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IGCSE

Economics

Teacher's guide

Edexcel IGCSE in Economics (4EC0)

First examination 2011

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Acknowledgements

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Introduction

The Edexcel International General Certificate of Secondary Education (IGCSE) in Economics is designed for schools and colleges. It is part of a suite of IGCSE qualifications offered by Edexcel.

About this guide

This guide is for teachers who are delivering, or planning to deliver, the Edexcel IGCSE in Economics qualification. The guide supports you in delivering the course content and explains how to raise the achievement of your students. The guide:

- gives essential information on the changes between this qualification and legacy Edexcel and other existing international qualifications in the subject
- provides details of Assessment Objectives (AO) and criteria
- gives you a scheme of work to show you how all the specification content could be taught over a two-year time span
- gives you sample lesson plans on four areas of the specification content, which include sample activities for both class and group work, as well as summarising the key points of a lesson
- gives you a substantial and comprehensive glossary of economic terms that students will be expected to use and recognise by the end of the course
- offers you suggestions for a range of textbooks and other resources.

Contents

Why choose this qualification?

The Edexcel IGCSE in Economics:

- is assessed through one examination – single assessment route allowing all students to demonstrate their knowledge and understanding of economics
- gives assessment opportunities in both January and June examination series
- provides comprehensive and detailed description of subject content in the specification
- keeps subject content kept to manageable proportions
- provides opportunities to apply the subject content to local economic circumstances
- provides a full range of teacher support
- is appropriate for students of various ages and from diverse backgrounds in terms of general education and lifelong learning
- provides a foundation for Edexcel GCE AS and Advanced GCE Economics, or equivalent qualifications.

Go to www.edexcel.com/igcse2009 for more information about this IGCSE and related resources.

Support from Edexcel

We are dedicated to giving you exceptional customer service. Details of our main support services are given below. They will all help you to keep up to date with IGCSE 2009.

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Our dedicated microsite www.edexcel.com/igcse2009 is where you will find the resources and information you need to successfully deliver IGCSE qualifications. To stay ahead of all the latest developments visit the microsite and sign up for our email alerts.

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Ask the Expert

This free service puts teachers in direct contact with over 200 senior examiners, moderators and external verifiers who will respond to subject-specific queries about IGCSE 2009 and other Edexcel qualifications.

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Regional offices

If you have any queries about the IGCSE 2009 qualifications, or if you are interested in offering other Edexcel qualifications your Regional Development Manager can help you. Go to www.edexcel.com/international for details of our regional offices.

Head Office — London

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Training

A programme of professional development and training courses, covering various aspects of the specification and examination is available. Go to www.edexcel.com for details.

Section A: Qualification content

Introduction

The Edexcel IGCSE in Economics is designed for use in schools and colleges as a two-year course. As students progress through the course they are introduced to new ideas and concepts while continuing to use and reinforce previously learned concepts and skills. The course is designed to give students a sound understanding of economics, and the ability to use knowledge, skills and understanding appropriately in the context of individual countries and the global economy.

Key subject aims

- To develop students' knowledge and understanding of economic concepts and enable them to apply these concepts to real-life situations.
- To enable students to interpret and evaluate economic data in order to make reasoned arguments and informed judgements.
- To develop students' awareness of economic change and its impact on developing and developed economies.
- To develop students' knowledge and understanding of economic issues, problems and possible solutions that affect mixed economies.
- To enable students to participate effectively in society as citizens, producers and consumers.

Key features and benefits of the qualification

- Designed for use in both schools and colleges, this course caters for students of various ages and from diverse backgrounds in terms of general education and lifelong learning.
- Provides opportunities to apply the subject content to local economic circumstances.

Assessment and progression

- Single-tier, single exam.
- Grading A*-G.
- Assessment opportunities in both January and June examination series. First assessment in June 2011.
- Provides a foundation for Edexcel AS GCE and Advanced GCE in Economics, or equivalent qualifications.

Changes to content from Edexcel IGCSE Economics (4350) to this qualification

This qualification is drawn largely from the legacy Edexcel IGCSE in Economics (4350) subject content. There are few changes to this subject content and none of the changes are substantial, so resources do not need to be majorly adapted to meet the new specification requirements. This qualification also amalgamates elements from the legacy Edexcel GCE O Level in Economics (7120).

The table below summarises the changes that have been made to the IGCSE in Economics (4EC0) qualification.

Concept/idea	New content	Deleted legacy IGCSE (4350) content
Section A: The Market System **1. Demand and supply** Demand and supply curves	Population should include: • main determinants of size and age distribution • dependency ratio.	N/A
2. The role of the market in solving the economic problem Resolving scarcity The mixed economy	Production possibility curves to illustrate opportunity cost. Concept of market failure and role of public sector.	N/A
Section B: Business Economics **1. Production** Production costs and revenue	Fixed and variable costs.	N/A
2. Competition Competitive markets	Advantages and disadvantages of large and small firms. Factors influencing the growth of firms; causes, types and limitations.	N/A

Concept/idea	New content	Deleted legacy IGCSE (4350) content
Section C: Government and the Economy **1. Macroeconomic objectives** Five macroeconomic objectives	Protection of the environment Use of regulation and taxation to influence business and consumer behaviour.	N/A
2. Policies Policy instrument – demand side.	Taxation, regulation and incentives aimed at the protection of the environment.	N/A
3. Relationship between objectives and policies	The different effects the macroeconomic measures may have on the **five** macroeconomic objectives.	N/A
Section D: The Global Economy **2. International trade** Changing patterns of world trade	N/A	The significance of trade in goods and services for wealth is no longer required. • Neo colonialism and commodity trade • Dominance of developed world • Global shift of manufacturing and East Asian exports.
3. Exchange rates The worldwide significance of exchange rates	N/A	The foreign exchange market.

Changes to assessment from Edexcel IGCSE Economics (4350) to this qualification

The assessment structure has been simplified. Students do not need to be entered for either Foundation tier or Higher tier. There is one written paper. There is now no coursework or equivalent examination requirement (Paper 3 on the existing IGCSE in Economics (4350)).

Information for centres starting the Edexcel IGCSE for the first time

Familiar content areas

The content of the Edexcel IGCSE in Economics reflects the content in other examination board IGCSE and O Level specifications. Teachers who have taught other IGCSE and O Level Economic qualifications will therefore be familiar with all topic areas in the Edexcel IGCSE in Economics.

It is unlikely that teachers will need to substantially adapt your existing resources in order to teach the Edexcel IGCSE in Economics successfully and effectively.

Simple assessment approach

The Edexcel approach to assessing this qualification is simple and straightforward. Assessment is a single, 2-hour and 30-minute written examination, accessible by all students.

The examination has four questions which correspond to the four sections of the specification content carefully selected with international centres and students in mind.

The Edexcel IGCSE in Economics has been developed so that it follows the UK-based GCSE Economics criteria – approved by the Qualifications and Curriculum Authority (QCA), the UK's regulatory body for public examinations and publicly-funded qualifications.

Section B: Assessment

Our examination paper is now untiered so you no longer have to decide in advance whether your students have to be entered for the Foundation paper or the Higher paper. The paper now accommodates the full grade range: A* to G.

This section gives all the information you need to understand the assessment of this qualification and help your students achieve their best possible results.

Assessment overview

The table below gives an overview of the assessment for this course.

We recommend that you make this information available to students to help ensure they are fully prepared and know exactly what to expect in the assessment of this paper.

