

**Economics
GCSE****Introduction**

Welcome to your Economics GCSE course! This introduction is intended to give you all the information you need to make a successful start. Please read the introduction thoroughly before beginning the course to familiarise yourself with the GCSE Economics syllabus recommended by Oxford Open Learning, and the format of the examinations. You may also need to refer to the introduction as you work through the course.

Text-Books

The OOL course is complete in itself and you do not need to acquire any other textbooks in order to follow the course.

However, it is rarely a disadvantage to have read more widely, especially if you are aiming for the top grades (A* to C), so we recommend the following books:

Alain Anderton: *Economics for GCSE* (2nd edition) (publishers: Collins Educational ISBN 0003274292).

G F Stanlake: *Starting Economics* (publishers: Addison Wesley Longman Education; ISBN 0582021898)

Adrian Lyons: *Essential Economics* (publishers: Hodder and Stoughton: ISBN 0340683449)

One easy way to purchase supporting texts is through the OOL website (www.ool.co.uk). Current editions of these textbooks should also be available in any good bookshop. The first two books are aimed at GCSE students, the third is primarily aimed at 'A' Level students but should be accessible to those aiming for high grades or planning to continue with the subject.

Arrangement of Lessons

Lesson	Subject	Anderton (Unit)
Module A:	Basic Principles	
1.	The Basic Problems of Economics	1-3
2	The Price System ñ Demand and Supply	8-13; 86-87
3	Elasticity of Demand and Supply	14-15
	TEST A	
Module B:	Business and Industry	
4	Competition and Monopoly	31-32; 34-37
5	Production: Large and Small Scale	19-22; 33
6	The Location of Industry	46, 73, 67
	TEST B	
Module C:	Financial Institutions	
7	Firms and Finance; The Stock Exchange	40-45
8	Money and Banking	51-52
9	National and Personal Income; Price Indices	48; 5
10	Fiscal and Monetary Policy	53-56; 68
	TEST C	
Module D:	Government Economics	
11	Government and Inflation	61-64
12	Government and Unemployment	57-60
13	Nationalised Industries and Privatisation	44-45; 47
	TEST D	

Module E:	Britain and the World	
14	International Trade	75-76
15	The Balance of Payments	77-79
16	The Working Population	21
17	Economic Growth; Developing Economics	65-66 82-85
	TEST E	
Module F:	Further Applied Economics	
18	Wage Determination	23-27
19	Case Studies from the British Economy	80-81
20	Final Revision	-
	TEST F (Mock Examination Paper)	

Use of the Index in a Textbook

An index of topics is a vital aid for any student. Use it if you find a topic not fully covered under its main chapters. For example, if you are using Anderton's book – *Economics for GCSE* and want to look up “employment”, you will find various page numbers listed in the index. Write these down on a slip of paper. Look up the first entry; if you are not satisfied with the information, then turn to the next one. Tick off each page number until you are finished.

In order to give breadth to your studies, try to obtain from your local library a few of the books recommended in the reading lists. There is no point in trying to read too many – quality not quantity is what is required in your extra reading!

The Aims of the Course

Economics is a subject with considerable relevance to current issues. Decisions in this sphere affect most aspects of life. Your studies are designed to cover the basic theory required for examinations at this level, together with up-to-date data required to relate your theory to real life. The overall aim of the course can, then, be said to encourage the development of a basic economic competence which will help the student to play a full part in society.

As an examination, GCSE, accordingly, puts less stress on purely factual recall. Instead, students are encouraged to develop economic

understanding with much greater stress on interpreting data and applying economic theory to real life decision-making.

Examination papers now require you to show an understanding of applied economics, so it is essential for you to keep abreast of current developments. Try to read a good quality newspaper either each day or at the weekends when you may have more time. It is a good idea to keep a file of relevant articles, which deal with current economic issues. This practice will also make it far easier for you to relate your formal study to current topics and events. *The Financial Times* may be the most obvious option, but another paper may be more approachable initially. *The Times*, *The Daily Telegraph*, *The Guardian*, *The Observer* and *The Independent* newspapers all produce weekend business sections as well as relevant articles during the week. You can obtain access to useful journals such as *The Economist* and the various bank reviews via any public library or from W.H. Smith. Overseas students may find it possible to obtain *The Guardian Weekly*.

Mathematical Background

Although no prior mathematical knowledge is required students do need the ability to understand simple graphs and simple statistics, and the ability to manipulate simple arithmetical figures. Basically, you will need to know how to calculate simple percentages, simple fractions and how to construct a line graph. Particular attention has been paid throughout the course to provide detailed and specific explanations of the statistical material used in the lessons and if you have any difficulties, do not hesitate to contact your personal tutor.

