**The City School**

**Economics Learning Objectives**

**Class 9**

6.1 Basic economic problem: choice and the allocation of resources

Candidates should be able to:

• define the nature of the economic problem (finite resources and unlimited wants)

• define the factors of production (land, labour, capital, enterprise)

• define opportunity cost and analyse particular circumstances to illustrate the concept

• demonstrate how production possibility curves can be used to illustrate choice and resource allocation

• evaluate the implications of particular courses of action in terms of opportunity cost.

6.2 The allocation of resources: how the market works; market failure

Candidates should be able to:

• describe the allocation of resources in market and mixed economic systems; describe the terms primary, secondary and service (tertiary) sector in an economy

• demonstrate the principle of equilibrium price and analyse simple market situations with changes in demand and supply

• describe the causes of changes in demand and supply conditions and analyse such changes to show effects in the market

• define price elasticity of demand and supply and perform simple calculations

• demonstrate the usefulness of price elasticity in particular situations such as revenue changes,

consumer expenditure

• evaluate the merits of the market system

• describe the concept of market failure and explain the reasons for its occurrence

• define private and social costs1 and benefits and discuss conflicts of interest in relation to these costs and benefits in the short-term and long-term through studies of the following issues:

– conserving resources versus using resources

– public expenditure versus private expenditure.

6.3 The individual as producer, consumer and borrower

Candidates should be able to:

• describe the functions of money and the need for exchange

• describe the functions of central banks, stock exchanges, commercial banks

• identify the factors affecting an individual’s choice of occupation (wage factors and non-wage factors)

• describe likely changes in earnings over time for an individual

• describe the differences in earnings between different groups of workers (male/female; skilled/unskilled; private/public; agricultural/manufacturing/services)

• describe trade unions and analyse their role in an economy

• describe the benefits and disadvantages of specialisation for the individual

• analyse the different motives for spending, saving and borrowing

• discuss how and why different income groups have different expenditure patterns (spending, saving and borrowing).

6.4 The private firm as producer and employer

Candidates should be able to:

• describe the type of business organisation in the public and private sectors: sole trader (proprietor), public limited companies, multinationals, cooperatives, state-owned enterprises (public corporations)

• discuss the effects of moving firms from the public sector to the private sector and vice versa

• describe and evaluate the effects of changes in the structure of business organisations

• describe what determines the demand for factors of production

• distinguish between labour-intensive and capital-intensive production

• define productivity and recognise the difference between productivity and production

• define total and average cost, fixed and variable cost and perform simple calculations

• analyse particular situations to show changes in total and average cost as output changes

• define total and average revenue and perform simple calculations

• describe the principle of profit maximisation as a goal and recognise that business organisations may have different goals

• describe the characteristics of perfect competition and monopoly

• describe pricing and output policies in perfect competition and monopoly

• describe the main reasons for the different sizes of firms (size of market, capital, organisation)

• describe and evaluate integration, economies and diseconomies of scale

• discuss the advantages and disadvantages of monopoly

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