

Subject		Year	Term
Economics (macro)		Year 13	1
Topic			
The International Economy (4.2.6)			
Content (Intent)			
<b>Prior Learning</b> – Students have looked at issues such as the impact of changes in exchange rates and the current account of the balance of payments in Year 12			
4.2.6.1	Globalisation	<ul style="list-style-type: none"> <li>• The causes of globalisation.</li> <li>• The main characteristics of globalisation.</li> <li>• The consequences of globalisation for less-developed and for more-developed countries.</li> <li>• The role of multinational corporations in globalisation.</li> </ul>	
4.2.6.2	Trade	<p>The model of comparative advantage.</p> <ul style="list-style-type: none"> <li>• The distinction between comparative and absolute advantage.</li> <li>• The model shows that specialisation and trade can increase total output.</li> <li>• Other economic benefits of trade, such as the ability to exploit economies of scale and increased competition.</li> <li>• The costs of international trade.</li> <li>• The reasons for changes in the pattern of trade between the UK and the rest of the world.</li> <li>• The nature of protectionist policies, such as: tariffs, quotas and export subsidies.</li> <li>• The causes and consequences of countries adopting protectionist policies.</li> <li>• The main features of a customs union.</li> <li>• The main characteristics of the Single European Market (SEM).</li> <li>• The role of the World Trade Organisation (WTO).</li> </ul>	
4.2.6.3	The Balance of Payments	<p>The difference between the current, capital and financial accounts on the balance of payments.</p> <ul style="list-style-type: none"> <li>• The current account comprises trade in goods, trade in services, primary income and secondary income.</li> <li>• The meaning of a deficit and a surplus on the current account.</li> <li>• The factors that influence a country's current account balance such as productivity, inflation and the exchange rate.</li> </ul>	

		<ul style="list-style-type: none"> <li>• The consequences of investment flows between countries.</li> <li>• The policies that might be used to correct a balance of payments deficit or surplus.</li> <li>• Expenditure-switching and expenditure-reducing policies.</li> <li>• The effect policies used to correct a deficit or surplus may have upon other macroeconomic policy objectives.</li> <li>• The significance of deficits and surpluses for an individual economy.</li> <li>• The implications for the global economy of a major economy or economies with imbalances deciding to take corrective action.</li> </ul>
4.2.6.4	Exchange rate systems	<ul style="list-style-type: none"> <li>• How exchange rates are determined in freely floating exchange rate systems.</li> <li>• How governments can intervene to influence the exchange rate.</li> <li>• The advantages and disadvantages of fixed and floating exchange rate systems.</li> <li>• Advantages and disadvantages for a country of joining a currency union, eg the eurozone.</li> </ul>
4.2.6.5	Economic growth and development	<ul style="list-style-type: none"> <li>• The difference between growth and development.</li> <li>• The main characteristics of less-developed economies.</li> <li>• The main indicators of development, including the Human Development Index (HDI).</li> <li>• Factors that affect growth and development, such as: investment, education and training.</li> <li>• Barriers to growth and development, such as: corruption, institutional factors, poor infrastructure, inadequate human capital, lack of property rights.</li> <li>• Policies that might be adopted to promote economic growth and development.</li> <li>• The role of aid and trade in promoting growth and development</li> </ul>

**Future Learning** – Many of the concepts and principles link into other areas of the macroeconomics syllabus as they impact the ability of the economy to meet its macroeconomic objectives. The section on exchange rates has clear links to 4.2.4 in Y13 term 2 with its links to monetary policy.

How will knowledge and skills be taught?  
(Implementation)

How will your understanding be assessed & recorded (Impact)

This topic will involve links to the four assessment objectives throughout and will include, but not be limited to:

- Teacher led lesson content
- Independent learning tasks
- Group discussion/debates and questioning
- Using economic terminology
- Reference to economic examples throughout

- Past Paper responses and essays. Marked and feedback given.
- Verbal responses. Individual and class feedback given.

How can parents help at home?

- Discussing ideas and content at home & linking it to real world situations that they are aware of.
- Watch the news and/or read a good quality newspaper
- Watch any topical films or documentaries that link to economics e.g. Panorama, dispatches etc.
- Support us with our department's high expectations of spelling, grammar, punctuation, and minimum standards.

### Helpful further reading/discussion

#### Reading

- Economics A level textbooks
- Tutor 2u website and YouTube channel
- [www.econplusdal.com](http://www.econplusdal.com)
- <https://www.tutor2u.net/>
- BBC website for current economics articles

#### Vocabulary Key Words

- Globalisation
- Multinationals
- Comparative Advantage
- Absolute Advantage
- Protectionism
- Free Trade
- Tariffs
- Quotas
- Export subsidies
- Customs union
- Single European Market
- World Trade Organisation (WTO)
- Balance of Payments
- Current Account
- Capital Account
- Finance Account
- Foreign Direct Investment (FDI)
- Expenditure switching policies
- Expenditure reducing policies
- Freely floating exchange rates
- Fixed exchange rates
- Manages exchange rates
- Currency unions
- Economic growth
- Development
- Less-developed countries
- Human Development Index
- Aid

#### Careers Links

A level economics develops skills and knowledge that help in a wide range of careers. An understanding of how changes in economic variables impacts the economic environment that firms operate in is useful for careers in a wide range of industries. Data handling and interpretation skills, along with the ability to construct alternative arguments to a problem before drawing conclusions are valued in many careers.