

Economics Big Ideas	Y10	Y11	Y12	Y13
<b>Macroeconomic objectives</b>	What are the macro-economic objectives and how are they measured. What are the factors that affect achieving them and what is their impact on the wider economy?	How do macroeconomic objectives conflict with each other and what are the implications of this for government?	Understand the interdependent nature of the macroeconomic objectives, and apply aggregate supply and aggregate demand theories to government policy aimed at achieving these objectives.	Examine the conflicts between macroeconomic objectives and use diagrammatic analysis to explain the conflicts. Understand the opportunity costs involved with policy decision making and the consequential trade-offs.
<b>Fiscal Policy</b>	What is fiscal policy and how can fiscal policy be used to achieve government objectives?	What are the implications of budget surpluses and deficits?	How can fiscal policy be used to influence aggregate supply and demand? What are the implications for national debt and the equity of taxation?	Understanding structural and cyclical deficits and surpluses and the differences between different types of taxation and their effects on the macroeconomy and the circular flow of income.
<b>Supply Side Policy</b>	What is supply side policy and how can supply side policy be used to achieve government objectives?	The arguments for and against supply side policies being used by a government.	Understanding the effects of supply side policies on potential output and underlying economic growth.	Understanding that supply side policies have microeconomic effects as well as macroeconomic effects and that supply side policies can be used to correct market failures.
<b>Role of money, monetary policy and financial markets</b>	Understand the functions of money and the role of central banks to use monetary policy.	Understand the role of commercial and central banks, and the effects of interest rates on borrowers and savers.	Understanding the role of central banks and the money supply. This includes the role of QE and interest rates in creating a stable financial environment.	Understand the relationships between commercial and central banking, whilst appreciating regulation change following the 2008 great recession. Appreciating the functions of equity markets and their importance for firms, consumers and governments.
<b>International trade and the global economy</b>	Understand the effects of exchange rate changes on an economy, and how exchange rates change.	Comprehend the process of globalisation and its importance for economies and free trade agreements such as the EU.	Understand how the balance of payments and exchange rate systems are affected by international trade, whilst appreciating the differences in surpluses and deficits across the global economy.	Understanding the importance of globalisation for international trade and how exchange rate movements and mechanisms affect international trade. Comprehending terms of trade arising from comparative advantages between global economies.
<b>How are resources allocated?</b>	What is the role of wants and needs within the economic problem. How do the four factors of production create opportunity costs?	Understanding how wants and needs are constrained by resources, which means decisions must be made, resulting in resources being distributed differently.	Understanding how market failures may occur in different economic structures. Using PPF diagrams to show opportunity costs and choice analysis.	Understanding the role of behavioural economics in satisfying wants and needs and applying the concept of opportunity cost to both microeconomics and macroeconomics.
<b>How do markets work?</b>	How are prices arrived at through the forces of supply and demand in markets?	How do differences in price elasticity result in different decision by firms, consumers and government?	How are prices determined through the price mechanism and what are the interrelationships across different elasticities of supply and demand?	How do differing elasticities affect pricing power, benefits, burdens and decision making from firms, consumers and government?
<b>Market failure and government intervention</b>	How is a misallocation of resources a market failure?	How do externalities make markets fail and what do governments do to correct market failures?	What are the causes of a range of market failures and how do governments intervene to try and correct market failures?	How do market failures impact consumers, producers and governments differently, and how can government failure occur as a result of industrial intervention.
<b>Production, costs, revenue and profits</b>	What are revenue, costs and profits?	How do different economies and diseconomies of scale impact producers and consumers?	How do costs, revenues and profits create barriers to entry for Monopolies?	What are the roles of costs, revenues and profits across the spectrum of competition?
<b>Competitive and concentrated markets</b>	Understand why profits, costs and prices differ between competitive and concentrated markets.	Understand the role of elasticities in price determination.	What is the role of welfare loss in concentrated markets vs competitive market allocative efficiency?	Compare prices, output, costs, profits and efficiencies across the spectrum of competition and concentrated markets.