Paper 1	Percentage	Marks	Time	Availability
Economics (4EC0/01)	100	120	2 hours 30 minutes External assessment	January and June examination series First assessment June 2011

Assessment Objectives and weightings

		% in IGCSE
AO1:	Demonstrate knowledge and understanding of the specified subject content	30-35%
AO2:	Apply knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address problems and issues	30-35%
AO3:	Select, organise, analyse and interpret information from various sources to analyse problems and issues	15-20%
AO4:	Evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately	15-20%
	TOTAL	**100%**

Assessment summary

<table>
<tr><th>Paper 1</th><th>Description</th><th>Knowledge and skills</th></tr>
<tr><td>Economics (4EC0/01)</td><td>The assessment of this qualification is through a 2-hour and 30-minute examination paper, set and marked by Edexcel.
There is a single tier of entry.
The total number of marks available is 120.
The examination paper has four compulsory questions, each worth 30 marks.
The examination paper is a mixture of structured, data response, short-answer, multiple-choice and open-ended questions.
Each question will be based on a particular theme, which will relate to one of the four sections of the subject content. However, due to the nature of economics, there may be some overlap between questions.
As the four questions correspond to the four sections of the specification it is essential that students have completed the whole course.
In addition to pens. students should be equipped with rulers, pencils and erasers as they will be required to draw simple diagrams. The use of calculators is permitted but may not be necessary.</td><td>Students should have studied all four sections of the specification.
They should be able to:
define economic terms and apply them within their responses
apply their knowledge of concepts, theories and methods to address economic problems
interpret diagrams and numerical data
select relevant information from given data
analyse problems using relevant economic theories and concepts
make reasoned decisions using their knowledge and analysis of economic issues
evaluate their arguments and present conclusions supported by evidence.</td></tr>
</table>

Examination questions

Students need to be familiar with the structure of the paper, the types of question set and the responses required. Command words are important indicators. They usually appear at the beginning of each question and, together with the marks awarded, indicate the level of response required. Students should, therefore, be reminded to read each question carefully before they respond.

The following table includes most of the command words that will be used in the examination, with a description of what students have to do in order to gain the marks.

Command words	Marks awarded	Description
Give/state/name/ identify/ suggest	(1 mark)	These are designed to give students the opportunity to show their knowledge by the simplest method, often just a one word answer.
Describe/define/ what is meant by	(2 + marks)	These are straightforward questions that often ask students to either describe something or give a correct definition of an economic term.
Explain	(2 + marks)	These ask students to respond in more detail to the question. Knowledge and understanding can be extended into application and analysis.
Evaluate/discuss/ compare/examine/ consider/to what extent/justify/ assess	(4 + marks)	These questions are designed to cover all the Assessment Objectives. They are awarded the most marks because they require students to show some analysis, produce balanced arguments involving both advantages and disadvantages, and make reasoned judgements.

Questions that refer to data, diagrams or give multiple choices often do not use the command words given in the table above. Instead, students may be asked to 'label', 'show', 'complete', and 'calculate' or comply with other simple instructions.

Included here is a selection of types of question, together with specimen answers and, in some cases, varying levels of response. Examiners' feedback is also shown.

The different question types include:

- multiple-choice questions
- short-answer questions
- short-answer questions with some development
- short-answer questions which refer to diagrams
- questions that cover all assessment levels.

Multiple-choice questions

These questions can appear on any part of the paper. They may be 'stand alone', as Example 1, or linked to the second part of the question as in Example 2.

Example 1

Specification Section B: Business Economics

Place a cross in the correct box to indicate the economic term that means the 'level of education and skill possessed by labour'.

Enterprise	☐
Human capital	☐
Conglomerate	☐
Production	☐

(1)

Student response

Human capital	X

Examiner's comments

A straightforward question requiring knowledge and understanding of the economic term. Students simply have to place a cross in the relevant box – not a tick!

Example 2

Specification Section C: Government and the Economy

Figure 3a shows the German government's budget in 2006.

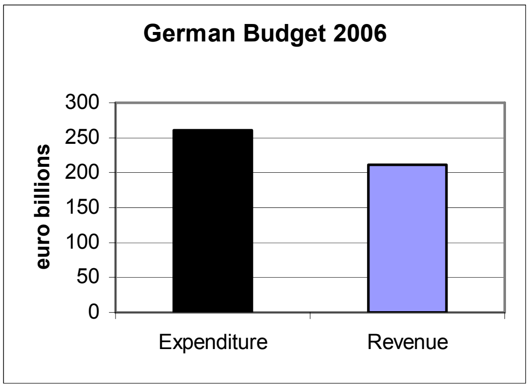


Figure 3a

(a)(i) Place a tick in the correct box to show whether the German government has a:

budget deficit ☐

budget surplus ☐

budget equilibrium. ☐

(1)

(a)(ii) Using the data in Figure 3a explain your answer.

(2)

Student response

(a)(i) budget deficit X

(a)(ii) Expenditure which is €260bn is greater than revenue which is €210bn, leaving a deficit.

Examiner's comments

(a)(i) Correct response (1 mark). A straightforward question requiring knowledge and understanding as well as interpretation of the data.

(a)(ii) Student correctly explained the term deficit: expenditure greater than revenue (1 mark), which corresponded to the answer in (a)(i) with relevant use of the data (1 mark).

Short-answer questions

These questions can appear on any part of the paper. They usually require only knowledge and understanding but some questions require students to interpret data.

Example 1

Specification Section A: The Market System

Bicycles and cars are manufactured goods. Identify **two** factors that determine the price elasticity of the supply of manufactured goods.

1.

2. (2)

Student response

1. level of stocks

2. spare capacity.

Examiner's comments

(a)(i) Correct response (2 x 1 mark). A straightforward question requiring knowledge and understanding. No explanation required for maximum marks.

Example 2

Specification Section B: Business Economics

The table below shows the costs and revenues for two delivery firms, Giant and Dwarf.

	Giant Delivery	**Dwarf Delivery**
Total cost	**£20000**	**£2000**
Units delivered	**10,000**	**(i)............................(1)**
Average cost	**(ii) ……………………..(1)**	**£4**

Complete the table above.

Student response

(i) 500 (ii) £2

Examiner's comments

Student's responses are correct. Simple calculations **are** required to show that the student understands how to calculate average cost. No working needs to be shown as there is only **one** mark for each part.

Example 3

Specification Section C: Government and the Economy

Suggest **one** other way, apart from taxation, in which a government raises revenue**.**

(1)

Student response

Sell off assets.

Examiner's comments

Correct response. Student must read this type of question carefully. Only **one** other way required but it must **not** be a type of taxation.

Example 4

Specification Section D: The Global Economy

What is meant by the balance of trade? (2)

Student response

Visible exports minus visible imports.

Examiner's comments

Correct definition. If only partial definition had been given, for example exports minus imports, then only one mark would have been awarded.

Short-answer questions with some development

These questions can appear on any part of the paper. They usually require only knowledge and understanding but they may also require an explanation or description rather than one word or a short phrase.

Example 1

Specification Section A: The Market System

Briefly explain **one** reason why the demand for digital cameras might be price elastic. (2)

Student response

Digital cameras are a luxury so as price falls the demand for them will increase a great deal.

Examiner's comments

Correct response. One reason, luxury, has been identified and the phrase 'demand will increase a great deal' is worth one mark as an explanation as it implies the change in demand is more than proportionate to the change in price.

