fiscal policy, monetary policy, exchange rate policy, export promotion, import substitution and direct controls and their impact on the economy.

Supply-side initiatives to improve economic performance, especially productivity.

International policy changes and their impact on the economy. The impact of changes in foreign interest rates, foreign direct investment, foreign currency stabilisation, trade agreements and trade liberalisation.

Candidates should be able to:

- understand the role of domestic and international institutions in improving economic performance;
- understand the operation of policies to improve economic performance;
- analyse the impact of different policy changes on the different components of economic performance. For example, the impact of income tax changes on unemployment, inflation, economic growth, the balance of payments and income distribution;
- analyse the contribution of supply-side policies to improving economic performance;
- discuss the impact on the performance of the UK economy of changes in economic policy introduced by foreign governments and international institutions;
- discuss the relative effectiveness of alternative policies to achieve improvements in economic performance.

5.7.5. Conflicts, Current Issues and Controversies

Content

Current issues regarding the UK's economic performance and competitiveness.

Potential conflicts resulting from the use of alternative policy instruments.

The effectiveness of, and the constraints on, economic policy. Understanding current controversies in the use and effectiveness of economic policy.

Globalisation and its impact on the UK economy; possible policy measures to cope with the effects of globalisation.

Candidates should be able to:

- understand the various potential trade-offs and conflicts that exist between the components of the UK's economic performance, for example, The Phillips Curve, inflation and the balance of payments, inflation and the distribution of income;
- understand the various potential trade-offs and conflicts between the policy instruments, for example, interest rates and exchange rates;
- apply appropriate knowledge and theory to current policy issues;

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- comment upon and compare the effectiveness of alternative policies in improving both one component of economic performance and economic performance as a whole;
- discuss the political, economic and social constraints on economic policy. For example, political constraints caused by the voting cycle and constraints imposed by membership of GATT;
- explain the impact of globalisation on the UK economy and discuss policies to cope with its effects.

5.8 Module 2888 Economics in a European Context



C3.1a, C3.1b, C3.2, C3.3; IT3.1, IT3.3

WO3.1, WO3.2; LP3.1, LP3.2, LP3.3

This is a compulsory module for all Advanced GCE candidates. It is synoptic in nature and its delivery should therefore differ from that of modules 2884-2887.

This module requires candidates to apply their knowledge of the specification content, Economics within a European Context, in terms of:

- economic integration
- the recent economic experience of the transition economies of central and eastern Europe.

It should be emphasised that, although candidates will require some additional knowledge of the appropriate context, the emphasis of the assessment of this module is on developing candidates' ability to think as economists and to make effective use of the economists' 'tool kit' of concepts, theories and techniques which they have built up during their course of study.

More specifically, the following aspects of synoptic knowledge are developed and assessed:

- competitive markets and how they work;
- market structures;
- economic efficiency within competitive markets;
- market failure;
- government intervention in markets;
- macro-economic performance;
- macro-economic processes and policies;
- international trade and protection

The delivery of the module should apply the above topics and related concepts to the European context. (Note: in these specifications Europe is defined as the geographical continent: i.e. the EU, the EEA and the transitional economies of Central and Eastern Europe.)

Typical themes and issues could be

- **Inefficiency in agricultural markets :**

Why competitive markets do not operate in EU agriculture. The outcome of an inefficient allocation of resources in terms of costs and benefits of support mechanisms. Recent reform measures. The wider macro-economics and external impact of agriculture in the EU. Problems of geographical enlargement for agriculture and the EU economy.

- **The Rich and the Poor:**

An analysis of living standards in Europe. The operation of labour and capital markets and the exaggeration of inequality. Policies designed to reduce income and expenditure variations. The relative attraction of Central and Eastern Europe as a manufacturing base in the global economy.

- **The Economic Implications of EMU for the UK economy**

A comparison of the UK's recent economic performance with that of other EU member states. Arguments for and against full participation in EMU from 2000.

Macro-economic and external considerations.

A very basic historical knowledge of the development of integration in Europe is required in order to understand and appreciate how the 'New Europe' of the 1990's has come about. The focus of the module and its assessment will be on current and projected European economic issues.

It is strongly recommended that candidates should read contextual articles in a quality daily newspaper. Regular current affairs television programmes are also likely to provide up to date contextual background material. Statistical publications from Eurostat, particularly the Annual Review, provide comparative economic information.

The 'European Context' is given below in sections 5.9.1 - 5.9.3

5.8.1 The 'New Europe'

Content

A perspective of integration in the late 1990's. The Treaty of Economic Union (Maastricht). Preparations for geographical extension. Copenhagen criteria. The constitutional and legislative framework.

The nature and meaning of integration. Forms of integration and barriers to the free movements of goods, services and factors of production.

Europe as an economic force in the global economy.

Candidates should be able to:

- understand how the 'New Europe' has evolved during the 1990's;
- understand how the EU is likely to be geographically extended in the future;
- explain how decisions are made and implemented within the EU;
- describe the nature of free trade areas, customs unions and economic unions and the differences between them;
- explain why these forms of integration do not always work in reality as economic theory may suggest;
- analyse how Europe compares with other major economic forces in the global economy.

