

	<b>INTENT</b>	<b>IMPLEMENTATION</b>	<b>IMPACT</b>
<b>Autumn Term 1A</b>	<p><b>Substantive Knowledge</b> This is the specific, factual content for the topic, which should be connected into a careful sequence of learning.</p> <p><b>4.2.1 The measurement of macroeconomic performance</b></p> <p><b><u>4.2.1 The objectives of government economic policy</u></b></p> <ul style="list-style-type: none"> <li>The main objectives of government macroeconomic policy: economic growth, price stability, minimising unemployment, and a stable balance of payments on current account.</li> <li>The possibility of conflict arising, at least in the short run, when attempting to achieve these objectives.</li> </ul>	<p><b>Disciplinary Knowledge (Skills)</b> This is the action taken within a particular topic in order to gain substantive knowledge.</p> <p><b><u>4.2.1 The objectives of government economic policy</u></b></p> <p>Students must be able to demonstrate knowledge and understanding that governments may also have other objectives of macroeconomic policy, such as balancing the budget and achieving an equitable distribution of income.</p> <p>Students must be able to demonstrate knowledge and understanding of the importance attached to the different objectives change over time.</p>	<p><b>Assessment Opportunities</b> What assessments will be used to measure student progress? Evidence of how well students have learned the intended content.</p> <ul style="list-style-type: none"> <li>- <b><u>Year 12 Suitability Test</u></b></li> <li>- This assessment will include multiple choices questions, numerical calculations, and short answer questions. This is to assess their numerical and written skills.</li> <li>- <b><u>Topic task sheets</u></b> Short answer questions on the objectives of economic policy</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>

	<p><b><u>4.2.12 Macro indicators</u></b></p> <p>Data which is commonly used to measure the performance of an economy, such as: real GDP, real GDP per capita, Consumer Prices and Retail Prices Indices (CPI/RPI), measures of unemployment, productivity and the balance of payments on current account.</p>	<p><b><u>4.2.12 Macro indicators</u></b></p> <p>Students must be able to calculate and interpret the different macro indicators.</p> <p>Students must be able to demonstrate knowledge and understanding of the data used to measure economic performance.</p>	<ul style="list-style-type: none"> <li>- <b><u>Numerical task sheet</u></b> This assessment will include multiple choices and numerical questions, to assess the numerical skills on index number and macro indicators.</li> <li>- <b><u>Topic task sheets</u></b> Short answer questions on macro indicators and index numbers.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
	<p><b><u>4.2.1.3 Uses of index numbers</u></b></p> <p>How index numbers are calculated and interpreted, including the base year and the use of weights.</p> <p>How index numbers are used to measure changes in the price level and changes in other economic variables.</p>	<p><b><u>4.2.1.3 Uses of index numbers</u></b></p> <p>Students must be able to calculate and interpret index numbers, including the base year and the use of weights,</p> <p>Students must be able to demonstrate knowledge and understanding of how index numbers are used to measure changes in price level and other economic variables.</p> <p>students should have an awareness of their underlying features, for example, the concept of the 'average family' and a 'basket of goods and services'</p>	

<b><u>Autumn Term 1B</u></b>	<p><b><u>4.2.1.4. Uses of national income data</u></b></p> <p>What national income measures.</p> <p>The difference between nominal and real income.</p> <p>Real national income as an indicator of economic performance.</p>	<p><b><u>4.2.1.4. Uses of national income data</u></b></p> <p>Students must be able to calculate and interpret national income data.</p> <p>Students must be able to demonstrate knowledge and understanding of national income measures and explain the difference between nominal and real income.</p>	<ul style="list-style-type: none"> <li>- <b><u>Diagram task sheet</u></b> To assess the accurate illustration of the circular flow of income.</li> <li>- <b><u>Topic task sheets</u></b> Short answer questions on how the macroeconomy works.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
	<p><b><u>4.2.2 How the macroeconomy works; the circular flow of income, aggregate demand/aggregate supply analysis and related concepts. 2.2.1 The circular flow of income.</u></b></p> <p>The circular flow of income concept, the equation <math>\text{income} = \text{output} = \text{expenditure}</math>, and the concepts of equilibrium and full employment income.</p> <p>The difference between injections and withdrawals into the circular flow of income.</p>	<p><b><u>4.2.2 How the macroeconomy works: the circular flow of income, aggregate demand/aggregate supply analysis and related concepts. 2.2.1 The circular flow of income.</u></b></p> <p>Students must be able to draw and illustrate the components of the circular flow of income with the equation <math>\text{income} = \text{output} = \text{expenditure}</math>.</p> <p>Students must demonstrate knowledge and understanding of the difference between injections and withdrawals in the circular flow of income.</p> <p>Students must demonstrate knowledge and understanding of the effects of</p>	