The Choice of Syllabus

All the GCSE Economics syllabuses are similar because they are devised according to a set of “national criteria” laid down for all the boards to follow. So this course will be satisfactory whatever GCSE syllabus you attempt.

However, the course focuses on the requirements of one syllabus in particular – the Assessment and Qualifications Alliance (AQA) syllabus 3144, examined for the first time in 2003.

The AQA Economics syllabus consists of two components; candidates are entered for either Foundation Tier (3144F) or Higher Tier (3144H). Candidates may enter for only *one* tier in the examination. The Foundation Tier carries a grade range of C-G whilst candidates entering for the Higher Tier may obtain grades A*-D. Candidates for the Higher Tier who fail to reach the standard required for Grade D will receive the result E, if the examiners see fit. It follows that if you are aiming to pass the examination at the highest grade possible you should enter for the Higher Tier. You will

need to discuss your entry level with your tutor before finally entering for the examination.

The examination papers will be organised as follows:

Written Papers

Written Paper 1: Foundation (2 hours) or Higher (2½ hours). The paper will be split into two parts: Section A consists of 4 structured questions; Section B consists of two structured and open-ended questions, of which candidates must answer one. This paper counts for 80% of the total marks.

Written Paper 2: Foundation or Higher Tier (1 hour). This is a problem-solving case study paper requiring a written report or answers to questions based on evidence supplied by the paper. This paper counts for 20% of the total marks.

Coursework

It is possible to do coursework as an alternative to Written Paper 2. This course aims to prepare you for the Written Paper option, therefore coursework can only be taken under certain circumstances. A coursework project would consist of a problem-solving assignment of approximately 2000 words. If you really feel that you would prefer to do coursework, you will need to consult your tutor to see if it would be possible.

General Aims

Economics is seen both as an academic discipline and as a subject contributing towards a critical understanding of economic decision-making in contemporary society. Your course should encourage you to:

- a. make effective use of relevant terminology, concepts and methods and recognise the strengths and limitations of the ideas used;
- b. apply your knowledge and critical understanding to current issues and problems in a wide range of appropriate contexts;
- c. distinguish between facts and opinions and evaluate qualitative and quantitative data in order to help develop and construct arguments and make informed judgements;
- d. appreciate the perspectives of a range of stakeholders in relation to the environment, individuals, society, government and enterprise;

- e. develop knowledge and understanding of market and non-market solutions to economic problems and an appreciation of the interdependence and dynamics of behaviour.

In addition, the syllabus requires candidates to:

- a. demonstrate knowledge and understanding of the specified subject content;
- b. apply knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address problems and issues;
- c. select, organize, interpret and use information from various sources to analyse problems and issues;
- d. evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately.

Topic Areas

The main topic areas covered by the AQA syllabus are:

- **Basic Economic Concepts** - efficiency, profitability, equity, sustainability
- **Basic Economic Problems and Decisions** - scarcity, opportunity cost, markets, resource allocation, exchange, specialization
- **Market Systems** – supply, demand, price, profit, cost, equilibrium, labour, wages, employment
- **Business Behaviour** – objectives, public and private sectors, mergers, take-overs, growth, competition, market structures
- **Market Failure and Policies** – monopoly, imperfect markets, external costs, regional problems, competition policies, models
- **Macroeconomic Concepts and Policies** – GDP, national income, money supply, economic cycle, exchange rates, interest rates, government income and expenditure, trade policy and protection, the European Union.

These headings do not represent a teaching order of the course but at the end of the course you should be confident of answering questions on all these topics.

The course, therefore, contains as much information as possible on the current situation of the U.K. economy – you can keep this up-to-date through your reading of newspapers.

Grade Descriptions

There are eight possible grades at GCSE: A* (“A starred”), A, B, C, D, E, F and G. The bottom two grades indicate a very poor performance and you should expect to aim much higher than that.

It is generally agreed that a grade B at GCSE is equivalent to a good pass in the old O level examination and a grade C is the absolute minimum if you want to go on to A level. This course is designed for students aiming for grades A*-D.

Different Study Methods and Testing

Objective and data type questions are an excellent form of revision and a fair number have been incorporated into the course.

You will be asked two types of questions in objective tests:

- **Simple Completion Items.** These consist of two parts, a *stem* which contains the idea or questions followed by 4 possible responses/answers. You have to select the *most* correct response. If you cannot answer the question from the information in the stem try to eliminate as many of the responses as possible and then think which one of those remaining is most correct.
- **Multiple Completion Items.** In this type the stem or question is followed by three possible responses/answers. Some or all of these may be correct. You must decide which of the responses is/are correct and then choose the appropriate option:

Another common kind of question is the following:

- **Stimulus Material and Data Response Questions.** Your first exam paper is likely to include data response questions. Candidates are expected to show an understanding of very basic elements of economic analysis and apply such knowledge to simple problems. You are expected to understand the structure of the main economic institutions of the U.K. and the problems of the economy with the government’s reaction to them.