5.8.2 The Single European Market (SEM) and Economic and Monetary Union (EMU)

Content

An economic analysis of trade and integration. Application of comparative advantage and the gains from trade.

Customs union theory - the static and dynamic effects of integration - factor market integration.

The Single European Market - the removal of non-tariff barriers.

EMU: what it is, advantages and disadvantages. convergence issues. Macro-economic policy implications for the 'ins' and 'outs'. Future prospects.

Candidates should be able to:

- apply the principle of comparative advantage to explain the trade benefits of integration;
- explain why a customs union might be seen as a form of 'second best';
- analyse the static and dynamic effects of integration;
- analyse the effects of integration on the mobility of labour and capital;
- understand what is meant by the Single European Market;
- understand what is meant by Economic and Monetary Union;
- explain why convergence criteria have been necessary to determine likely participation;
- discuss the respective macro-economic implications for the 'ins' and 'outs';
- discuss the likely future progress and prospects of EMU.

5.8.3 The Transition Economies of Europe

Content

The characteristics of centrally planned economies and the failure of planning - absence of property rights, allocative and productive inefficiencies and the trading monopoly of COMECON.

Economic reforms and the transition towards a market economy- liberalisation, external liberalisation, privatisation, macro-economic stabilisation and financial sector reform. The economic performance of former centrally planned economies during their transition. Shock therapy v gradualism. Problems and prospects of integration with the EU.

Candidates should be able to:

- describe the characteristics of centrally planned economies;
- explain how and why central planning has failed;

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- analyse how economic reforms have been applied in transition economies;
- discuss the costs and benefits of economic reforms for transition economies;
- analyse the economic performance of the former centrally planned economies during transition and how they compare with EU economies;
- discuss the reasons why some transition economies are expected to join the EU.

6 Further Information And Training For Teachers

To support teachers using these specifications, OCR will make the following materials and services available:

- up-to-date copies of these specifications;
- a dedicated subject-specific telephone number;
- a full programme of In-Service Training (INSET) meetings;
- specimen question papers and marking guidelines;
- past question papers and mark schemes after each examination session;
- a Report on the Examination, compiled by Principal Examiners after each examination session.

If you would like further information about the specification, please contact OCR.

7 Reading List

7.1 Reading List for AS Modules

The reading list below contains, in the main, books for students. A few of the texts listed are more substantive and are therefore of more relevance to teachers. All of the books underpin the specification as a whole.

It should be stressed that this is not an exhaustive list. Wherever possible, teachers should endeavour to use the most up to date editions available, particularly as almost all of the books listed contain statistical information.

Anderton A. *Economics* (2nd edition). 1998. Causeway Press. ISBN 1-873929-37 4.

Anderton A. *Economics - A New Approach*. 1996. Collins. ISBN 0-00-322240 3.

Anderton A. *The Students' Economy in Focus 1997/98*. 1998. Causeway Press. ISBN 1-873929-38 2.

Atkinson B (ed.). *Applied Economics*. 1998. Macmillan. ISBN 0-333-67382-4.

Atkinson GBJ. *Economics: Themes and Perspectives* (2nd edition). 1997. Causeway Press. ISBN 1-873929-27 7.

Beardshaw J *et al.* *Economics: A Students Guide* (4th edition). 1998. Pitman. ISBN 0-582-303486.

Davies B *et al.* *Investigating Economics*. 1996. Macmillan. ISBN 0-333-63808-5.

Duff L. *The Economics of Governments and Markets*. 1997. Longman. ISBN 0-582-28984 X.

EBEA. *Core Economics*. 1995. Heinemann. ISBN 0 435 33101 9.

Fuller N. *Fundamental Economics*. 1997. Tudor Business Publishing. ISBN 1-872807 52 6.

Ison S. *Economics* (2nd edition). 1996. Pitman.

Maunder P *et al.* *Economics Explained* (3rd edition). 1997. Collins Educational. ISBN 0 00 327 5035.

Sloman J. *Economics* (3rd edition). 1999. Prentice Hall. ISBN 0-15-568058-5.

Sloman J. *Essentials of Economics*. 1998. Prentice Hall. ISBN 0-13-356254-9.

Stanlake G. and Grant SJ. *Introductory Economics 1997* (6th edition). Longmans. ISBN 0-582-246148

Wilkinson M. *Economy, Efficiency and Market Failure*. 1998. Heinemann. ISBN 0-435-33037-3

7.2 Other Reading Material

The following text, available from 2000, has been produced to assist students and teachers in the delivery of the new AS specification and synoptic module 2888.

Bamford CG (ed.) with Brunskill K, Cain G, Crum R, Grant S, Munday S, Tidball S, Walton S and Westaway AJ. *Economics - for AS*, Cambridge University Press

7.3 Reading Lists for the Optional Modules (A2)

The reading lists below are for modules 2884 to 2888 and contain books for both student and teacher use.

In general, all books in the Heinemann Studies in the UK Economy series have been written specifically for Advanced GCE.

Many of the general texts listed in 7.1 contain chapters which provide relevant underpinning for some of the introductory aspects of optional modules and for the synoptic module.

