



**XV. GIMNAZIJA**  
**International Baccalaureate Department**  
**Diploma Programme**



## **Economics**

### **Course description 2019/2020**

#### **WHAT IS THE COURSE ABOUT?**

The study of economics is essentially about dealing with scarcity, resource allocation and the methods and processes by which choices are made in the satisfaction of human wants. As a dynamic social science, economics uses scientific methodologies that include quantitative and qualitative elements. The course emphasizes the economic theories of microeconomics, which deal with economic variables affecting individuals, firms and markets, and the economic theories of macroeconomics, which deal with economic variables affecting countries, governments and societies. These economic theories are not to be studied in a vacuum rather, they are to be applied to real-world issues. Prominent among these issues are fluctuations in economic activity, international trade, economic development and environmental sustainability. The course also seeks to develop values and attitudes that will enable students to achieve a degree of personal commitment in trying to resolve these issues, appreciating our shared responsibility as citizens of an increasingly interdependent world.

At both standard level and higher level, candidates are required to study four topics: microeconomics, macroeconomics, international economics and development economics with some sub-topics within these reserved solely for higher level. These sections are assessed by two examinations at standard level and three examinations at higher level.

In addition to the examinations, candidates must submit an internal assessment. Both standard level and higher level economics students must produce a portfolio of three commentaries based on articles from published news media.

#### **IMPLEMENTATION:**

Economics is taught at standard level (SL) classes in mixed classes.

DP Year 1: The school offers 3 lessons per week for all students.

DP Year 2: The school offers 4 lessons per week for all students.

**AIMS:****The aims of teaching and studying Economic are to:**

1. To gain an understanding of core economic principles and how they apply to a wide range of real-world issues.
2. To master the theoretical and applied tools necessary to critique and create economic research.
3. To learn how to articulate pragmatic, principles-based policies to enhance economic well-being and promote social justice.
4. To become familiar with salient developments in the world economy, in both present-day and historical contexts

**OBJECTIVES:**

The aims and objectives of teaching Economics at the Secondary level in the IBDP are:

1. To acquaint the students with the contemporary economic problems and enable them to appreciate the efforts being made to tackle them.
2. To foster an urge to participate in the task of economic reconstruction.
3. To prepare them to cope with the stress and strain involved in the process of economic development.
4. To familiarize them with the different criteria of dividing world economy and to know why some countries are rich and some poor.
5. To enable them to know about the nation's physical and human resources and their potentialities for economic development.
6. To deepen their understanding and knowledge about the impact of development on environment.
7. To develop favourable attitudes towards conservation and wise use of natural resources.
8. To help them to understand that different sectors of the Indian economy are interlinked and they should develop simultaneously through planned and coordinated efforts.
9. To acquaint them with the basic terminology and elementary ideas of Economics.
10. To enable them to acquire skills in interpreting simple statistical data.

OBJECTIVE/CRITERION	MAXIMUM LEVEL OF ACHIEVEMENT /GRADE
A: KNOWLEDGE AND UNDERSTANDING	7
B: PRACTICAL WORKS AND ECONOMICS COMMENTARIES	7
C: WRITTEN EXAMS P1 and P2	7

#### ASSESSMENT:

- **Unit test:** Unit tests are written after the completion of each unit. Duration of a test is 2 school hours.
- **Progress test:** Student's progress during the work on big units is assessed through 1 school hour tests, one per big unit.
- **Quiz:** Written approximately two times per month, containing short answer questions based on homework tasks with working time of 15 minutes each or less. Grade is given as the average result of three consecutive quizzes.
- **Semester/Mock Exam:** Two Papers assess different course assessment objectives. Two grades are provided (P1 and P2) for each part of the exam.
  - **Economics IA:** 20% of your overall economics grade
  - **Number of commentaries that must be submitted:** 3, all of which must be from a different part of the syllabus (Microeconomics, Macroeconomics, International economics and Development economics)
  - **Article:** Not older than 12 months at the time of writing and each article must be from a different source. If the article is long (e.g. includes several topics, not just economics) you can highlight the relevant bits.

Throughout Economics course teachers use formative assessments to determine students' strengths and limitations in accessing required content knowledge and skills, provide needed support in making progress and to allow for students to actively engage in and reflect on their educational experience in each class. While preparing students for the summative assessments, language teachers use a variety of formative assessments to scaffold student development of content knowledge and skills.

At the end of each unit in grades 11 and 12, students spike or write summative assessment task/tasks.

Points are awarded in each criterion at the end of the school year, taking into account achievements in each individual task (formative and summative assessment).

Final grades are derived according to the grade boundaries provided by the IB.

grades	IA	P1	P2	Final
7	38 -35	34 -50	30 -40	75 -10
6	32 - 37	28 -33	25 -29	60 - 74
5	27 -31	23 -27	19 -24	48 -59
4	21 -26	17 -22	14 -18	36 -47
3	13 -20	10 -16	8 - 13	21 -35
2	7- 12	5 -9	4 -7	10 -20
1	0 -6	0 -4	0 -3	0 - 9

At the end of the year the class grade is calculated as follows:

SL	HL
Class grades - 60%	Class grades - 60%
Mock exam Paper 1 - 20%	Mock exam Paper 1 - 16%
Mock exam Paper 2 - 20%	Mock exam Paper 2 - 16%
	Mock exam Paper 3 - 8%

## TOPICS:

### DP Year 1

#### 1. Microeconomics

- 1.1 Competitive Markets – Demand
- 1.1 Competitive Markets – Market Efficiency: Consumer Surplus
- 1.3 Government Intervention – Indirect Taxes
- 1.3 Government Intervention – Maximum Price
- 1.3 Government Intervention – Minimum Price
- 1.5 Theory of the Firm – Production

#### 2. Macroeconomics

- 2.1 Circular Flow Of Income Model And The Business Cycle
- 2.1 Measures Of Economic Activity
- 2.2 Aggregate Demand
- 2.2 Aggregate Supply
- 2.2 Equilibrium
- 2.2 The Keynesian Multiplier )
- 2.3 Macroeconomic Objectives – Low Unemployment
- 2.3 Macroeconomic Objectives – Low And Stable Rate Of Inflation
- 2.3 Macroeconomic Objectives – Economic Growth

## **2. Macroeconomics**

- 2.4 Fiscal Policy – The Government Budget
- 2.4 Fiscal Policy – The Role Of Fiscal Policy
- 2.5 Monetary Policy
- 2.6 Supply-side Policies

## **3. International Economics**

- 3.1 International Trade – The Benefits Of Free Trade
- 3.1 International Trade – The World Trade Organization (WTO)
- 3.1 International Trade – Trade Protection: Tariff
- 3.1 International Trade – Trade Protection: Quota
- 3.1 International Trade – Trade Protection: Subsidy
- 3.2 Freely Floating Exchange Rates Determination and Factors
- 3.2 Effects of Changes in the Exchange Rate

## **5. Development Economics**

- 4.1. Economic development
- 4.2. Measuring development
- 4.3. The role of domestic factors
- 4.4. The role of international trade (one topic HL extension)
- 4.5. The role of foreign direct investment (FDI)
- 4.6. The roles of foreign aid and multilateral development assistance
- 4.7. The role of international debt
- 4.8. The balance between markets and intervention

## **Literature / Textbooks**

- IB Economics Course Book: Oxford IB Diploma Programme by Jocelyn Blink and Ian Dorton | 6 Sep 2012
- Economics Study Guide: Oxford Ib Diploma Programme (Oxford IB Study Guides) by Constantine Ziogas | 12 Jul 2012