

Subject		Year	Term																																				
Economics (macro)		Year 13	3																																				
Topic																																							
Financial Markets and Financial Regulation																																							
Content (Intent)																																							
<p>Prior Learning – These topics are relatively stand alone, although students should already know what a government bond is and have an awareness of interest rates.</p>																																							
<p>Content</p> <p>The structure of financial markets and financial assets</p> <table border="1"> <tbody> <tr> <td>4.2.4.1</td> <td>a</td> <td>The characteristics and functions of money.</td> </tr> <tr> <td>4.2.4.1</td> <td>b</td> <td>Definitions of the money supply & the distinction between narrow money & broad money.</td> </tr> <tr> <td>4.2.4.1</td> <td>s</td> <td>The difference between the money market, capital market and foreign exchange market</td> </tr> <tr> <td>4.2.4.1</td> <td>d</td> <td>The role of financial markets in the wider economy.</td> </tr> <tr> <td>4.2.4.1</td> <td>e</td> <td>The difference between debt and equity</td> </tr> <tr> <td>4.2.4.1</td> <td>f</td> <td>Why there is an inverse relationship between market interest rates and bond prices.</td> </tr> </tbody> </table> <p>Commercial banks and investment banks</p> <table border="1"> <tbody> <tr> <td>4.2.4.2</td> <td>a</td> <td>The difference between a commercial bank and an investment bank.</td> </tr> <tr> <td>4.2.4.2</td> <td>b</td> <td>The main functions of a commercial bank</td> </tr> <tr> <td>4.2.4.2</td> <td>c</td> <td>The structure of a commercial bank's balance sheet</td> </tr> <tr> <td>4.2.4.2</td> <td>d</td> <td>The objectives of a commercial bank, ie liquidity, profitability and security</td> </tr> <tr> <td>4.2.4.2</td> <td>e</td> <td>Potential conflicts between these objectives.</td> </tr> <tr> <td>4.2.4.2</td> <td>f</td> <td>How banks create credit.</td> </tr> </tbody> </table>				4.2.4.1	a	The characteristics and functions of money.	4.2.4.1	b	Definitions of the money supply & the distinction between narrow money & broad money.	4.2.4.1	s	The difference between the money market, capital market and foreign exchange market	4.2.4.1	d	The role of financial markets in the wider economy.	4.2.4.1	e	The difference between debt and equity	4.2.4.1	f	Why there is an inverse relationship between market interest rates and bond prices.	4.2.4.2	a	The difference between a commercial bank and an investment bank.	4.2.4.2	b	The main functions of a commercial bank	4.2.4.2	c	The structure of a commercial bank's balance sheet	4.2.4.2	d	The objectives of a commercial bank, ie liquidity, profitability and security	4.2.4.2	e	Potential conflicts between these objectives.	4.2.4.2	f	How banks create credit.
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<p>Future Learning – The work on financial markets links to next term where students will learn about financial regulation.</p>																																							
How will knowledge and skills be taught? (Implementation)		How will your understanding be assessed & recorded (Impact)																																					
<p>This topic will involve links to the four assessment objectives throughout and will include, but not be limited to:</p> <ul style="list-style-type: none"> - Teacher led lesson content - Independent learning tasks - Group discussion/debates and questioning - Using economic terminology - Reference to economic examples throughout 		<ul style="list-style-type: none"> - Past Paper responses and essays. Marked and feedback given. - Verbal responses. Individual and class feedback given. 																																					
How can parents help at home?																																							
<ul style="list-style-type: none"> • 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
- <https://www.tutor2u.net/>
- BBC website for current economics articles

Vocabulary Key Words

- Characteristics of money
- Functions of money
- Money supply
- Narrow money
- Broad money
- Money market
- Capital market
- Foreign exchange market
- Debt
- Equity
- Bonds
- Commercial bank
- Investment bank
- Assets
- Liabilities
- Liquidity

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.