7.3.1 Module 2884 Economics of Work and Leisure

Bosworth D, Dawkins P and Strombeck T. *The Economics of the Labour Market*. Longman. 1996. ISBN 0-582-44377-6

Clark A, Layard R. & Rubin M. *UK Unemployment*. 1997. ISBN 0-435-33038-1

Cooke A. *The Economics of Sport and Leisure*. 1994. Routledge.

Cooper C et al. *Tourism, Principles and Practice*. 1998. Longmans.

Cramp P. *Product and Labour Markets*. 1997. Anforme. ISBN 0 907529 42 9

Gratton C and Taylor P. *Sport and Recreation: An Economic Analysis*. 1985. Taylor and Francis. ISBN 041 9189602

Simpson L. and Patterson I. *The UK Labour Market*. 1998. ISBN 0-435-330405

Smith SW. *Labour Economics*. 1994. Routledge. ISBN 0-415-33040-3

7.3.2 Module 2885 Transport Economics

Bamford CG. *Transport Economics: Studies in the UK Economy* (2nd edition). 1998. Heinemann. ISBN 0-435-33031-4

- Cole S. *Applied Transport Economics*. 1998. Kogan Page. ISBN 0-7494-2303X
- Cramp P. *Product and Labour Markets*. 1997. Anforme. ISBN 0 907529 42 9
- Glaister S and Travers T. *New Directions for British Railways*. 1993. Institute of Economic Affairs.
- Hibbs J. *Deregulation*. 1998. Adam Smith Institute.
- Hibbs J and Bradley M. *Deregulated Decade*. 1997. Adam Smith Institute. ISBN 1-87312-83-9
- Ison S. *Transport in Developments in Economics*, Vol. 12, 1996.
- Whitelegg J (ed). *Traffic Congestion - is there a way out?* 1994. Leading Edge.
- Developing an Integrated Transport Policy: A Consultation Paper*, Department of Transport, the Environment and the Regions. 1997.
- Royal Commission on Environmental Pollution, Transport and the Environment* HMSO, 1994 and 1997.
- A New Deal for Transport - Better for Everyone*, The Government's White Paper on the Future of Transport CM 3950, 1998.
- Breaking the Logjam* 1998 The Department of the Environment, Transport and the Regions.
- Students and teachers will also find the following publication useful:
- Transport Voice. Available from the publishers at Market Hill, Huntingdon PE18 6N5

7.3.3 Module 2886 Economics of Development

- Cramp P. *Economic Development*, 1998. Anforme. ISBN 0-9075-229-453
- Elkan W. *An Introduction to Development Economics*. 1995. Prentice-Hall.
ISBN 0-13-355835-5
- Glanville A. *Introduction to Development Economics*. Glanville, 1995. ISBN 0-9524746-0-3
- Nixson F. *Development Economics*, 1996. Heinemann. ISBN 0435-33033-0
- Smith C. *Economic Development, Growth and Welfare*. 1994. Heinemann.. ISBN 0-333-59268-9
- UNDP. *Human Development Report*. Oxford, Annual.
- World Bank. *World Development Report*. Oxford, Annual.

7.3.4 Module 2887 The UK Economy

Artis M J, *The UK Economy: A Manual of Applied Economics*, (14th edition). 1996. ISBN 0 19877511 3

Atkinson B, Livesey F, Milward B (ed). *Applied Economics*. Macmillan Business, 1998. ISBN 0 333 673824

Grant S and Bamford C, *National Economy and Government Policy*. Heinemann. Due for publication in Autumn 2000.

Griffiths A and Wall S, *Applied Economics: an introductory text*, (7th edition), Longman, 1998, ISBN 0 582 30602 7

Riley G, *The UK Economy*, 1988-98. Anforme. 1998. ISBN 0 907529445

Smith D, *UK Current Economic Policy*. Heinemann. 1999. ISBN 0431 029741

7.4 Module 2888 Economics in a European Context

The following books provide relevant contextual material for this module:

Artis M. J. and Lee N *The Economics of the European Union: 1997* (2nd .Ed) Policy and Analysis OUP.1997 ISBN 0-19-877560-1

Barnes I and Barnes P *The Enlarged European Union 1996* Longman ISBN 0-5820-8115-7

Dyker D A. *The European Economy* (2nd ed) 1999 Longman ISBN 0-582-29803 2 *

El-Agraa A (ed). *The European Union - history, institutions, economies and policies*. Prentice Hall 1998 ISBN 0-1391-6263-1

Healey NM (ed) *The Economics of the New Europe* 1995 Routledge 0- 415- 10875 - 6

Hill B *The European Union* 1998 Heinemann ISBN 535- 330-43-8 *

Lavigne M *The Economics of Transition* (2nd ed) 1999 MacMillan ISBN 0-333-75416-6

McDonald F and Dearden S *European Economic Integration* (3rd ed) 1999 Longman ISBN 0-582-309174*

Welford R and Prescott K *European Business* Pitman 1998 0-2736 -1989-6

* These books contain sections and case studies which could be used directly with students. The other books are mostly appropriate for teachers.

