



European Schools

Office of the Secretary-General
Pedagogical Development Unit

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Economics Syllabus (Years 6 & 7)

APPROVED BY THE JOINT TEACHING COMMITTEE

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 1st September 2014 for year 7

1 General objectives

The European Schools have the two objectives of providing formal education and of encouraging students' personal development in a wider social and cultural context. Formal education involves the acquisition of competences – knowledge, skills and attitudes across a range of domains. Personal development takes place in a variety of spiritual, moral, social and cultural contexts. It involves an awareness of appropriate behaviour, an understanding of the environment in which students live, and a development of their individual identity.

These two objectives are nurtured in the context of an enhanced awareness of the richness of European culture. Awareness and experience of a shared European life should lead students towards a greater respect for the traditions of each individual country and region in Europe, while developing and preserving their own national identities.

The students of the European Schools are future citizens of Europe and the world. As such, they need a range of competences if they are to meet the challenges of a rapidly-changing world. In 2006 the European Council and European Parliament adopted a European Framework for Key Competences for Lifelong Learning. It identifies eight key competences which all individuals need for personal fulfilment and development, for active citizenship, for social inclusion and for employment:

- 1. communication in the mother tongue*
- 2. communication in foreign languages*
- 3. mathematical competence and basic competences in science and technology*
- 4. digital competence*
- 5. learning to learn*
- 6. social and civic competences*
- 7. sense of initiative and entrepreneurship*
- 8. cultural awareness and expression*

The European Schools' syllabuses seek to develop all of these key competences in the students.

2 Didactic Principles

The following didactic principles are intended to guide the teaching and learning of Economics:

- Learning strategies should integrate the different areas of the students' learning
- Students become responsible for the learning process

More specifically:

- The course is organised in such a way as to stimulate students' interest in economics through the use of appropriate tools and a range of learning resources including ICT (Information and Communication Technology). For a full list of appropriate resources, please see the appendix.
- An active and varied methodology based on the participation of students, working individually or in groups
- Teaching should take account of students' progression through the various stages of competence acquisition
- Allow time for reflection and reinforcement to enable better understanding and learning

- Students should be encouraged to draw on their existing economic skills and learning strategies
- Environmental factors should pervade the syllabus
- Remediation by additional exercises and individual explanation
- In teaching, economic language should be used as much as possible
- A variety of teaching methods and approaches should be used
- The use of differentiated teaching methodologies is encouraged in order to meet the diverse needs of all students
- Cross-curricular teaching
- Collaboration between teachers of economics, regardless of the language of instruction

The above list is not exhaustive and not in order of importance

3 Learning objectives and skills

The teaching of economics should implement the key competencies as defined by the European Reference Framework, according to the Lisbon strategy, with specific focus on critical thinking, creativity, initiative, problem solving, risk assessment and decision-making.

In particular, at the end of two years of economics, students should be able to

1. Apply economic concepts and theories
2. Understand the basic concepts of scarcity, choice and decision-making
3. Understand the major macroeconomic issues and the different approaches to their resolution
4. Identify structural changes in an economy and the forces behind them
5. Explain the impact of economic decisions on the environment
6. Exhibit an understanding of the world of work
7. Comprehend the ethical aspects of economic decisions

4 Programme, specific skills and competences

At the end of year 6, students should be able to

- Identify the various economic issues
- Show an understanding of consumer behaviour and the determinants of demand
- Understand the behaviour of producers and the factors that influence their decisions
- Describe the various market types and market failures
- Analyse macroeconomic principles

At the end of year 7, students should be able to:

- Describe the role of the state and the EU in economic and social life
- Understand factors influencing growth, trade cycles, employment, price stability and international trade
- Analyse interaction of these factors within an economy
- Identify the policies used by central authorities to deal with issues relating to the above macroeconomic variables, and the consequences of these policies

During the two year programmes, students should be able to

- Find relevant economic information, identify problems and formulate questions
- Describe, explain and evaluate a wide range of economic data
- Apply their economic knowledge to current situations, compare theory and practice, and explain economic consequences
- Present economic information effectively, and use appropriate media
- Develop and evaluate their communication skills
- Differentiate between normative and positive economics
- Analyse documents and graphs relating to any of the above topics
- Identify the relationship between economic activity and environmental issues

A detailed programme relating to the content of the courses is provided in the annex.