Example 2

Specification Section B: Business Economics

Briefly explain how the main aims of firms in the public and private sectors differ. (2)

Student response

Public sector firms don't exist to make a profit but to improve the welfare of the citizens, whereas the main aim of private sector firms is to make a profit.

Examiner's comments

Correct response. One contrasting main aim for each type of firm is given.

Short-answer questions that refer to diagrams

These questions can appear on any part of the paper but they are usually found in Section A: The market economy. They require students to add to the diagram on the paper so they must have a pencil, ruler and eraser.

Example 1

Specification Section A: The Market System

Figure 1a shows the demand and supply of bicycles in China before foreign competition.

The Market for Bicycles made in China

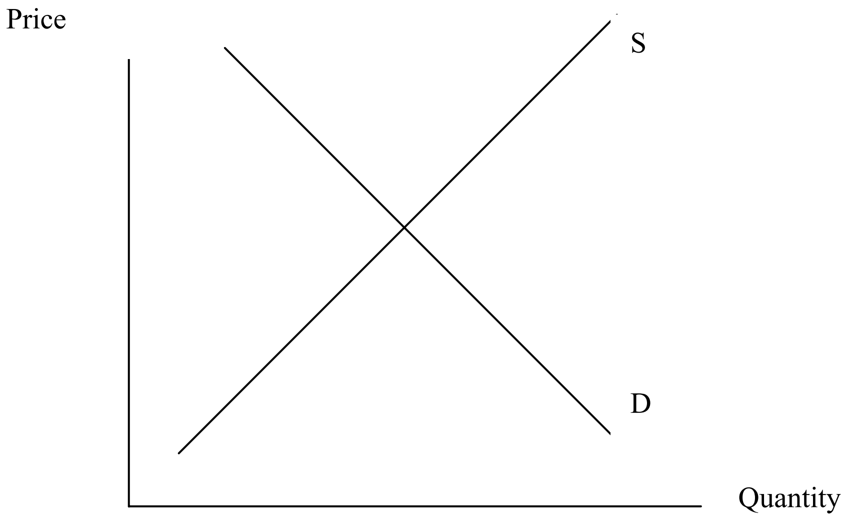


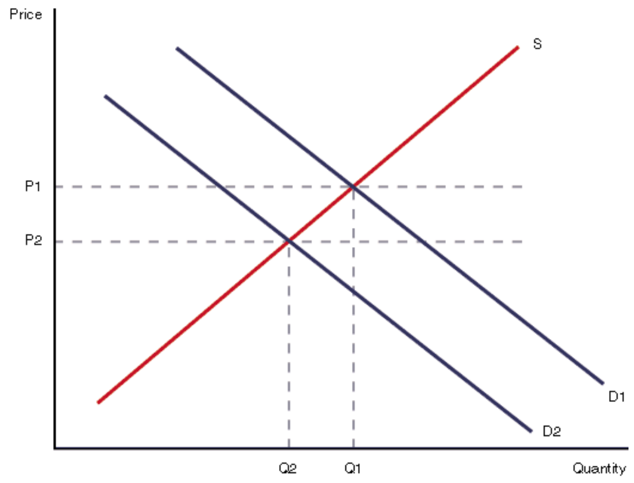
Figure 1a

(i) Indicate on Figure 1a the original price, P1, and original quantity, Q1. (2)

(ii) Draw a new demand curve, D2, to show the effect of fierce competition from foreign bicycle producers. (1)

(iii) Label the new equilibrium price, P2, and the new equilibrium quantity, Q2. (2)

Student response



Examiner's comments

(i) Original price, P1, and original quantity, Q1, clearly shown: 2 marks.

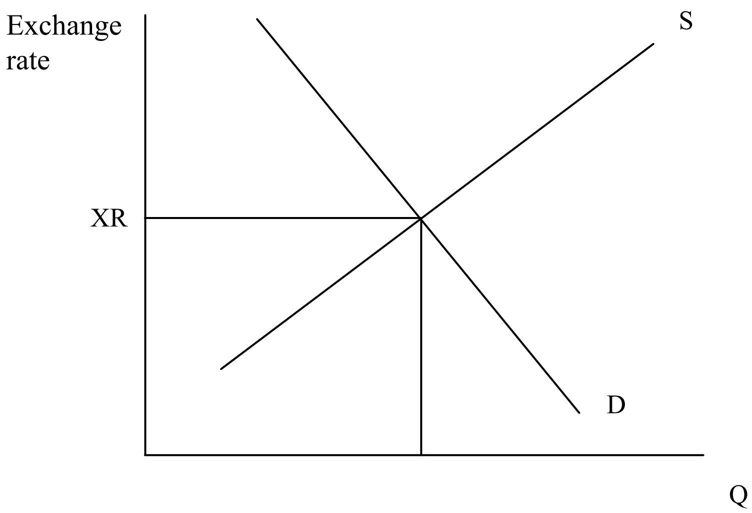
(ii) New demand curve, D2, to the left of D1 clearly drawn and labelled: 1 mark.

(iii) The new equilibrium price, P2, and the new equilibrium quantity Q2 clearly shown: 2 marks.

Example 2

Specification Section D: The Global Economy

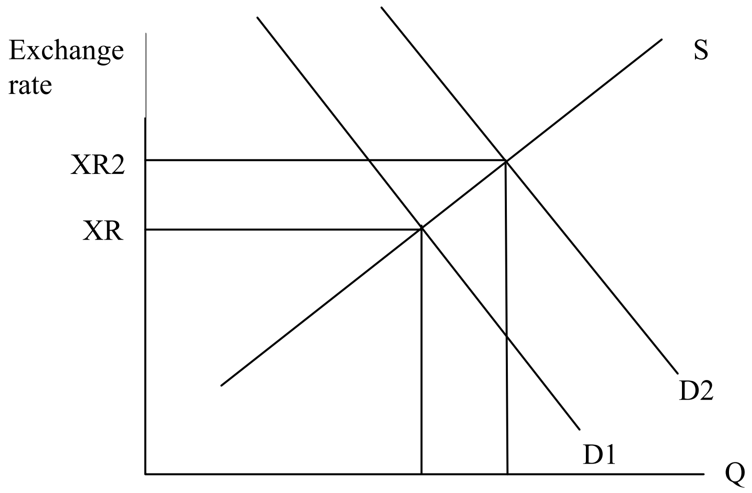
Diagram to show the exchange rate of a currency.



On the diagram above show the likely effect on the exchange rate of Malaysia if it receives large inward investment from multinational companies.

(3)

Student response



Examiner's comments

Correct response. The answer requires the student to show that large inward investment will increase demand for the country's currency (1 mark). This can be shown by a movement of the demand curve to the right, D2 (1 mark), and the new higher exchange rate, XR2 (1 mark).

Questions that cover all assessment levels

Example 1

Specification Section B: Business Economics

Privatisation has taken place in many countries. Examine the relative costs and benefits of privatisation in improving efficiency in an economy. (5)

Student response

Grade A

Privatisation is the transfer of state owned assets to the private sector. As private sector firms aim to make a profit they will try to become more efficient in order to reduce costs. This can be done by investing in new technology. Privatised firms face competition and this too can lead to greater efficiency in production to make better quality products. Some privatised firms may remain monopolies and in the private sector they may take advantage of their position and seek profits rather than efficiency. As the government has no control over these firms the threat of exploitation and inefficiency outweighs the benefits of privatisation.