7.5 BIZ/ed - Business Education on the Internet

This is a free information service on the Internet which provides a range of notes and worksheets for use by Advanced GCE Students of Business Studies and Economics. This includes:

- key economic statistics;
- company information;
- case studies;
- outline assignments and study skills;
- curriculum updates;
- virtual economy simulation.

BIZ/ed also provides opportunities for the electronic networking of teachers. It is a very appropriate resource for teachers and students.

Its address is <http://www.bized.ac.uk/>

or write to

Institute of Learning and Research Technology
University of Bristol
8 Woodland Road
Bristol
BS8 1TN

Appendix A

Key Skills

This Appendix offers detailed guidance on the Key Skills evidence that candidates might produce during their programme. It focuses on the evidence required to meet the criteria for the internally assessed Key Skills portfolio. For example, in producing work for assessment as evidence of C3.2 (Read and synthesise information from two extended documents about a complex subject. One of these documents should include at least one image.) a candidate is required to:

- select and read material that contains the information you need;
- identify accurately, and compare, the lines of reasoning and main points from text and images; and
- synthesise the key information in a form that is relevant to your purpose.

The Key Skills and Evidence Requirements below are quoted from Part B of the QCA Key Skills specifications and, as such, are addressed to the candidate. The text below the Evidence Requirements is guidance for teachers about how the specifications might be used to provide teaching and learning opportunities and/or assessment opportunities for the Key Skill.

The opportunities signposted in this Appendix focus mainly on the compulsory modules, as well as in module 2888, *Economics in a European Context*. Further opportunities exist in each of the optional modules, but these may vary between modules.

For further information, teachers should refer to QCA's Key Skills specifications (for use in programmes starting from September 2000).

For further information about the assessment and certification of Key Skills, teachers should contact OCR.

C3 Communication Level 3

There may be opportunities to combine all subsections of Communication through one project. For example, by taking the proposed BSkyB takeover of Manchester United FC as the focus of such a project, candidates could be asked to research the differing perspectives of the organisations and pressure groups involved in the takeover and contribute to a group discussion (C3.1a), under controlled conditions. This may form the foundation for exploring the opportunities to request individual candidate presentations (C3.1b), further research into the subject and possible implications for sport and the UK economy (C3.2), and a report (C3.3).

C3.1a Contribute to a group discussion about a complex subject.

Evidence requirements

- (i) Make clear and relevant contributions in a way that suits your purpose and situation.
- (ii) Listen and respond sensitively to others, and develop points and ideas.
- (iii) Create opportunities for others to contribute when appropriate.

Possible opportunities

There are various opportunities throughout these specifications to generate evidence for this subsection of Communication. For example, when preparing for a more substantial piece of work, such as an investigation or a report, candidates could be asked to *contribute to a group discussion* as part of the preparation. It is very important, however, to pay particular attention to the need to cover a *complex subject*.

Module 2882

Section 5.2.2 allows candidates to discuss the factors affecting public versus private versus merit goods. For example, this could be examined using the National Health Service as the focus of discussion.

Section 5.2.3 allows candidates to discuss the impact of environmental issues and government policy decisions affecting the UK economy, such as green taxes.

Module 2888

Section 5.8.2 allows candidates to discuss the advantages and disadvantages to the UK of monetary union within the European Union.

Section 5.8.2 allows candidates to discuss the impact of national and/or international disputes on UK trade. For example, the trade war between the European Union and the United States could be explored in terms of possible advantages and disadvantages to the UK economy.

C3.1b Make a presentation about a complex subject, using at least one image to illustrate complex points.

Evidence requirements

- (i) Speak clearly and adapt your style of presentation to suit your purpose, subject, audience and situation.
- (ii) Structure what you say so that the sequence of information and ideas may be easily followed.
- (iii) Use a range of techniques to engage the audience, including effective use of images.

Possible opportunities

By building upon the approaches identified in C3.1a, candidates can prepare and deliver a presentation. Candidates may, for example, each take on the role of a key player in a given scenario and explore the argument from this viewpoint. By allocating different roles to each candidate an overall picture will form from all perspectives from which a report (or extended document) may be produced for C3.3. Evidence for C3.2 may also come from the research done in preparation for the presentation (and/or the group discussion).

Module 2881

Section 5.1.3 allows candidates the opportunity to prepare and deliver a presentation on evaluating the alternative objectives firms may have, including but not exclusively profit maximisation.

Section 5.1.3 allows candidates the opportunity to prepare and deliver a presentation outlining the spectrum of competition within market structure and examining these models in the light of firms' actual behaviour.

Module 2882

Section 5.2.2 allows candidates the opportunity to prepare and deliver a presentation analysing the factors affecting public versus private versus merit goods. For example, this could be examined using the National Health Service as the focus of discussion.

Section 5.2.3 allows candidates the opportunity to prepare and deliver a presentation on the impact of environmental issues and government policy decisions affecting the UK economy, such as road pricing.

Module 2888

Section 5.8.2 allows candidates to prepare and deliver a presentation on the advantages and disadvantages to the UK of monetary union within the European Union.

Section 5.8.2 allows candidates to prepare and deliver a presentation on the impact of national and/or international disputes on UK trade. For example, the trade war between the European Union and the United States could be explored in terms of possible advantages and disadvantages to the UK economy.