5 Evaluation

5.1 Functions and principles.

Assessment is both a formative and summative process. The bases of assessment are the learning objectives of each year.

a) Formative assessment is an ongoing process providing information about students' learning. The use of an initial evaluation, teacher's observations, tests and self-assessment should be a basis for students' further development and play an important role in the provision of educational guidance for students, parents or guardians, and the school. The student's self-assessment is a fundamental part of formative assessment. Assessment need not always involve the award of a mark and it should not be punitive, but it should evaluate performance. For teachers, assessment of learning outcomes provides an opportunity to review the learning objectives, methods and results of their teaching.

b) Summative assessment provides a clear statement of the knowledge and skills possessed by a student at a particular point in time. At the end of an appropriate period of learning (e.g. after acquiring some part of the curriculum or in a certain period of the school year when there is a need to get an overview of the student's performance), written tests will evaluate the learning objectives of each year. Final exams should evaluate the level reached by the student in relation to the learning objectives of each year.

The following general principles of assessment of learning outcomes should be observed:

- Performance should be assessed against all learning objectives relating to knowledge and skills set out in the syllabus.
- All types of work done by the student on the course can be part of the assessment process – e.g. oral and written contributions, class tests, practical work.
- Students should be aware of the work to be done and the standards to be achieved in order to attain each level in the assessment scale.
- Students should know how their performance compares with other students in the same or in other sections. This requires co-ordination between the teachers of the same and different sections to allow for comparisons.

5.2 Participation in class and written work

Year 6 and 7 A mark

Participation in class is an important element in the assessment of students for the A mark in years 6 and 7. It may be based on;

- Short class tests
- The responses given by the student to questions directed to him/her
- The students' participation in group work and involvement in discussions
- Research and collection of information
- Oral work
- The effort made by the student
- Class work
- Homework and written group projects
- Progress in learning

Language competence should not be a factor in the assessment unless it creates a serious barrier to effective communication.

Students must be clearly informed of the learning objectives of any written work

Year 6 B mark

The B mark is determined by one examination each semester.

Year 7 Pre-Bac mark

This is determined by one examination at the end of the first semester.

Baccalaureate written examination

The examinations will normally cover the year 7 syllabus, but will also test knowledge gained in previous years, especially year 6. The questions will not, however, include concepts specific to year six but not included in year seven. The exam will consist of three compulsory questions.

The Baccalaureate exam questions should

- be based on actual data: statistics, graphics, text, tables, etc..
- require the use by students of the data included in each question. Students need to know the theory and it is legitimate to question them about it at the beginning of such documents. The evaluation should also assess the students' ability to understand and interpret a situation and to explain, discuss, describe, analyze, synthesize, argue, etc..
- have questions which are of the data response type to ensure that students can apply their knowledge and skills to current events. Each question should be divided into 4 parts:
 - The first 2 parts are usually worth 2 marks; these parts tend to be specific, even closed questions to assess the students' knowledge and skills.
 - The later parts are worth 3 marks, and tend to be more open questions, this allow students to exhibit, basic knowledge and skills but also higher level skills, powers of

analysis and deeper, wider knowledge. This gives our very good students a platform to show how good they are and allows us to discriminate in our assessment.

- be general and not require complex calculations (maximum one sub-question worth one mark in the three questions proposed).
- refer to a recent economic situation, which must involve all students and not to elements of a past they do not necessarily know.

The model for the BAC exam will be part of another document.

6 Annex: commentaries:

The following section provides additional information about the contents of the 2-year programmes and about recommended teaching tools.

a) Year 6 Programme

CONTENTS AND CONCEPTS	STUDENT COMPETENCES
<p>Introduction : the basic economic problem</p> <ul style="list-style-type: none"> - Scarcity - Opportunity Cost - Economic Systems - micro and macro approaches 	<ul style="list-style-type: none"> - Identify and define the basic economic problem - Explain how the basic economic problem affects the individual, firms and society - Identify the different economic systems seeking to resolve the basic economic problem
<p>Demand</p> <p>B1 - <u>Concept of utility and consumer behaviour</u></p> <ul style="list-style-type: none"> - Rational individual - Decisions at the margin - Total utility - Marginal utility <p>B2 - <u>Consumer equilibrium</u></p> <ul style="list-style-type: none"> - Indifference curve - Budget line <p>B3 – <u>Determinants of Demand</u></p> <ul style="list-style-type: none"> - Effect of changes in price, revenue, taste ... - Graphical analysis - Shifts in demand curves 	<ul style="list-style-type: none"> - Define and understand the concepts - Calculate marginal utility - Draw graphically and analyse marginal and total utility curves - Construct, read and analyse an indifference curve and a budget line - Identify and interpret equilibrium - Name and define the determinants - Draw, read and analyse a demand curve - Show a shift in demand graphically