Examiner's comments

This question concerning privatisation is not as straightforward as it seems. The question concerns the efficiency of privatisation not just the general costs and benefits of it. The student has shown:

- knowledge – defined privatisation
- understanding – aims of privatised firms
- analysis – given both advantages and disadvantages of privatisation in relation to efficiency
- evaluation – come to a reasoned conclusion.

Student response

Grade C

Privatisation is the transfer of state-owned assets to the private sector. As private sector firms aim to make a profit they will try to become more efficient in order to reduce costs. Privatised firms face competition and this too can lead to greater efficiency. Some privatised firms may remain monopolies in the private sector, and they may take advantage of their position.

Examiner's comments

This response shows knowledge and understanding but analysis is limited. There is no evaluation.

Example 2

Specification Section C: Government and the economy

Evaluate the effectiveness of supply-side policies in reducing structural unemployment.

Student response

Grade A

Supply-side policies aim to improve the capacity of an economy. Training and education are parts of supply-side policy that aim to increase the occupational mobility of workers. Unemployed workers whose skills are no longer required can be retrained, eg miners can become computer programmers and find new jobs in expanding industries. Re-training will take time and its success will depend on the willingness and ability of the workers as well as jobs still being available when they have been retrained.

Examiner's comments

Not all supply-side policies are relevant to solving unemployment and this question required students to consider which elements of supply side policies could be used and how effective they might be at reducing structural unemployment.

- knowledge – supply-side policies defined
- understanding – parts of policy that can reduce structural unemployment.
- analysis – how it works with examples
- evaluation – limits to success.

The student scored full marks: A grade.

Student response

Grade C

Supply-side policies aim at improving the capacity of an economy. Training and education are parts of supply-side policy. Unemployed workers can be retrained, eg miners can become computer programmers and find new jobs and so structural unemployment can be reduced.

Examiner's comments

This response shows knowledge and understanding but analysis is limited. There is no evaluation.

Using the mark scheme

The mark scheme gives the responses we expect from students. Indicative answers are given but during the standardisation of examiners process the mark scheme is updated and expanded to cover unexpected, correct student responses.

Section C: Planning and teaching

Course planner

Whilst planning the delivery of the course is the responsibility of the centre, the following scheme of work for a two-year course may be useful. It will require adaptation by teachers to allow for tests and examinations as well as revision.

Term 1 of 5

Content area	Content	Activities
Section A: The Market System		
1 Demand and supply	• Demand and supply curves • Price elasticity of demand • Income elasticity of demand • Price elasticity of supply • Application of elasticity concepts • Application to topical price changes	Teacher explanation and notes. Drawing of supply and demand diagrams. Discussion of how different factors can affect (i) the demand curve, (ii) the supply curve. Diagrams to illustrate elasticity. Discussion of how knowledge of elasticity can influence decisions by firms and governments.
2 The role of the market	• Resolving scarcity • Opportunity cost including production possibility curves • The mixed economy	Teacher explanation and notes. Students investigate the role of public and private sectors in their economy and/or UK.

Term 2 of 5

Content area	Content	Activities
3 The labour market	• Wages and employment • Division of labour • Demand and supply of labour • Interference in the labour market.	Teacher explanation and notes. Diagrams for demand and supply of labour. Discussion of factors affecting labour markets and why governments intervene. Visit by a trade union official to talk about how they influence wages.
Section B: Business economics 1 Production	• Production and productivity • Production costs and revenue • Economies and diseconomies of scale • Productivity and wealth creation • Externalities.	Teacher explanation and notes. Students use data from a range of economies to understand production and productivity and how they differ. Students investigate the changing importance of primary, secondary and tertiary sectors in their economy and/or the UK. Students learn to calculate total cost (fixed and variable), average cost, total revenue and profit. Students investigate and discuss the existence of externalities in their economy and ways to deal with them. They apply this to one or more examples in their economy and/or the UK.

Term 3 of 5

Content area	Content	Activities
Section B: Business economics		
2 Competition	• Competitive markets • Monopoly • Oligopoly.	Teacher explanation and notes. Students investigate the existence of monopolies and oligopolies in their economy and/or the UK and gain an understanding of the advantages and disadvantages.
3 Public and private sectors	• Differences between public and private sectors • Government regulation • Privatisation.	Teacher explanation and notes. Students investigate privatisation in their economy and/or the UK.

Term 4 of 5

Content area	Content	Activities
Section C: Government and the economy		
1 Five macro-economic objectives	• Economic growth • Control of inflation • Control of unemployment • Healthy balance of payments on current account • Protection of the environment.	Teacher explanation and notes. Students use simple economic data relevant to their economy/the UK. Students look at data for different regions of their country/the UK to understand regional policies. Discussion of causes and consequences.
2 Policy instruments	• Fiscal • Monetary • Supply side.	Teacher explanation and notes. Students use simple data on the budget to understand changes and consequences. Students collect data on interest rates and how these have an impact on consumers and firms. Students investigate a supply side policy and discuss their findings.
3 Relationship between objectives and policies		Students link policies with data used for the five macroeconomic objectives. Research into what their government has done and discuss how successful it has been.

Term 5 of 5

Content area	Content	Activities
Section D: The Global Economy		
1 Globalisation	• Integration and independence of economies • Multinational companies (MNC) • Reasons for globalised operations; key drivers • Foreign investment and development aid • Winners and losers from globalisation	Teacher explanation and notes. Students should study the global operations of one MNC. Students gather information and discuss the impact of foreign investment and aid on their economy. Students should compare a developed and developing country to assess advantages and disadvantages for both.
2 Growth and change in international trade	• Significance of trade in goods and services • Free trade versus protection • Changing patterns of world trade • Modern trading blocs • World Trade Organization.	Teacher explanation and notes. Diagrams are used to understand free trade and protection. Students should investigate the trading patterns of a chosen economy. Students investigate a trading bloc.
3 Exchange rates	• Factors affecting the demand and supply of currencies • Impact of exchange rate changes • Price elasticity of demand for exports and imports • Currency depreciation/ devaluation.	Students investigate how exchange rates have changed using a range of currencies. Students draw demand and supply diagrams to analyse exchange rate determination.

Teaching ideas

Example lesson plans

The following lesson plans are guidance to those who are new to the teaching profession or to the subject. There is one specimen lesson plan for Sections A, B and C of the course. Each lesson is targeted at students of average ability in the age range 13 to 16 years.

Specimen lesson 1

Topic: Price and income elasticity; the concept of price elasticity of demand; diagrams including importance of total revenue.

Introduction

The aim of this lesson is to introduce students to the concept of elasticity of demand.
The specification states that:

> *Calculations using the formulae are* ***not*** *required. Diagrams with slopes showing elastic and inelastic demand curves are required. Use of total revenue calculations to show the relationship between a change in price and the change in total revenue for differing elasticities is important.*

Most teachers will have taught elasticity in the past using formulae and calculations. This plan adheres to the specification but explains elasticity using total revenue.

Students should have knowledge of the relationship between price and quantity demanded from previous lessons.

Without drawing diagrams the teacher should recap emphasising only the relationships **P↑ D↓** and **P↓ D↑**.

Activity 1

Using the relationship between price and quantity demanded (**P↑ D↓** and **P↓ D↑**) students should attempt to draw a diagram showing a demand curve (this should have been covered in previous lessons).

Students should then compare their diagrams to the diagrams of other students in the class.

If their diagrams are correct, ie correct axes of price and quantity demanded, the only difference should be the slope of the curve.

Students should try to identify the difference between correct diagrams, ie the slope of the curve. At this point, the teacher may help by asking two students to show their diagrams to the rest of the class, ensuring that two with different slopes are chosen.

