**Sample** Schem**e of work for teaching the updated OCR AS Level Economics (H060) first assessment 2019, and Year 1 A Level Economics (H460)**

This scheme of work offers an example of how the AS Economics and year 1 of the A Level Economics could be structured. It assumes the course will be taught by one teacher in one year with 28 teaching weeks. It is designed as a guide only and the order of topics can be changed to suit the preferences of the department.

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|  | **H060/ YEAR 1 (H460)** | | **Content removed from the AS specification (H060)** |
| **Autumn Term** | **Introduction to Microeconomics** | |  |
| Week 1 | **1.1 The economic problem** | • Economic goods and free goods  • The economic problem: scarcity, choice, needs, and wants  • Normative and positive statements  • The role of economic agents: government, firms, and households  • The factors of production: land, labour, capital, and enterprise  • The reward of the factors of production: rent, wages, interest and profit |  |
| 2 |
| 3 | **1.2 The allocation of resources**  **1.3 Opportunity cost** | • Incentives  • Market, planned and mixed economic systems  • Economic efficiency: productive and allocative efficiency  • Opportunity cost and trade-off  • Production possibility curve (PPC) | * benefits of productive, allocative and economic efficiency (p. 8) |
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|  | **The Role of Markets** |  |  |
| 4 | **2.1 Specialisation and Trade** | • Specialisation and the division of labour  • Barter systems  • Money as a medium of exchange |  |
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| 5 | **2.2 Demand** | • The relationship between price and quantity demanded  • Individual and market demand  • Joint, competitive and composite demand | * sub-markets (p. 7) |
|  | **2.3 Supply** | • Movements along the demand curve (extension/contraction) • Shifts of the demand curve (increase/decrease)  • The relationship between price and quantity supplied  • Individual and market supply  • Joint and competitive supply  • Movements along the supply curve (extension/contraction)  • Shifts of the supply curve (increase/decrease) | * composite supply (p. 7) |
| 6 | **2.4 Consumer and producer surplus**  **2.5 The interaction of markets** | • Consumer surplus and producer surplus  • The effects of changes in price on consumer surplus  • The effects of changes in price on producer surplus  • Ceteris paribus  • The interaction of demand and supply  • Market equilibrium and disequilibrium | * calculate how changes in price affect consumer and producer surplus (p.7) * usefulness and limitations of the economic model of supply and demand in explaining real world phenomena (p.7) |
| 7 | **Revision** | |  |
| Autumn half term | | | |
| 8-9 | **2.6 Elasticity** | • Price elasticity of demand (PED)  • Income elasticity of demand (YED)  • Cross elasticity of demand (XED)  • Price elasticity of supply (PES) | * total cost, total fixed cost, total variable cost, average cost/average total cost, average fixed cost, average variable cost, marginal cost (p. 8) * internal and external economies and diseconomies of scale (p.8) * calculate PED using point elasticity (p.8) |
| 10-11 | **2.7 Market failure and externalities** | • Market failure  • Marginal social cost, marginal external cost, marginal private cost, marginal social benefit, marginal external benefit and marginal private benefit  • Positive and negative externalities (external benefits and external costs); consumption and production: with diagrams | * information failure (p.9)   ***Please note that Information failure would be seen as a type of market failure but for the AS Level does not need to be studied in the level of detail required for the A Level point 2.9***   * asymmetric information and moral hazard (p.9) * merit and demerit goods (p.9) |
| 12-13 | **2.8 Government intervention** | • Government intervention in markets: taxation, subsidies, government expenditure, price controls, public/private partnerships, legislation, regulation, tradable pollution permits, information provision, competition policy  • Government failure | ***Please note that competition would be covered under point 1.2, as a characteristic of market economies. Not the level of detail about different economic systems as in the A Level is required but a general understanding how competition works and why governments might want to intervene.*** |
| 14 | **Revision** |  |  |