<p>B4 – <u>Elasticity</u></p> <ul style="list-style-type: none"> - Price elasticity - Income elasticity - Cross elasticity 	<ul style="list-style-type: none"> - Define and calculate elasticity - Explain the value of elasticity - Describe the determinants of elasticity - Understand the relationship between price elasticity and revenue - Understand the importance of elasticity
<p>Supply</p> <p>C1 – <u>Behaviour of producers and the factors that influence their decisions</u></p> <ul style="list-style-type: none"> - Relative cost of factors of production - Price - Productivity <p>C2 – <u>Optimum combination of factors</u></p> <ul style="list-style-type: none"> - Isocost - Isoquant <p>C3 – <u>Optimum output level</u></p> <ul style="list-style-type: none"> - Law of variable proportions - Economies and diseconomies of scale <p>C4 – <u>Costs of production</u></p> <ul style="list-style-type: none"> - Total cost - Average cost - Marginal cost <p>C5 – <u>Revenue</u></p> <ul style="list-style-type: none"> - Total revenue - Average revenue - Marginal revenue 	<ul style="list-style-type: none"> - Calculate the relative costs of factors of production - Calculate productivity - Interpret the results <ul style="list-style-type: none"> - Construct, read and analyse and isocost and isoquant curve - Establish and explain equilibrium <ul style="list-style-type: none"> - Describe the various returns - Explain the causes and consequences of economies and diseconomies of scale <ul style="list-style-type: none"> - Calculate total, average and marginal cost and describe the relationship between them. - Draw the different cost curves - Identify the optimal level of production ($AC = MC$) <ul style="list-style-type: none"> - Calculate total, average and marginal revenue - Draw the different revenue curves

<p>C6 – <u>Profit maximisation</u></p> <ul style="list-style-type: none"> - Break-even - Profit <p>C7 – <u>Supply curve</u></p> <ul style="list-style-type: none"> - Draw the supply curve from the cost curves - Shifts in the supply curve <p>C8 – <u>Price elasticity of supply</u></p>	<ul style="list-style-type: none"> - Identify maximum profit - Calculate break-even and profit - Show break-even and profit on a graph <ul style="list-style-type: none"> - Draw, read and analyse a supply curve - Show a shift of the curve graphically <ul style="list-style-type: none"> - Define and calculate elasticity of supply - Explain the value of elasticity - Describe the determinants of elasticity - Understand the importance of elasticity - Draw curves to show different elasticities
<p>Markets</p> <p>D1 – <u>Define types of market</u></p> <ul style="list-style-type: none"> - Criteria of perfect competition - Imperfect competition <p>D2 – <u>The different types of market</u></p> <ul style="list-style-type: none"> - Price and level of output in the different markets <ul style="list-style-type: none"> - Perfect competition - Monopoly - Oligopoly - Monopolistic competition <p>D3 – <u>Strategies of firms</u></p> <ul style="list-style-type: none"> - Concentration - Innovation - Differentiation 	<ul style="list-style-type: none"> - Describe the criteria of perfect and imperfect markets <ul style="list-style-type: none"> - Define and describe the characteristics of the different markets: Perfect competition, monopoly, oligopoly and monopolistic competition - Draw the graphs for the four types of market (short and long-term) - Describe the level of output and the price for the 4 types of market, short and long-term - Describe the efficient and optimum level of output <ul style="list-style-type: none"> - Describe and analyse the reasons for the implementation of different strategies - Take into account the importance of these strategies in the context of the European market

<p>D4 – <u>Labour market</u></p> <ul style="list-style-type: none"> - Demand and supply for labour - Wage determination - Rigidity and flexibility <p>D5- <u>Market failure and intervention of public authorities (state, EU . . .)</u></p> <ul style="list-style-type: none"> - Public goods and services - Merit goods - Externalities - Imperfect information - Social inequality - Abuse of monopoly power - Instability 	<ul style="list-style-type: none"> - Use a graph to describe equilibrium and disequilibrium - Take into account factors that might lead to disequilibrium - Understand rigidity of the labour market and its consequences - Describe the advantages and disadvantages of a flexible labour market <ul style="list-style-type: none"> - Describe and explain different market failures - Analyse the possible response and limits of public authorities - Debate the growth of markets, globalisation and environmental consequences
<p>Principles of Macroeconomics</p> <p>E1 – <u>The Circular Flow</u></p> <ul style="list-style-type: none"> - Economic actors - Real and monetary flows <p>E2 – <u>Macroeconomic aggregates</u></p> <ul style="list-style-type: none"> - GDP and GNP - National income - National output - National expenditure - Real and nominal value 	<ul style="list-style-type: none"> - Describe the circular flow and identify the different economic actors (up to 5 actors) - Describe the different flows including leakages and injections <ul style="list-style-type: none"> - Define the different macroeconomic aggregates such as GDP, GNP, national income, national output and national expenditure - Identify the weaknesses of national income analysis

E3 – Consumption, saving and investment

- Keynesian equation of equilibrium
- Definition and calculation of marginal propensity to consume and to save

E4 – The Multiplier

- Define and calculate the Keynesian multiplier
- Show the multiplier graphically