C3.2 Read and synthesise information from two extended documents that deal with a complex subject. One of these documents should include at least one image.

Evidence requirements

- (i) Select and read material that contains the information you need.
- (ii) Identify accurately, and compare, the lines of reasoning and main points from texts and images.
- (iii) Synthesise the key information in a form that is relevant to your purpose.

Possible opportunities

Candidates have opportunities to undertake research into a range of topics in order to form a clear understanding of the concepts being covered. There are, as a result, various opportunities for candidates to generate evidence for this subsection of Communication whenever they are required to research a topic.

Candidates may also be encouraged to research a topic in preparation for their contribution to a group discussion (C3.1a) or delivering a presentation (C3.1b). Research to include two extended documents may also form the basis of a report which will also generate evidence for C3.3.

Module 2881

Section 5.1.3 allows candidates to undertake research into the nature of markets and market structures.

Module 2882

Section 5.2.3 allows candidates the opportunity to undertake research into the impact of minimum wage legislation on the UK labour market.

Section 5.2.3 allows candidates the opportunity to undertake research into the impact of the government's policy on competition in tackling problems of market pressure.

Module 2883

Section 5.3.1 allows candidates to undertake basic research into recent UK economic performance against other countries.

Section 5.3.3 allows candidates to undertake research into the implications of the government's 'macro' aims.

C3.3 Write two different, types of documents about complex subjects. One piece of writing should be an extended document and include at least one image.

Evidence requirements

- (i) Select and use a form and style of writing that is appropriate to your purpose and complex subject matter.
- (ii) Organise relevant information clearly and coherently, using specialist vocabulary when appropriate.
- (iii) Ensure your text is legible and your spelling, grammar and punctuation are accurate so your meaning is clear.

Possible opportunities

There will be opportunities to generate evidence for this subsection of Communication throughout the delivery of this Advanced GCE specification. There are also opportunities to adopt an integrated and coherent approach linking this section with C3.1a and C3.1b and C3.2.

For example, a written document could be prepared using the data gathered from reading and synthesising information from two extended documents that deal with a complex subject (C3.2). Consequently, an essay or report could be prepared on any of the topics listed previously for C3.2.

It is important to note that the requirement is to produce *two different* types of documents to satisfy fully this subsection of the Communication Key Skill, and that *one piece...should be an extended document, to include at least one image*.

Module 2888

Module 2888, *Economics in a European Context*, provides candidates with appropriate opportunities to achieve this subsection of Communication. Evidence can be generated from the pre-issued case study and further supplemented by articles covering the same theme.

The issues chosen could cover the following areas:

- the nature of economic integration in a European context (5.8.2)
- why competitive markets do not operate in EU agriculture (5.8.2)
- an analysis of living standards across Europe and the evaluation of policies to reduce these variations (ie. the global aspect) (5.8.2)
- the economic implications of European Monetary Union for its present and prospective members (5.8.2)
- an analysis of how economic reforms have been applied in a range of transition economies in Central and Eastern Europe (5.8.3)

N3 Application of Number Level 3

You must:

Plan and carry through at least one substantial and complex activity that includes tasks for N3.1, N3.2 and N3.3.

There may be opportunities to generate evidence for all subsections of Application of Number through one project. For example, candidates could be asked to construct a simplified retail price index (RPI) based upon their own experience. They could be asked to compare the outcome to a range of official measures and use the data to distinguish between nominal and real values. This activity (described in more detail below) could also form the basis for **C3.1b** and **C3.3**. The activity could also contribute to skills relating to gathering information, either from written sources or IT sources, and would involve a certain degree of Working with Others.

The signposted opportunities throughout this section concentrate on this theme, although similar principles may also be applied to the following areas:

- multipliers in Section 5.3.2, module 2883
- balance of payments in Section 5.3.3, module 2883
- costs versus revenue in Section 5.1.3, module 2881

- price inelasticity in Section 5.1.2, module 2881
- exchange rates in Section 5.3.4, module 2883

N3.1 Plan, and interpret information from two different types of sources, including a large data set.

Evidence requirements

- (i) Plan how to obtain and use the information required to meet the purpose of your activity.
- (ii) Obtain the relevant information.
- (iii) Choose appropriate methods for obtaining the results you need and justify your choice.

Possible opportunities

The requirement in N3.1 to obtain information from sources including a large data set, means that candidates for Advanced Subsidiary/Advanced GCE Economics may experience difficulty generating sufficient evidence for N3.1. With this exception, there are opportunities for the generation of evidence as regards planning how to obtain and use information, obtaining the relevant information and choosing appropriate methods for obtaining the results.

Module 2883

By constructing a simplified retail price index (RPI) for Section 5.3.1, module 2883, candidates are given the opportunity, in groups, to justify the ten most important items of their own expenditure and average out the importance of each (Note - this may also generate evidence for C3.1a).

N3.2 Carry out multi-stage calculations to do with:

- (a) amounts and sizes;
- (b) scales and proportion;
- (c) handling statistics;
- (d) re-arranging and using formulae.