The words 'slope' or 'gradient' will probably be used by students to describe the different curves. The teacher should now introduce the term '**elasticity**'.

It is important that the teacher emphasises that, even though the slopes (elasticities) are different, all the demand curves adhere to the original relationship: **P↑ D↓** and **P↓ D↑**.

Activity 2

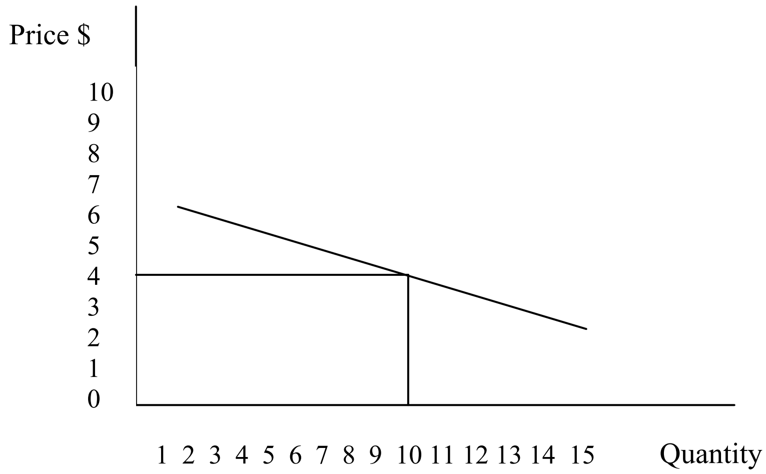
Using graph paper, the students should draw two sets of identical axes; they should label the horizontal axis (quantity demanded) and vertical axis (price). The axes should show:

- quantity demanded 0 to 15
- price $0 to $10.

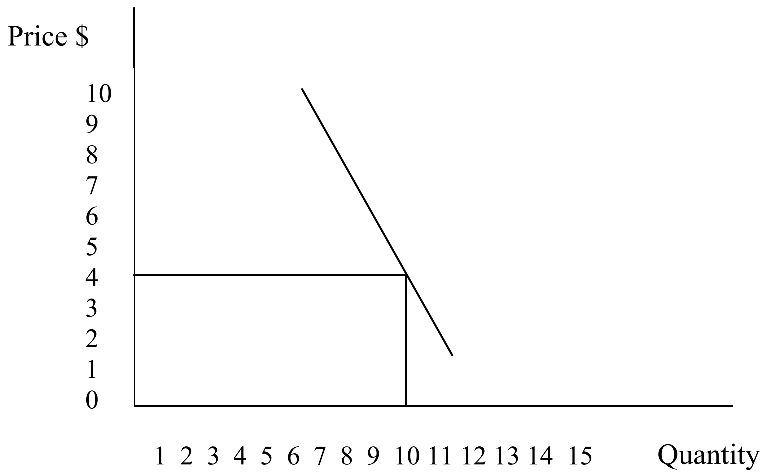
Students should then find the intersection of quantity 10 and price $4 and draw a demand curve with a shallow gradient (elasticity) going through this point on one diagram.

On the other diagram they should find the same intersection and draw a steep gradient demand curve going through the intersection.

Shallow gradient demand curve (elastic) **Curve A**



Steep gradient demand curve (inelastic) **Curve B**



Activity 3

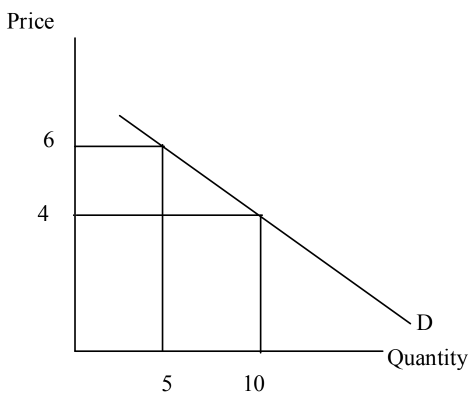
Students should now be introduced to the concept of total revenue: the amount received by a firm from the sale of goods.

Total revenue (TR) = price x quantity sold.

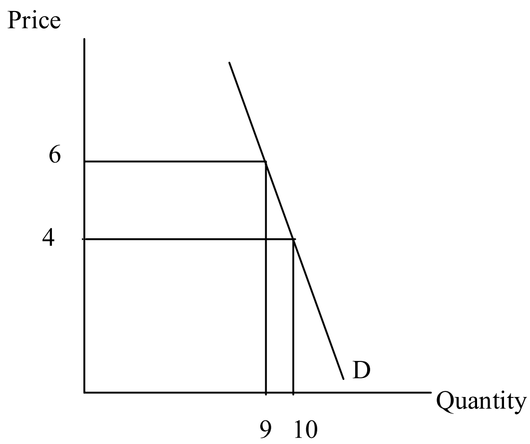
Students should use the appropriate price and quantity lines on their graphs for their original price of $4. Then draw the price and quantity lines on their graphs for a price higher than $4.

This is shown below.

Curve A



Curve B



Curve A

Price	Quantity	TR
4	10	40
6	5	30

Curve B

Price	Quantity	TR
4	10	40
6	9	54

Students should consider the differences brought about by the price changes. The responses should lead to the following summary.

- When the demand curve is less steep: price rises, total revenue falls.
- 'The change in price brings about a more than proportionate change in quantity demanded.' (In simple terms – a change in price will have a large effect on demand.)
- Where the demand curve is steep: price rises, total revenue rises.
- 'The change in price brings about a less than proportionate change in quantity demanded.' (In simple terms – a change in price will have a small effect on demand.)

The teacher can now introduce the terms 'elastic' and 'inelastic' in the following table.

Price change	Elastic	Inelastic
Fall in price	TR rises	TR falls
Rise in price	TR falls	TR rises

Summary

- Demand curves may have different price elasticities (gradients).
- The elasticity will affect the change in total revenue brought about by a price change.
- When the demand curve is elastic a rise in price will bring about a fall in total revenue and vice versa.
- When the demand curve is inelastic a rise in price will bring about a rise in total revenue and vice versa.

Follow up in preparation for next lesson

Identify two goods or services you think exhibit the characteristics of:

(a) an elastic demand curve

(b) an inelastic demand curve.

Be prepared to explain the reasons for your choices.

Specimen lesson 2

This is part of the Business Economics section. The teaching of the different sectors – primary, secondary and tertiary – is relatively easy but the specification includes the:

> *… changing importance of these sectors in terms of employment and output over time, in developing and developed economies.*

The following lesson plan will hopefully aid teachers in this topic and show how the internet and data from their own countries can be used.

Topic: The changing importance of primary, secondary and tertiary sectors in developing and developed economies

Introduction

The aim of this lesson is to introduce students to the changing importance of the three sectors in developing and developed countries with specific reference to their own economies.

The specification states that:

> *[using] modern examples, drawn from an economy of your choice… data for contrasting developed and developing countries should be studied by considering the movement away from primary and towards secondary and tertiary industry.*

Students should have knowledge of all three sectors of the economy: primary, secondary and tertiary.

Activity 1

The following data should be studied by the students. Figures refer to percentage of GDP.

Country A

	1992	**2001**
Primary	2.1	1.5
Secondary	30.0	27.2
Tertiary	67.9	71.3

Country B

	1992	**2001**
Primary	51.1	36.4
Secondary	13.2	20.9
Tertiary	35.7	42.8

Students should identify from the data which is the developed and which is the developing country, giving reasons for their answers. Teachers should be looking for some of the following reasons.