E5 – Inflationary and deflationary gaps

- Define and show graphically

- Describe and plot the Keynesian equation of consumption and saving
- Define and calculate the average and marginal propensities to consume and to save
- Identify the determinants of consumption, saving and investment
- Explain the equation of aggregate demand
- Understand the impact of consumption, government spending, investment and net exports on equilibrium national income, mathematically and graphically

- Define and calculate the multiplier
- Describe the determinants of the multiplier
- Explain the dynamics of the multiplier process

- Explain and show the two types of gap graphically

b) Year 7 Programme

CONTENTS AND CONCEPTS	STUDENT COMPETENCES
<p>Introduction to the programme: Please note that the following points should be addressed in the programme:</p> <ul style="list-style-type: none"> - Economic equilibria and disequilibria - Role of the State and the European Union in Economic and Social Life - The importance of environmental factors - Potential conflicts between economic policies - Current economic issues 	<ul style="list-style-type: none"> - Describe the role of the state and the EU in economic and social life - Describe the objectives of economic policy - Describe current developments in the EU's economic role and in its relationship with member states - Comment on the potential conflicts between different economic policies, evaluate the effectiveness of the instruments used to achieve these objectives together with their consequences for economic and social life
<p><u>A Economic Growth</u></p> <p>A1 Different rates of economic growth A2 The determinants of growth (Remark no question will be asked on specific models in the Bac exam) A3 Means of achieving growth A4 Benefits and costs of growth (limits, external effects) A5 Developing countries and emerging markets (This can be linked to E3 Free trade and protectionism) A6 Growth policies</p>	<ul style="list-style-type: none"> - Define actual, forecast and potential rates of economic growth - Show the cumulative nature of growth and measure average and annual rates of growth - Analyse the determinants of growth - Indicate the means of achieving growth - Explain the benefits and costs of growth - Indicate the characteristics and consequences of under-development - Discuss the theory of sustainable development with respect to industrialised and developing countries - Show an awareness of the influence of globalisation - Describe and explain how national governments and the EU use the available demand and supply-side policy instruments to promote growth

<p><u>B Trade cycles</u> B1 Economic cycles and their phases B2 Multiplier and accelerator model B3 Counter-cyclical policies</p>	<ul style="list-style-type: none"> - Identify the different economic cycles, especially classical and Kondratiev - Describe the different phases of the trade cycle - Use the main cyclical indicators to identify the current economic situation with regard to the trade cycle - Show the effects of the multiplier and the accelerator in a model of a trade cycle - Describe and explain the aims of counter-cyclical policy and show how national governments and the EU use the available policy instruments. Explain the consequences for the national debt and the budget deficit - Explain the effects of automatic stabilisers
<p><u>C Employment</u> C1 Employment and unemployment C2 Types and causes of unemployment C3 Consequences of unemployment C4 Employment policies</p>	<ul style="list-style-type: none"> - Define and measure full employment and unemployment (e.g. ILO and Eurostat criteria) - Explain the different types of unemployment - Explain the concept of natural rate of unemployment (this can be linked with D Price stability) - Describe and analyse the economic and social consequences of unemployment - Describe and explain the aims of employment policy and show how national governments and the EU use the available (demand and supply-side) policy instruments

<p><u>D Price stability</u></p> <p>D1 Inflation, deflation and consumer price index D2 Types and causes of inflation D3 Consequences of inflation D4 Price stability policies</p>	<ul style="list-style-type: none"> - Define inflation and deflation - Use an index of consumer prices to calculate an annual rate of inflation and the corresponding change in the purchasing power of money - Explain the different types of inflation and explain the quantity theory of money - Describe and analyse the economic and social consequences of inflation - Describe and explain the aims of price stability policy and how the available policy instruments are used by the ECB and national authorities to achieve price stability - Explain the role of the Central banks - Explain the link between inflation and unemployment (e.g. the Phillips curve)
<p><u>E International trade and payments</u></p> <p>E1 Balance of payments E2 Exchange rate systems E3 Free trade and protectionism</p>	<ul style="list-style-type: none"> - Describe the structure of a balance of payments - Explain the consequences of imbalances in the balance of payments - Describe the characteristics of different methods of determining exchange rates, e.g fixed and floating, and explain their advantages and disadvantages - Discuss the possible consequences of changes in the value of a currency - Explain the consequences of free trade and the different forms of protectionism - Show an awareness of the influence of globalisation and describe the role of the WTO

c) Possible teaching approaches in years 6 and 7

The teacher may use various methods to achieve the objectives of the course. Possible teaching methodologies and aids include:

- Teacher presentation
- Dialogue teacher-student
- Open class discussion and enquiries
- Audio-visual CDs, computer
- Texts and other documents such as manuals, documents, distributed by the teacher, graphs, tables, statistics, press clippings
- Computer simulation
- Data searches on the internet
- Spreadsheets
- Educational visits
- Projects
- Role play
- Case studies
- Group work