

# Economics - Year 12 & 13

	Term one		Term two		Term three		Term four		Term five	
	1	2	1	2	1	2	1	2	1	2
Specification area	Introduction to the market mechanism	The market mechanism	Market failure and government intervention				Firms aims and objectives and methods of growth	Market structures	Market structures and government intervention	The labour market
Sequencing - why is this taught and why now?	This introduces students to the fundamental economic problem of scarcity. All other lines of enquiry in economics stem from this issue. The market mechanism introduces students to the tools/methods that economists use to tackle economic problems	Students have foundational understanding of the market mechanism. Students will now investigate how markets work in more detail before considering why the market mechanism may not be a perfect model	Students now understand the market mechanism and how it attempts to allocate resources. They have also seen that this model is not perfect. They will now learn further why the model doesn't necessarily work, and how governments may seek to rectify this.				Students have considered resource allocation from the perspective of a market. Little attention has been paid to the structures of firms and why they operate the way that they do	So far students have considered the market mechanism irrespective of the structure of the market. Students will now consider how different market structures will impact the workings of the market mechanism and why this is the case	Students have seen the two extreme ends of the competition continuum (monopoly and perfect competition). These concepts are theoretical and so students now need to examine the existence of firms within the continuum. Students then need to consider how governments may intervene to increase competition in markets.	Students have considered markets in the context of the provision of goods. They will now consider the interaction of the market mechanism to allocate the resource of labour
Content - what knowledge and skills do students need?	Concept of scarcity and how this can be represented using a PPF Opportunity cost Utility, marginal utility and diminishing marginal utility Deriving the demand curve from diminishing marginal utility; factors affecting demand The supply curve; factors affecting supply The interaction of demand and supply, shifting curves and the analysis of changes in equilibrium Revenue calculations	Price elasticities: drawing, calculating, interpreting and the factors that influence Impact of elasticity on revenue  XED and YED: calculating and interpreting results Consumer and producer surplus: show areas on graphs and showing changes in each as a result of changes in market conditions	The impacts of taxes and subsidies: representing graphically and analysing effects on firms/consumers The causes of market failure: externalities, information asymmetries and the provision of public goods Representing externalities graphically Types of government intervention to reduce market failure Representing government intervention graphically Free-markets versus centrally planned economies  Behaviour economics and the limitations of the market mechanism				The principal-agent problem and its impact on a firm's aims and objectives Internal growth methods External growth methods: horizontal and vertical integration Revenue, costs and profit: calculation and graphical representation Economies of scale/diseconomies of scale	<b>Pure monopoly:</b> The assumptions of pure monopoly Graphical representations of pure monopoly The impacts of pure monopoly on consumer welfare Price discrimination and why it occurs Natural monopoly  <b>Perfect competition:</b> The assumptions of perfect competition Graphical representations of perfect competition The impacts of perfect competition on consumer welfare	<b>Oligopoly:</b> The assumptions of oligopoly Kinked demand curve Game theory and the prisoner's dilemma Collusion and cartels  <b>Monopsony:</b> The impacts of monopsony on consumer welfare  <b>Government intervention</b> Methods the government can use to increase competition within markets The effectiveness of intervention types	Supply and demand within the labour market The analysis of labour market interventions (min/max wages) and the graphical representation of these Government intervention in the labour market
Wider domain content	Budget constraints and indifference curve to show individual utility considerations Marginal rate of substitution/Marginal rate of transformation	Behavioural economists: nudge theory, bounded rationality	The tragedy of the commons Akerlof - Market for lemons				Why mergers and acquisitions tend to fail	Cost functions	Game theory probability trees	The opportunity cost of labour time Represent the opportunity cost of labour time on a PPF Budget constraints
Links to prior learning	N/A	New content framed according to economic problem of scarcity: we are studying the allocation of finite resources Use of supply and demand diagrams	New content framed according to economic problem of scarcity: we are studying the allocation of finite resources Use of supply and demand diagrams, including impacts on revenue				Marginal analysis The economic distinction between the short-term and long-term Revenue calculation Elasticity impacts on revenue calculations	Revenue, costs and profit calculations Consumer and producer surplus	Revenue, costs and profit calculations Government failure The arguments for/against government intervention	Opportunity cost PPFs Excess supply/demand

Enrichment: wider reading, listening and subject engagement		Kate Raworth - the fallacy of rational economic man Yanis Varoufakis - the utility calculator Daniel Kahneman - Thinking Fast and Slow Richard Thaler - Misbehaving/Nudge	Ha-Joon Chang: The User's Guide (for different economic schools of thought) Indy Johar - positive externalities				Failed M&A case studies: AOL/Time Warner, Daimler Benz & Chrysler	Amazon as a monopoly case study	Daniel Kahneman/Yanis Varoufakis - game theory	Keynes: Economic Predictions of our Grandchildren
Literacy	Students will be introduced to relevant Tier 3 terminology each lesson Students will regularly be encouraged to use Tier 2 terminology within lessons Students will write a variety of essays: 8-mark, 10-mark, 15-mark and 20-mark Students will be provided with weekly age appropriate reading as homework						Students will be introduced to relevant Tier 3 terminology each lesson Students will regularly be encouraged to use Tier 2 terminology within lessons Students will write a variety of essays: 8-mark, 10-mark, 12-mark, 15-mark and 25-mark Students will be provided with weekly age appropriate reading as homework			
Numeracy	Students will learn a number of economic formulas: opportunity cost, percentage change, PED/PES/XED/YED Students will represent economic phenomenon using graphs and will need to manipulate these graphs based on scenarios provided						Students will learn a number of economic formulas: opportunity cost, percentage change, PED/PES/XED/YED, revenue and cost calculations Students will represent economic phenomenon using graphs and will need to manipulate these graphs based on scenarios provided			