Country A (developed) Belgium	Country B (developing) Uganda
Primary sector falling: increased imports, exhausting natural resources.	Primary sector falling: growth of other sectors.
Secondary sector falling: cheap imports due to high wage costs. Fall in employment due to mechanisation.	Secondary sector rising: growth of home manufacturing industries and exports. Growth of multinationals.
Tertiary sector increasing: financial services – highly educated workforce.	Tertiary sector increasing: growth of retailing, tourism and transport.

Activity 2

If possible the teacher should now give data for their own country. The following internet site may be of use: http://worldbank.org/data/countrydata/countrydata.html

If it is not possible to access data for their own country then a similar country should be chosen.

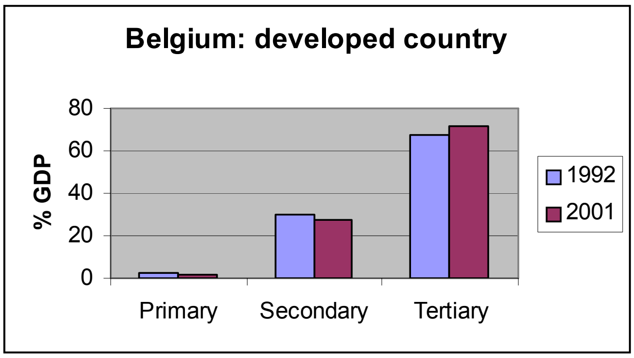
Using the data for their own country (or the chosen country), students should draw and complete the table below with examples and indicate whether they feel the sectors are increasing or decreasing in terms of employment and output. The following table shows the response that might be given from students in a developing country.

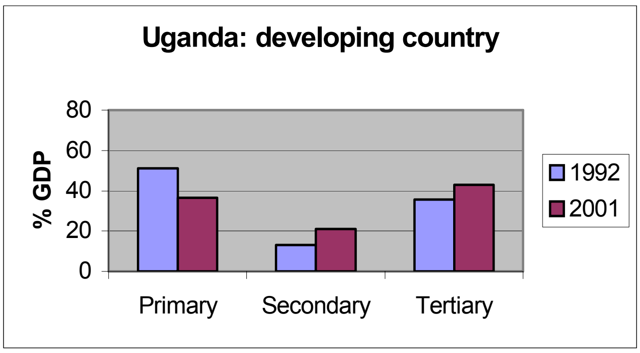
Primary	Secondary	Tertiary
Farming ↓	Garments ↑	Financial ↑
Fishing ↓	Food processing ↑	Tourism ↑
Mining ↑	Cars ↑	Transport ↑

Where possible, students should draw graphs:

- to compare developing and developed countries
- of the country of choice.

Example





Summary

Developed countries are associated with:

- a decrease in importance of primary sector industries
- decreasing manufacturing (deindustrialisation)
- increasing importance of the tertiary sector.

Developing countries are associated with:

- a decrease in importance of primary sector industries
- increasing importance of manufacturing
- increasing importance of the tertiary sector.

It is important that teachers emphasise that these are generalisations and not all countries will fit this pattern.

Specimen lesson 3

Topic: Inflation

Students should have already covered the measurement and causes of inflation. This lesson looks at the consequences of inflation.

Introduction

The specification says:

> *Consequences: effects on prices, savings, wages, balance of payments, unemployment, the functions of money*

and states that:

> *characteristics of money are not required.*

By the end of the lesson students should:

- have knowledge of the consequences of inflation
- understand the results of these consequences
- be able to discuss how important the consequences are for their economy, referring to both past and present data.

Activity 1

This should link previous work on inflation with this lesson.

The first activity should be revision of knowledge and understanding of the measurement and causes of inflation.

Students should then identify and make note of the other four macroeconomic objectives: economic growth, unemployment, balance of payments on current account, and protection of the environment.

Students are now ready to consider the effects of inflation on the other objectives.

Activity 2

Students should be divided into small groups. In 10 minutes they are to produce a list of the consequences of inflation, which they should report back to the rest of the class.

Each valid consequence should be noted.

Activity 3

Each small group should be allocated one or more of the main consequences and effects – on prices, savings, wages, balance of payments, unemployment and the functions of money and asked to consider the effects on the economy. If time permits, different scenarios could be presented so that one group is told that there is high inflation and another that inflation is low. This would then lead to further discussion. Each group should produce effects and relevant explanations and report to the class. This should take about 15 minutes with teacher support.

The main points can be summarised and notes taken.

Summary

To focus the lesson the teacher can summarise how high inflation affects the other macroeconomic objectives.

- Economic growth – high inflation would lead to a slow down and possibly a recession.
- Unemployment – would increase as imports rise and exports fall.
- Balance of payments – deterioration due to lack of price competitiveness.
- Protection of the environment – may not be seen as very important as people and firms concentrate on maintaining standard of living and profits.

Follow up

Students could be asked to find data on the macroeconomic objectives for their chosen economy and to consider how changes in the rate of inflation have affected them.

Specimen lesson 4

Topic: Protection – tariffs, subsidies and quotas; Students should have already covered the advantages and disadvantages of free trade.

Introduction

The specification says:

> *Students should have knowledge of the advantages and disadvantages of free trade and protection.*

and states that:

> *Basic supply and demand diagrams to show the impact of tariffs, subsidies and quotas on foreign trade are required.*

By the end of the lesson students should:

- understand how tariffs, subsidies and quotas reduce imports
- be able to use diagrams to explain the impact of tariffs, subsidies and quotas on imports.

Activity 1

Link with previous lesson – revise the disadvantages of free trade.

List the reasons why a country might want to reduce imports, for example to protect domestic industries, protect workers, or reduce current account deficit.

Activity 2

Introduce the following:

- tariffs – tax on imports
- subsidy – negative tax on domestic goods
- quotas – physical limit on amount of imports.

Students should now use their knowledge of the price mechanism to explain how each will reduce imports. They should then attempt to show this on demand and supply diagrams. The following demand and supply diagram (Figure 1) can be issued to students, who can then adapt it to show how each method will reduce imports.

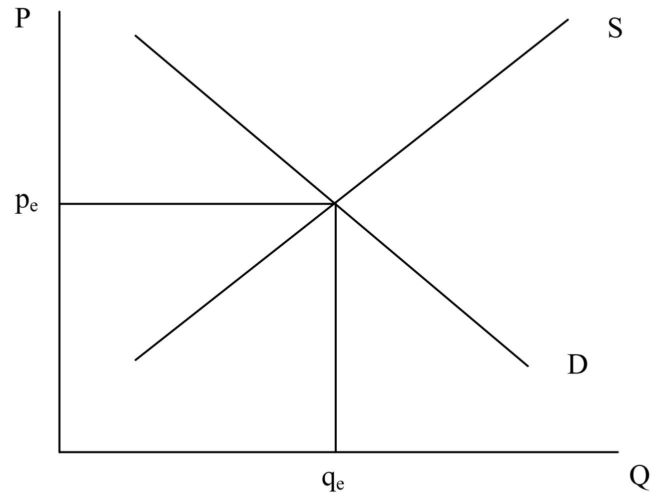
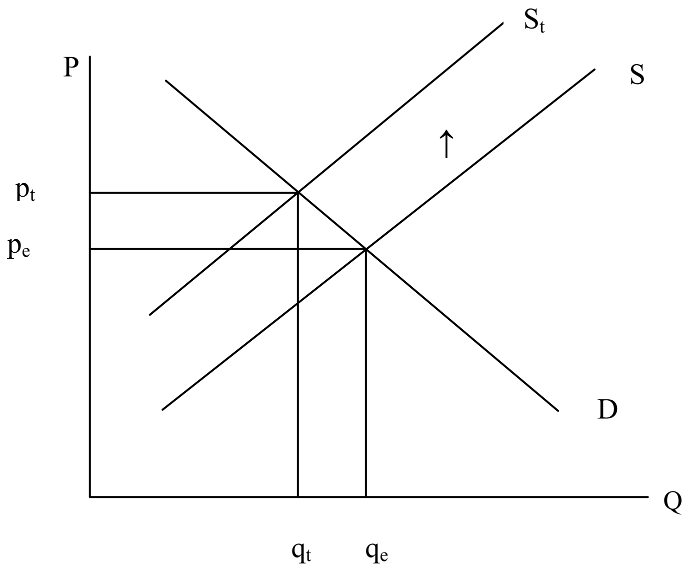