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|  | **H060/ YEAR 1 (H460)** | | | **Content removed from the AS specification (H060)** |
| **Spring Term** | **Macroeconomics** | | |  |
| Week 1 | Mock exams for Section 1 Microeconomics | | |  |
|  | **1. Aggregate demand and aggregate supply** | | |  |
| 2 | **1.1 Circular flow of income**  **1.2 Aggregate demand** | | • The circular flow of income, with injections and leakages  • The methods of measuring national income, output and expenditure  • Aggregate demand and its components | * physical and monetary flows (p.12) * average and marginal propensities to consume and save (p.12) * marginal propensity to withdraw(marginal propensity to save, marginal rate of tax, marginal propensity to import) (p.12) * the multiplier (p.12) |
| 3 | **1.3 Aggregate supply**  **1.4 The interaction of aggregate demand and supply** | | • Aggregate supply  • The assumptions underlying the aggregate demand and aggregate supply models  • Equilibrium in the macroeconomy |  |
|  | **2. Economic policy objectives** | | |  |
| 4 | **2.1 Economic growth**  **2.1 Development** | • Economic growth  • The policy objective of economic growth  • The different stages of the economic cycle  • Real and nominal Gross Domestic Product (GDP); changes in GDP over time  • Primary, secondary, tertiary sectors  • Sustainable development  • Usefulness of GDP, HDI and other social & cultural indicators | | * difficulties of measuring economic growth and GDP (p.11) |
| 5 | **2.3 Employment** | • Employment and unemployment  • The policy objective of full employment  • The labour force survey and claimant count measures of unemployment | | difficulties of accurately measuring unemployment (p.11) |
| 6 | Revision/consolidation | | | |
| Spring half term | | | | |
| 7 | **2.4 Inflation**  **2.5 Balance of payments**  **2.6 Trends in macroeconomic indicators** | • Inflation, deflation, disinflation and hyperinflation  • The policy objective of low and stable inflation  • Real and nominal values  • Measuring inflation using the Consumer Prices Index and Retail Prices Index  • Balance of payments  • The components of the current account: trade in goods, trade in services, primary and secondary income  • The policy objective of a sustainable balance of payments position  • Imbalances on the balance of payments  • Key trends in UK macroeconomic performance in the last 20 years | | * advantages and disadvantages of using an index , such as the Consumer Prices Index (CPI) and the Retail Prices Index, to measure inflation (p.12) |
|  | **3. Implementing policy** | | |  |
| 8 | **3.1 Fiscal policy** | • Government budget  • Direct, indirect, progressive, proportional and regressive taxation  • Current and capital government expenditure  • Budget surplus, deficit and balanced budget  • Cyclical and structural budget position  • National and government debt  • Discretionary fiscal policy and automatic stabilisers  • Crowding out  • The Laffer curve | | * overall budget position and the budget position on current expenditure (p.13) * features of a ‘good’ tax (p.13) * flat tax |
| 9 | **3.2 Monetary policy** | • Changes in interest rates & in money supply  • Inflation rate targets  • Quantitative easing  • Influence of exchange rates | |  |
| 10 | Revision/Consolidation | | | |
|  | **H060/ YEAR 1 (H460)** | | | **Content removed from the AS specification (H060)** |
| **Summer Term** | **Macroeconomics** | | |  |
| Week 1 | **3.3 Supply side policy**  **3.4 Policy conflicts** | • Privatisation, deregulation and subsidies  • Competition policy  • Investment in infrastructure, education, training, research and development  • Reforms of the tax and benefit system  • Improved labour market flexibility  • Immigration control  • Conflicts and trade-offs between policy objectives | | * policies which are used to increase the quality or quantity of factors of production including reducing marginal tax rates, National Minimum Wage legislation and promoting a ‘living wage’, – including consideration of the housing market, trade union reform (p. 14)   ***Please note that where we’ve taken out specific reference to markets, so questions will no longer limited to them and no specialist knowledge required but the ability to apply a concept various markets.*** |
|  | **4. The global context** | | |  |
| 2 | **4.1 International trade** | • International trade  • Patterns of international trade over time | | * terms of trade (p.15) * absolute and comparative advantage (p. 15) * opportunity cost ratios to illustrate the gains from trade derived from absolute and comparative advantage (p.15) |
| 3 | **4.2 Exchange rates** | • Exchange rates | | * a hybrid exchange rate system and be able to provide current examples * Marshall-Lerner condition and J-curve (p.15) |
| 4 | Mock exams for Macroeconomics and revision | | |  |
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