You should work with a large data set on at least **one** occasion.

Evidence requirements

- (i) Carry out calculations to appropriate levels of accuracy, clearly showing your methods.
- (ii) Check methods and results to help ensure errors are found and corrected.

Possible opportunities

Advanced Subsidiary/Advanced GCE Economics offer opportunities throughout the specifications for candidates to carry out multi-stage calculations. However, the requirement within Application of Number N3.2 that candidates work on at least one occasion with a large data set will need careful consideration. Possible opportunities include:

Module 2883

By constructing a simplified retail price index (RPI) for Section 5.3.1, module 2883, and following on from the evidence generated for N3.1, candidates can be asked to:

- attribute a weighting to each item (this also covers part of N3.3)
- agree price changes over the past year
- use the retail price index formula to calculate weighted averages and rate of price change (could also generate evidence for IT3.2)

N3.3 Interpret results of your calculations, present your findings and justify your methods. You must use at least one graph, one chart and one diagram.

Evidence requirements

- (i) Select appropriate methods of presentation and justify your choice.
- (ii) Present your findings effectively.
- (iii) Explain how the results of your calculations relate to the purpose of your activity.

Possible opportunities

Advanced Subsidiary/Advanced GCE Economics offer opportunities throughout the specifications for candidates to interpret results of calculations, present findings and explain results. However, the requirement within Application of Number N3.3 that candidates work on at least one occasion with a large data set will need careful consideration. Possible opportunities include:

Module 2883

By constructing a simplified retail price index (RPI) for Section 5.3.2, module 2883, and following on from the evidence generated for N3.1 and N3.2, candidates can be asked to:

- compare figures to official estimates, ie. RPI (headline), RPIX, RPIY, pensioner index (N3.3 - block chart). This could also generate evidence for C3.2 and IT3.1
- explain the different outcomes in relation to the purpose of the activity (N3.3)
- use a prepared RPI to deflate nominal GNP/other variables and compare to the outcome with the headline rate, using suitable diagrams to present the findings (this could also generate evidence for N3.2 and IT3.2)
- identify the effect of inflation on purchasing power, using suitable diagrams

IT3 IT Level 3

You must:

Plan and carry through at least one substantial activity that includes tasks for IT3.1, IT3.2 and IT3.3.

There may be opportunities to combine all subsections of Information Technology through one project. For example, candidates could be asked to compare the past performance of the UK economy in relation to the economies of other countries. This would provide opportunities to:

- search for information about economic performance using the Internet or CD-ROMs (IT 3.1)
- use software packages such as computer spreadsheets to make comparisons and to calculate new data (part of IT 3.2)
- use electronic mail or a computer networking framework to exchange information relevant to the project with others (part of IT 3.2)
- use information technology to present the results of the investigation (graphs, charts, reports etc) to an audience, using a written report or a visual presentation supported by information technology

IT 3.1 Plan, and use different sources to search for, and select, information required for two different purposes.

Evidence requirements

- (i) Plan how to obtain and use the information required to meet the purpose of your activity.
- (ii) Choose appropriate sources and techniques for finding information and carry out effective searches.
- (iii) Make selections based on judgements of relevance and quality.

Possible opportunities

Candidates researching a topic for a specific purpose could use the Internet or CD-ROMs as a source of information. The opportunities indicated under Communication C2.2 and C3.2 where candidates can select and read material containing relevant information may also be suitable opportunities to search for and select information from these IT-based sources. In such cases, a candidate should be made aware of the need to plan how to obtain and use the information required, identify the appropriate information, carry out effective searches, and to select information that is relevant to the study. By doing so, the candidate is generating evidence for IT 3.1.

Opportunities to generate evidence in this way occur when candidates are given a certain degree of independence to practice investigative skills using information technology. The investigations could include those listed below:

Module 2883

Section 5.3.1 allows candidates the opportunity to use data to measure economic performance in order to analyse recent UK economic performance against other countries. This information may be located on CD-ROMs or via the Internet.

Section 5.3.3 allows candidates the opportunity to search for information relating to the most up-to-date exchange rates and its effect on the balance of payments.

IT 3.2 Explore, develop, and exchange information and derive new information to meet two different purposes.

Evidence requirements

- (i) Enter and bring together information in a consistent form, using automated routines where appropriate.
- (ii) Create and use appropriate structures and procedures to explore and develop information and derive new information.
- (iii) Use effective methods of exchanging information to support your purpose.

Possible opportunities

Once appropriate information has been gathered as the basis of an investigation, a candidate could be encouraged to structure the data in such a way as to meet their own needs. For example, computer spreadsheets, or other suitable software packages, could be used to explore and develop the data gathered and to present it in a form to suit their needs. In such a study where individuals within a group are allocated the task of finding out about the economic performance of different countries, information can be shared to save time either using electronic mail or a computer networking system.

Module 2883

This module provides candidates with opportunities to generate evidence by evaluating the following:

- national income versus consumption
- investment versus changes in the rate of interest
- standard of living versus the distribution of income

IT3.3 Present information from different sources for two different purposes and audiences. Your work must include at least one example of text, one example of images and one example of numbers.