	<p>The effect of changes in injections and withdrawals on national income.</p> <p><b><u>4.2.2.2 Aggregate demand and aggregate supply analysis</u></b></p> <p>Changes in the price level are represented by movements along the aggregate demand (AD) and aggregate supply (AS) curves.</p> <p>The various factors that shift the AD curve and the short-run AS curve.</p> <p>The factors which affect long-run AS distinguish them from those which affect short-run AS.</p> <p>Underlying economic growth is represented by a rightward shift in the long-run AS curve.</p> <p>How to use AD/AS diagrams to illustrate macroeconomic equilibrium.</p> <p>How both demand-side and supply-side shocks affect the macroeconomy</p>	<p>changes in injections and withdrawals on national income. I.e. Savings, investment.</p> <p><b><u>4.2.2.2 Aggregate demand and aggregate supply analysis</u></b></p> <p>Students must be able to use AD and AS analysis to help them explain macroeconomic problems and issues. For example, they should be able to use AD and AS diagrams to illustrate changes in the price level, demand-deficient (cyclical) unemployment and economic growth.</p> <p>Students must demonstrate knowledge and understanding of how global economic events can affect the domestic economy.</p>	<ul style="list-style-type: none"> <li>- <b><u>Topic task sheets</u></b> Short answer questions on aggregate demand and supply analysis.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul> <p><b><u>Unit 1 Topic assessment</u></b> This assessment will include multiple choice questions, data response and short answers questions.</p>
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	<p><b><u>4.2.2.3 The determinants of aggregate demand</u></b></p> <p>What is meant by AD.</p> <p>The determinants of AD, i.e. the determinants of consumption, investment, government spending, exports and imports.</p> <p>The basic accelerator process.</p> <p>The determinants of savings.</p> <p>The difference between saving and investment.</p>	<p><b><u>4.2.2.3 The determinants of aggregate demand</u></b></p> <p>Students should demonstrate knowledge and understanding of how changes in net exports affect AD and how global events affect economic performance.</p>	<ul style="list-style-type: none"> <li>- <b><u>Diagram task sheet</u></b> To assess the accurate illustration of the aggregate demand curve.</li> <li>- <b><u>Topic task sheets</u></b> Short answer questions on the determinants of aggregate demand.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>

	<p><b><u>4.2.2.4 Aggregate demand and the level of economic activity</u></b></p> <p>The role of AD in influencing the level of economic activity.</p> <p>The multiplier process and an explanation of why an initial change in expenditure may lead to a larger impact on local or national income.</p>	<p><b><u>4.2.2.4 Aggregate demand and the level of economic activity</u></b></p> <p>Students should be able to calculate the value of the multiplier from an initial change in injections and the resulting change in national income.</p>	<ul style="list-style-type: none"> <li>- <b><u>Numerical task sheet</u></b> This assessment will include multiple choices and numerical questions, to assess the numerical skills on aggregate demand.</li> <li>- <b><u>Diagram task sheet</u></b> To assess the accurate illustration of the aggregate supply curve.</li> <li>- <b><u>Topic task sheets</u></b> Short answer questions on the determinants of aggregate supply.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
	<p><b><u>4.2.2.5 Determinants of short-run aggregate supply</u></b></p> <p>The price level and production costs are the main determinants of the short-run AS.</p> <p>Changes in costs, such as: money wage rates, raw material prices, business taxation and productivity, will shift the short run AS curve.</p>	<p><b><u>4.2.2.5 Determinants of short-run aggregate supply</u></b></p> <p>Students must demonstrate knowledge and understanding of the main determinants of short-run AS.</p> <p>Students must demonstrate knowledge and understanding of changes in cost such as money wage rates, raw material price etc will shift short run AS curve.</p> <p>Students should be able to accurately draw a short run AS curve.</p>	