Figure 1

Activity 3

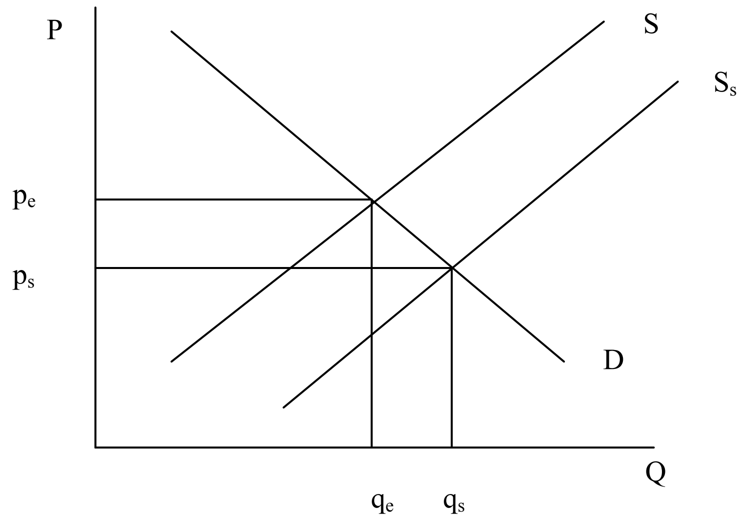
Students should give a written explanation to accompany each diagram.

Tariffs



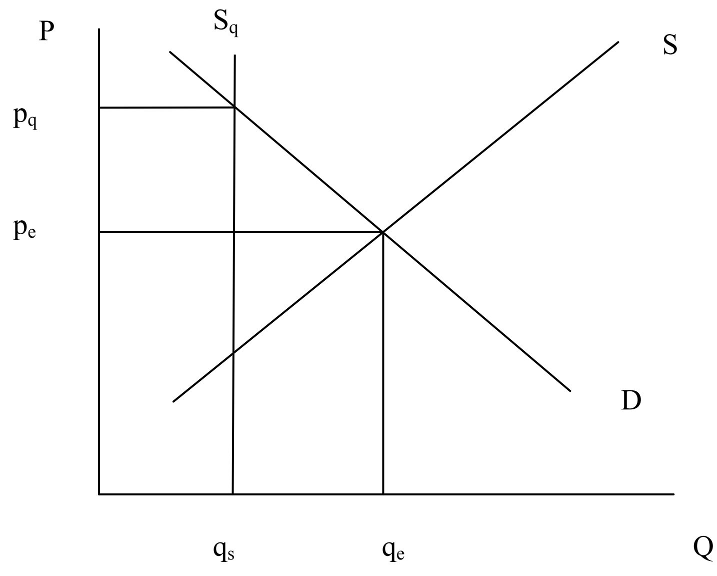
Tariffs are a tax on imports. They are considered a cost so lead to a decrease in supply – S to St. Price increases, pe to pt – and this leads to a fall in demand for imports, qe to qt.

Subsidies



A subsidy is money given to home producers by the government. It is a negative tax. Subsidies reduce costs so the supply curve shifts to the right as more is supplied (qe to qs). If producers pass the decrease in costs on to consumers, prices will fall (pe to ps). Domestic goods will become more competitive and this may lead to a decrease in imports.

Quotas



A quota is a physical limit imposed by the government on the amount imported. Supply shifts S to Sq and the supply curve becomes perfectly inelastic. Price rises, pe to pq. The demand for imports falls, qe to qq.

Summary

Governments may wish to decrease imports for a variety of reasons.

The main methods – tariffs, subsidies and quotas – use the price mechanism to reduce imports.

- Tariffs: the supply of imports shifts to the left, prices rise and demand falls.
- Subsidies: the supply of domestic goods shifts to the right, price falls, demand rises, and demand for imports falls.
- Quotas: the supply of imports is restricted. Supply of imports becomes perfectly inelastic and shifts to the left. Prices rise and demand falls.

Follow up

Students could be asked to list any factors that limit the use of tariffs, subsidies and quotas as methods of reducing imports. This would be the basis of the next lesson.

Glossary of economic terms

The following is not intended to be a definitive list of terms and definitions, but is given to show the depth of knowledge expected by the specification.

Economic term	Description
Administrative regulations	Regulations imposed by the government of a country to regulate trade, usually applied to imports, for example insisting upon imports meeting minimum standards.
Age distribution	The number of people in each age group of the population. This can be shown on a population pyramid. It may be simplified into three categories: under working age, working age and retirement age.
Ageing population	The average age of the population is increasing.
Allocation of resources	Economic decisions concerning the uses of the factors of production.
Appreciate/appreciation (of a currency)	The value of a country's currency rises in terms of other currencies. Exports will become more expensive and imports cheaper.
Average cost	Total cost divided by output.
Balance of payments	The record of a country's international financial transactions.
Balance of payments on current account	This shows the trade in goods and services, profits, interests and dividends (net income from abroad) and current transfers.
Balance of trade	Visible exports minus visible imports.
Barriers to entry	In competition, barriers to entry prevent or make it difficult for firms to enter an industry, eg brand image or government regulations (licensing).
Barter	Exchange of goods and services without the use of money.
Budget deficit	Government expenditure greater than government revenue.
Budget surplus	Government expenditure less than government revenue.
Bureaucracy	A diseconomy of scale resulting from a more than proportionate increase in management and leading to difficulties in communication and decision-making.
Capital	Goods used to produce other goods, for example machines in a factory.
Cartel	Oligopolists work together (collude) to enjoy monopoly profits by agreeing on price and output.

Economic term	Description
Central bank	The main bank in a country, which issues notes and coins and implements monetary policy. It is sometimes called the government's bank as it manages the government's accounts.
Commodity trade	Trade in primary products.
Competition	The process by which firms selling similar products in the same market achieve a larger share of the market. It can be price or non-price competition.
Complementary goods	Goods that are related to each other: if the price of one increases the demand for the other falls and vice versa, for example petrol and cars. The cross-elasticity of complementary goods is negative.
Conglomerate	A firm that consists of unrelated businesses.
Cost-push inflation	Producers facing rising costs of production increase the prices of their goods and services, leading to inflation.
Current private transfers	Transfers of money by individuals and firms to other countries. It is part of the balance of payments on current account.
Cyclical unemployment	This is caused by falling demand due to a downturn in the trade cycle.
Deficit	Expenditure is greater than revenue. When applied to government expenditure and revenue it is called the budget deficit. When applied to visible imports and visible exports it is called the trade deficit.
Deflationary (policy)	This is used to reduce economic activity in order to reduce inflation.
Deindustrialisation	The tendency in a developed economy for the manufacturing sector to decline.
Demand curve	A line that shows the relationship between price and quantity demanded.
Demand-pull inflation	Excess demand in the economy puts pressure on prices, leading to inflation.
Demerit goods	Goods that are thought to be harmful to consumers/society, eg cigarettes and addictive drugs.
Depreciate/depreciation (of a currency)	The value of a country's currency falls in relation to other currencies. Exports will become cheaper and imports more expensive.
Deregulation	The removal by the government of rules and regulations from businesses in order to promote competition.
Devaluation	Depreciation of a currency brought about by official interference in exchange rates, usually associated with fixed exchange rates.