Evidence requirements

- (i) Develop the structure and content of your presentation using the views of others, where appropriate, to guide refinements.
- (ii) Present information effectively, using a format and style that suits your purpose and audience.
- (iii) Ensure your work is accurate and makes sense.

Possible opportunities

Information technology and a range of software packages (word processor, graphics/design, spreadsheet) could be adopted in order to generate evidence for this subsection of the IT Key Skill.

For example, a word-processed report using images and data presented within a spreadsheet would meet the criteria listed. This approach may be appropriate for a presentation designed to generate evidence for C3.1b. Computer designed handouts and graphs/charts could be used to present the results of an investigation comparing the economic performance of different countries over a fixed period.

Suitable opportunities may be linked with any work that meets the evidence requirements for Communication C3.1b or C3.3. For example:

Module 2881

Section 5.1.3 allows candidates the opportunity to present their findings from the research into the nature of markets and market structures.

Module 2882

Section 5.2.3 allows candidates the opportunity to present their findings from the research into the impact of minimum wage legislation on the UK labour market.

Section 5.2.3 allows candidates the opportunity to present their findings from the research into the impact of the government's policy on competition in tackling problems of market pressure.

Module 2883

Section 5.3.1 allows candidates the opportunity to present their findings from the research into recent UK economic performance against other countries.

Section 5.3.3 allows candidates the opportunity to present their findings from the research into the implications of the government's 'macro' aims.

WO3 Working with Others Level 3

You must:

Provide at least **one** substantial example of meeting the standard for WO3.1, WO3.2 and WO3.3 (you must show you can work in both one-to-one and group situations).

WO 3.1 Plan complex work with others, agreeing objectives, responsibilities and working arrangements.

Evidence requirements

- (i) Agree realistic objectives for working together and what needs to be done to achieve them.
- (ii) Exchange information, based on appropriate evidence, to help agree responsibilities; and.
- (iii) Agree suitable working arrangements with those involved.

Possible opportunities

See WO3.3.

WO 3.2 Seek to establish and maintain co-operative working relationships over an extended period of time, agreeing changes to achieve agreed objectives.

Evidence requirements

- (i) Organise and carry out tasks so that you can be effective and efficient in meeting your responsibilities and produce the quality of work required.
- (ii) Seek to establish and maintain co-operative working relationships, agreeing ways to overcome any difficulties.
- (iii) Exchange accurate information on progress of work, agreeing changes where necessary to achieve objectives.

Possible opportunities

See WO3.3.

WO3.3 Review work with others and agree ways of improving collaborative work in the future.

Evidence requirements

- (i) Agree the extent to which work with others has been successful and the objectives have been met.
- (ii) Identify factors that have influenced the outcome.
- (iii) Agree ways of improving work with others in the future.

Possible opportunities

A number of opportunities exist during the teaching and learning process for candidates to carry out tasks in groups.

Module 2881

Section 5.1.2 allows group research into the demand characteristics of a product or range of products, highlighting price, consumer incomes and fashion/consumer taste, etc as key elements.

Section 5.1.3 could be approached through a small group research topic investigating the business objectives of a range of local and/or national companies, focusing on the relative importance of profit maximisation as against other potential objectives.

Module 2882

Section 5.2.3 would allow for a structured Cost-Benefit Analysis using a whole class investigating a key business/environmental issue from a variety of stakeholder viewpoints, perhaps of local concern (a proposed new superstore, for example, or road development).

Module 2883

Section 5.3.1 could be approached through a group analysis of international comparisons of key macro-variables and economic performance at a basic level (this could be further extended when considering A2 units 2886 or 2887).

Module 2888

In groups, candidates could present a range of views of various stakeholders on key European issues:

Section 5.8.2 entry into EMU or reform of CAP; Section 5.8.3 extension of the EU to include former communist bloc countries or Turkey.

LP3 Improving Own Learning and Performance Level 3

You must:

Provide at least **one** substantial example of meeting the standard for LP3.1, LP3.2 and LP3.3.

LP3.1 Agree targets and plan how these will be met over an extended period of time, using support from appropriate people.

Evidence requirements

- (i) Seek information on ways to achieve what you want to do, and identify factors that might affect your plans.
- (ii) Use this information to agree realistic targets with appropriate people.
- (iii) Plan how you will effectively manage your time and use of support to meet targets, including alternative action for overcoming possible difficulties.

Possible opportunities

See LP3.3.

LP3.2 Take responsibility for your learning by using your plan, and seeking feedback and support from relevant sources to help meet targets.

Improve your performance by:

- studying a complex subject;
- learning through a complex practical activity;
- further study or practical activity that involves independent learning.

Evidence requirements

- (i) Manage your time effectively to complete tasks, revising your plan as necessary.
- (ii) Seek and actively use feedback and support from relevant sources to help you meet targets.
- (iii) Select and use different ways of learning to improve your performance, adapting approaches to meet new demands.

Possible opportunities

See LP3.3.

LP3.3 Review progress on **two** occasions and establish evidence of achievements, including how you have used learning from other tasks to meet new demands.