	<p><b><u>4.2.2.6 Determinants of long run aggregate supply</u></b></p> <p>The fundamental determinants of long run AS such as technology, productivity, attitudes, enterprise, factor mobility, and economic incentives.</p> <p>The position of the vertical long run AS curve represents the normal capacity level of output of the economy</p>	<p><b><u>4.2.2.6 Determinants of long run aggregate supply</u></b></p> <p>Students must demonstrate knowledge and understanding of the fundamental determinants of long-run AS.</p> <p>Students should be able to accurately draw a long run AS curve.</p>	<ul style="list-style-type: none"> <li>- <b><u>Diagram task sheet</u></b> To assess the accurate illustration of the long run aggregate supply curve and PPC.</li> <li>- <b><u>Topic task sheets</u></b> Short answer questions on the determinants of long run aggregate supply.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
	<p><b><u>4.2.3 Economic performance</u></b></p> <p><b><u>4.2.3.1 Economic growth and economic cycle</u></b></p> <p>The difference between short-run and long-run growth.</p> <p>The various demand-side and supply-side determinants of short-run growth of real national income and the long-run trend rate of economic growth.</p> <p>The concept of the economic cycle and the use of a range of economic indicators, such as real GDP, the rate of inflation, unemployment and</p>	<p><b><u>4.2.3.1 Economic growth and economic cycle</u></b></p> <p>Students should be able to use a production possibility curve and AD/AS diagrams to illustrate the distinction between short-run and long-run economic growth.</p> <p>Students should understand that long-run economic growth occurs when the productive capacity of the economy is increasing and is a term used to refer to the trend rate of growth of real national output in an economy over time.</p>	

	<p>investment, to identify the various phases of the economic cycle.</p> <p>The difference between positive and negative output gaps.</p> <p>How demand-side and supply-side shocks, including those that occur in the global economy, affect domestic economic activity.</p>	<p>Students should understand that a positive output gap occurs when real GDP is above the productive potential of the economy, and a negative output gap occurs when real GDP is below the economy's productive potential.</p>	<p><b><u>Unit assessment Topic 2</u></b></p> <p>This assessment will include multiple choice questions, data response and short answers questions.</p>
<p><b><u>Spring Term 2A</u></b></p>	<p><b><u>4.2.3.2 Employment and unemployment.</u></b></p> <p>The main UK measures of unemployment, ie the claimant count and the Labour Force Survey measure.</p> <p>The terms seasonal, frictional, structural and cyclical unemployment.</p> <p>How employment and unemployment may be determined by both demand-side and supply-side factors.</p>	<p><b><u>4.2.3.2 Employment and unemployment.</u></b></p> <p>Students should demonstrate knowledge and understanding that unemployment has a variety of causes and hence the appropriate policies to reduce unemployment depend on the cause.</p>	<ul style="list-style-type: none"> <li>- <b><u>Topic task sheets</u></b> Short answer questions on employment and unemployment.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>

	<p>How changes in the rest of the world affect employment and unemployment in the UK.</p> <p><b><u>4.2.3.3 Inflation and deflation</u></b></p> <p>The concepts of inflation and deflation.</p> <p>Demand-pull and cost-push influences on the price level.</p> <p>How changes in world commodity prices affect domestic inflation.</p> <p>How changes in other economies can affect inflation in the UK.</p>	<p><b><u>4.2.3.3 Inflation and deflation</u></b></p> <p>Students should demonstrate knowledge and understanding that deflation exists when the price level is falling whereas disinflation is when the rate of inflation is falling.</p> <p>Students should demonstrate knowledge and understanding that deflationary policies are policies to reduce aggregate demand and do not necessarily result in deflation.</p>	<ul style="list-style-type: none"> <li>- <b><u>Topic task sheets</u></b> Short answer questions on inflation and deflation.</li> <li>- <b><u>Diagram task sheet</u></b> To assess the accurate illustration of the different types of inflation.</li> </ul> <p><b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</p> <ul style="list-style-type: none"> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
	<p><b><u>4.2.3.4 Possible conflicts between macroeconomic policy objectives</u></b></p> <p>How negative and positive output gaps relate to unemployment and inflationary pressures.</p>	<p><b><u>4.2.3.4 Possible conflicts between macroeconomic policy objectives</u></b></p> <p>Students should be able to use macroeconomic models, including the AD/AS model, to analyse the causes of possible conflicts between policy</p>	

**Spring Term 2B**

How economic policies may be used to try to reconcile possible policy conflicts both in the short run and the long run.

**4.2.4 Financial markets and monetary policy**

**4.2.4.1 The structure of financial markets and financial assets.**

Monetary policy involves the central bank taking action to influence the manipulation of interest rates, the supply of money and credit, and the exchange rate.

The current objectives of monetary policy, set by the government.

The role of the Monetary Policy Committee of the Bank of England (MPC) and how it uses changes in bank rate to try to achieve the objectives for monetary policy, including the government’s target rate of inflation.

objectives in the short run and long run.