You will frequently find that part of the question requires you to summarise material contained in a table of statistics or a passage, and this relatively straightforward task should give you the confidence to tackle the remaining parts of the question.

The Approach of the OOL Course

At the end of each lesson is a self-assessment test (Test 1, 2, 3, etc.) for you to attempt and to which answers are provided. It is essential to complete *all* these and whenever possible do not consult my answers before writing your answers! **Your answers to these tests are NOT to be submitted to your tutor.**

At regular intervals throughout the course are lettered tests for assessment (Tests A-F). These are contained after the relevant lesson, and your answers to them must be submitted to your tutor for assessment.

Suggested answers to these tests will be sent to you with your marked paper.

Each of the tests is made up of questions selected from past or specimen examination papers. It is vital that you try to complete these tests in the time limits set and in as close as possible to real examination conditions. Where it was essential to look up notes, please tell your tutor. They are there to help you and can only do so if you keep them fully informed of your problems.

The lettered tests should be worked in accordance with the following table:

Test	When To Be Written	Prior Revision Required
A	After Lesson 3	Lessons 1-3
B	After Lesson 6	Lessons 4-6
C	After Lesson 10	Lessons 7-10
D	After Lesson 13	Lessons 11-13
E	After Lesson 17	Lessons 14-17
F	After Lesson 20	Lessons 1-20

But remember, questions in later lessons will often demand knowledge of previous topics in the course so it is a good policy to revise earlier lessons when time permits.

You must be careful to read each question carefully as too many students throw away marks by misreading questions. If a question asks you to list the advantages of the division of labour you will gain no marks for a perfect answer on the disadvantages. Unfortunately, examination nerves make many students careless when reading questions.

Also try to practise writing your answers according to the time scale allowed in the real examination. It is vital to answer the correct number of questions and again many students do not leave sufficient time for their last question.

Supplementary Reading

At this stage of your study of Economics, you do not need to go into many topics in great depth or memorise facts. However, it is a good idea to consult a descriptive book which contains detailed factual descriptions of industries, Stock Exchange, etc. At present the most suitable books for this are:

- * C.D. Harbury and R.G. Lipsey: *An Introduction to the U.K. Economy* Pitman
- * P. Donaldson: *Guide to the British Economy* Pelican

You may find that specific topics in the course prove to be of special interest. Try to follow these up by consulting some of the following books:

- Colin Isaac: *Economics Now* (Stanley Thornes)
- Frances Williams: *The Times on the Economy* (Collins Education)
- Daniel Jeffreys, *Economics and the Economy* (Longman)

Finally, more able candidates will find that:

- *British Economy* (O.U.P.)

is a convenient way of keeping up-to-date. It is published in October, February and May of each year. It gives a number of up-to-date articles in selected key topics of examination significance by practising teachers who are members of the Economics Association. Though written for A level students, it is within the reach of better GCSE candidates.

Problems and Difficulties

Always attempt to solve problems yourself – you will find that many difficulties can be solved by reference to the lesson notes, textbooks, etc. But if you really have reached a total standstill you should think of contacting your tutor for help.

As this introduction gives advice and guidance on all aspects of your studies, you should keep it beside you for reference whenever you are working on the course.

Studying the Syllabus

You should be sure to acquire your own copy of the syllabus, either via the AQA Publications Dept or from the website www.aqa.org.uk.

The syllabus can be purchased from

Publications,
AQA, Aldon House,
39, Heald Grove,
Rusholme,
Manchester
M14 4NA (tel: 0161-953-1170)

or downloaded from www.aqa.org.uk/qual/pdf/AQA3144WSP.pdf.

We advise that you obtain a copy of the syllabus so that you can assess which topics you have covered in the most detail and which ones you will feel happiest about in the exam. AQA can also provide advice booklets on your course, including 'Supplementary Guidance for Private Candidates'. As you approach the examination, it will also be helpful to purchase and tackle past papers from AQA.

Using the Internet

All students would benefit from access to the Internet. You will find a wealth of information on all the topics in your course. As well as the AQA website (www.aqa.org.uk), you should get into the habit of checking the Oxford Open Learning site (www.ool.co.uk) where you may find news, additional resources and interactive features as time goes by. If you have not already done so, you may register for your free copy of *How to Study at Home*, our 200-page guide to home learning, or enrol on further courses. Put it on your Favourites list now!

P. PINK B.Sc. (Econ.), Dip. Ed., F. Col. P.
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