Evidence requirements

- (i) Provide information on the quality of your learning and performance, including factors that have affected the outcome.
- (ii) Identify targets you have met, seeking information from relevant sources to establish evidence of your achievements.
- (iii) Exchange views with appropriate people to agree ways to further improve your performance.

Possible opportunities

The modular framework is designed to encourage students to take responsibility for their own learning.

Opportunities exist throughout the process of delivering these specifications for developing Improving Own Learning and Performance subsections LP3.1, LP3.2 and LP3.3.

PS3 Problem Solving Level 3

You must:

Provide at least **one** substantial example of meeting the standard for PS3.1, PS3.2 and PS3.3.

There may be opportunities to combine all subsections of Problem Solving through one inter-linked project, perhaps involving candidates working in small groups. There may also be opportunities to link AS modules with A2 modules in order to examine specific 'problems' at a suitably complex level. For example, foundation work done in module 2882 on approaches to solving problems associated with market failure and externalities (eg on policies to discourage pollution using options such as regulation, fines or a green tax) could be built upon in module 2885 by looking at options to prevent road congestion (eg building more capacity, restrictions on usage and road pricing).

The following example works through the three subsections and is based around module 2883 (5.3.3) linking into module 2887 (5.7.3).

PS3.1 Explore a complex problem, come up with three options for solving it and justify the option selected for taking forward.

Evidence requirements

- (i) Explore the problem, accurately analysing its features, and agree with others on how to show success in solving it.
- (ii) Select and use a variety of methods to come up with different ways of tackling the problems.
- (iii) Compare the main features of each possible option, including risk factors, and justify the option you select to take forward.

Possible Opportunities

Module 2883

Section 5.3.3 allows candidates, working in groups, to plan a Budget strategy deciding on which key problem or issue to focus upon, eg keeping control of inflation or promoting economic growth.

Module 2887

Section 5.7.3 allows candidates to participate in modelling the economy, perhaps through using **The Virtual Economy**. At this stage there is a need to focus on the overview of policy aims and potential trade-offs, perhaps using the budget proposals of appropriate stakeholders – CBI, TUC and other political parties or pressure groups – as starting points.

PS3.2 Plan and implement at least **one** option for solving the problem, review progress and revise your approach as necessary.

Evidence requirements

- (i) Plan how to carry out your chosen option and obtain agreement to go ahead from an appropriate person;
- (ii) Implement your plan, effectively using support and feedback from others;
- (iii) Review progress towards solving the problem and revise your approach as necessary.

Possible Opportunities

Modules 2883 and 2887

These allow candidates, at the appropriate assessment level, to plan how to implement the chosen option by using a particular mixture of macro-policy instruments.

PS3.3 Apply agreed methods to check if the problem has been solved, describe the results and review your approach to problem solving.

Evidence requirements

- (i) Agree, with an appropriate person, methods to check if the problem has been solved.

- (ii) Apply these methods accurately, draw conclusions and fully describe the results.
- (iii) Review your approach to problem solving, including whether alternative methods and options might have proved more effective.

Possible Opportunities

Modules 2883 and 2887

These allow candidates, at the appropriate level, to decide upon and apply success criteria, checking if the policy option has been achieved, investigating the conflict with other alternative options via trade-offs, and reviewing policy mixes to see if other approaches may have been more effective.

Appendix B

Quality Of Written Communication

All written examinations in these specifications include assessment of the quality of written communication. Marks are embedded within the mark scheme for particular questions. More specifically, these questions are:

- units 2881, 2882 and 2883 - the final part where there is a choice of question and/or continuous prose is required;
- units 2884, 2885, 2886 and 2887 - section B structured essay questions;
- unit 2888 (synoptic module) - across all questions marked by a 4-level response structure.

A set number of marks for written communication is not a requirement. However, where a levels of response mark scheme is used, the following general criteria for assessing the quality of written communication apply.

These criteria are integrated within the more specific levels of response shown in the individual mark schemes for units.

Level 4

Complex ideas are expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, are well structured, using specialist technical terminology where appropriate. There are few, if any, errors of spelling, punctuation and grammar.

[3 marks representing the appropriate level of written communication are embedded in this level of response.]

Levels 2 and 3

Relatively straightforward ideas are expressed clearly and quite fluently, using an appropriate style of writing. Arguments are generally relevant, though may occasionally stray from the point, and are broadly logical and coherent. There are some errors of spelling, punctuation and grammar, but these are not intrusive or totally obscure the meaning.

[2 marks representing the appropriate level of written communication are embedded in these levels of response.]

Level 1

Simple ideas are expressed, generally in a style lacking clarity and fluency. Arguments have limited coherence and structure, often being of doubtful relevance to the main focus of the question. There are errors of spelling, punctuation and grammar which are noticeable and intrusive. Writing may lack legibility.

[1 mark representing the above level of written communication is embedded in this level of response.]

Exceptionally, answers which are assessed as a L1, L2 or L3 from the individual unit mark scheme criteria may be awarded an additional mark for the quality of their written communication

in any particular and appropriate question, if the standard attained is above the embedded criteria for the Quality of Written Communication. This flexibility is available only where the Quality of Written Communication is linked to a Levels of Response markscheme – that is, in AS Unit 2883 and in all A2 units.