**4.2.4.1 The structure of financial markets and financial assets.**

Students must demonstrate knowledge and understanding of the role of the central bank and the current objectives of monetary policy.

Students must demonstrate knowledge and understanding of how changes in interest rate and exchange rate can affect aggregate demand.

**Unit assessment Topic 3**

This assessment will include multiple choice questions, data response and short answers questions.

- **Topic task sheets**  
Short answer questions on the structure of the financial markets.
- **Knowledge sheets**  
This will assess the key definition knowledge of students based on the topic.
- **Knowledge & SAQs from textbook chapters**  
Multiple choice questions and short answer questions to consolidate learning. (Review questions).

	<p>The factors considered by the MPC when setting bank rate.</p> <p>How changes in the exchange rate affect aggregate demand and the various</p> <p><b><u>4.2.4.2 Commercial banks and investment banks</u></b></p> <ul style="list-style-type: none"> <li>• The difference between a commercial bank and an investment bank.</li> <li>• The main functions of a commercial bank.</li> <li>• The structure of a commercial bank's balance sheet.</li> <li>• The objectives of a commercial bank, ie liquidity, profitability and security.</li> <li>• Potential conflicts between these objectives.</li> <li>• How banks create credit.</li> </ul>	<p><b><u>4.2.4.2 Commercial banks and investment banks</u></b></p> <p>Students should demonstrate knowledge and understanding of the differences between a commercial bank and an investment bank.</p> <p>Students should also be aware that many banks are engaged in both investment banking and commercial banking activities and that this may increase systemic risk.</p> <p>Students should be aware that there are other institutions that operate in financial markets</p>	<ul style="list-style-type: none"> <li>- <b><u>Topic task sheets</u></b> Short answer questions on commercial and investment banks.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
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<p><b><u>Summer Term 3A</u></b></p>	<p><b><u>4.2.4.3 Central banks and monetary policy</u></b></p> <p>The main functions of a central bank.</p> <p>That monetary policy involves the central bank taking action to influence interest rates, the supply of money and credit and the exchange rate.</p> <p>The current objectives of monetary policy set by the government.</p> <p>The role of the Monetary Policy Committee of the Bank of England (MPC) and how it uses changes in bank rate to try to achieve the objectives for monetary policy, including the government's target rate of inflation.</p> <p>The factors considered by the MPC when setting the bank rate.</p> <p>How changes in the exchange rate affect aggregate demand and the various macroeconomic policy objectives.</p> <p>The monetary policy transmission mechanism, including the relationship</p>	<p><b><u>4.2.4.3 Central banks and monetary policy</u></b></p> <p>Students should understand current and recent instruments of monetary policy such as: quantitative easing, Funding for Lending and forward guidance.</p> <p>Students should understand how the MPC of the Bank of England uses changes in bank rate to try to achieve the objectives for monetary policy, including the government's target rate of inflation.</p>	<ul style="list-style-type: none"> <li>- <b><u>Topic task sheets</u></b> Short answer questions on central banks and monetary policy.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>
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<b><u>Summer Term 3B</u></b>	<p>between changes in interest rates and the exchange rate.</p> <ul style="list-style-type: none"> <li>• How the Bank of England can influence the growth of the money supply.</li> </ul>		
	<p><b><u>4.2.4.4 The regulation of the financial system</u></b></p> <ul style="list-style-type: none"> <li>• Regulation of the financial system in the UK, eg the role of the Bank of England, the Prudential Regulation Authority (PRA), the Financial Policy Committee (FPC) and the Financial Conduct Authority (FCA).</li> <li>• Why a bank might fail, including the risks involved in lending long term and borrowing short term.</li> <li>• Liquidity ratios and capital ratios and how they affect the stability of a financial institution.</li> <li>• Moral hazard.</li> <li>• Systemic risk and the impact of problems that arise in financial markets upon the real economy.</li> </ul>	<p><b><u>4.2.4.4 The regulation of the financial system</u></b></p> <p>Students should demonstrate knowledge and understanding of their role in trying to maintain the stability of the financial system.</p>	<ul style="list-style-type: none"> <li>- <b><u>Topic task sheets</u></b> Short answer questions on the regulation of the financial system.</li> <li>- <b><u>Knowledge sheets</u></b> This will assess the key definition knowledge of students based on the topic.</li> <li>- <b><u>Knowledge &amp; SAQs from textbook chapters</u></b> Multiple choice questions and short answer questions to consolidate learning. (Review questions).</li> </ul>

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