Economic term	Description
Direct taxes	Taxes on income and wealth, eg income tax and inheritance tax.
Diseconomies of scale	As output increases the average cost of production may rise due to diseconomies which include the disadvantages of division of labour and bureaucracy.
Division of labour	Breaking down of a job into smaller tasks.
Economies of scale	As output increases the average cost of production may fall due to economies which include marketing, financial, managerial, technical and risk bearing.
Economic growth	The increase in gross domestic product over time.
Efficiency	This occurs when resources are used effectively, for example labour efficiency = productivity (output per worker).
Elastic demand/elastic supply	An increase in price will result in a more than proportionate increase in quantity demanded/supplied; elasticity will be greater than 1.
Embargoes	These prohibit trade in a product with another country. They are usually imposed for political reasons.
Enterprise/entrepreneur	The factor of production which organises the other factors of production and bears the risk.
Equilibrium price	The price at which quantity demanded and quantity supplied are equal.
Equity	Government policy relating to fairness, for example progressive taxation is based on ability to pay.
Excess demand	Demand is greater than supply.
Exchange control	This limits the amount of foreign currency available to importers, thus limiting the amount they can import.
Exchange rate	The price of one currency in relation to another for example £ = 1.3€ (euro).
Exports	Goods and services sold to other countries.
External economies of scale	Benefit the whole industry not just individual firms.
Externalities	Costs and benefits which are the result of production but which are not accounted for in a firm's costs and revenues. The main externalities are negative (costs), for example pollution and congestion.
Factors of production	Land, labour, capital and enterprise.
Fiscal policy	Means by which the government controls the level of spending in an economy by manipulating government expenditure and government revenue.
Foreign Direct Investment (FDI)	Flows of private capital from one country to another.
Foreign exchange market	The market where currencies are bought and sold.

Economic term	Description
Frictional unemployment	This is caused by workers changing jobs. The time between leaving one job and starting another is called frictional unemployment. It is a temporary form of unemployment.
Geographical immobility	The inability of workers to move from one job in a particular area to a job in another area.
Global economy	The interdependence of the world's economies.
Government grants	Money given to firms by the government which does not have to be repaid.
Government's economic objectives	These include full employment, low inflation, economic growth and eliminating balance of payment deficits.
Government income (revenue)	This is obtained mainly from taxation but also includes income from rent, profits of state industries, fines and revenue from the sale of state-owned industries.
Government expenditure	The amount a government spends, for example on defence, social security benefits, health.
Gross Domestic Product (GDP)	The sum total of a country's output over a period of time, usually a year.
Human capital	The levels of education and skill possessed by the factor of production, labour.
Human Development Index	A measure of the standard of living which considers the quality of life. It is constructed by the United Nations and takes into account other factors, for example life expectancy, rather than just the income per person in a country.
Imports	Goods and services brought into a country from abroad.
Income elasticity of demand	Measures the responsiveness of demand to a change in income. Income elasticity of demand equals the percentage change in quantity demanded, divided by the percentage change in income.
Industrial inertia	Historical reasons for location in a particular area disappear but firms do not move to new areas. There is no longer an economic reason for a firm to stay in that area.
Inelastic demand/supply	An increase in price will result in a less than proportionate increase in quantity demanded/supplied. Elasticity will be less than 1.
Inferior goods	Goods that decrease in demand as income increases. Income elasticity of demand for inferior goods is negative.
Inflation	The general and persistent rise in the level of prices in a country.

Economic term	Description
Inflationary (policy)	This is used to increase economic activity in order to increase demand and employment.
Infrastructure	The man-made environment, eg transport links, schools, hospitals.
Interest rate	**See *Rate of interest***
Internal economies of scale	These benefit firms by decreasing average costs as production increases (see *Economies of scale*).
International debt	The amount owed by one country to another. It is especially important for developing countries as they may have problems repaying international debt (loans and interest payments).
International Labour Organisation (ILO)	Organisation concerned with employment. The ILO unemployment rate is defined as people who are not working but who are actively seeking work.
International Monetary Fund (IMF)	An international organisation set up in 1944. Mainly concerned with exchange rates and loans to countries with persistent trade deficits.
Investment	The purchase of capital equipment, for example machinery by firms and the government.
Invisible balance	Invisible exports minus invisible imports.
Invisible exports	Services sold to other countries.
Invisible imports	Services bought from other countries.
Involuntary unemployment	Workers who are willing to work but cannot find employment.
Land	The factor of production which includes its fertility, mineral deposits, natural vegetation.
Labour	The factor of production comprising people in the process of production.
Loans	Borrowed money which is paid back by instalments plus interest. Loans are issued for a fixed time period.
Localisation	Industry (several firms producing the same good or service) situated in one area due to particular advantages to the industry, for example proximity to raw materials.
Location	The decision taken to place a firm in a particular part of a country.
Macroeconomic objectives	A government's aims for the economy as a whole, for example full employment, control of inflation.
Market economy	Allows market forces (price mechanism) to determine the allocation of resources.
Market forces	The action of demand and supply on price.

Economic term	Description
Minimum wage rates	A legal minimum hourly wage set by the government of a country.
Mixed economy	Combination of a market and planned economies. Some resources are allocated through the price mechanism and some by the state.
Money	Anything that is generally acceptable in payment for goods and services.
Money income	Income that does not take account of the rate of inflation.
Money supply	There are several different measures. The most common is notes and coins in circulation plus credit created.
Monetary policy	Means by which the government controls the level of spending in an economy by controlling the amount of credit available and the cost of this credit (interest rates).
Monopoly	Where there is a single producer in an industry. There is no competition.
Multinationals	Firms which have their headquarters in one country but have manufacturing plants or outlets in others, for example Ford.
National income	The sum of all the incomes of the factors of production in an economy in one year.
Nationalisation	The transfer of firms from the private to the public sector.
Negative externalities	The costs of economic activity that are not paid by the producer but which affect others in an economy, for example pollution.
Net income from abroad	The difference between the interest, profit and dividends earned by firms and individuals of a country and which enter the country and the interest, profit and dividends which are earned by foreigners and sent out of the country. It is part of the balance of payments on current account.
Non-price competition	Competitive practices not based on price, for example advertising, branding.
Non-renewable resources	These are fixed in supply and cannot be replaced, for example oil, minerals.
Non-tariff barriers	Restrictions on trade that do not involve import taxes.
Normal goods	Goods that increase in demand as income increases. Income elasticity of demand for normal goods is positive.
Occupational immobility	The inability of workers to move from one job to another in a different industry.
Oligopoly	A market made up of a few sellers. The firms are interdependent, so they will react to changes in each other's price and quantity changes.

Economic term	Description
Opportunity cost	The cost of the next best alternative foregone.
Personal savings	Income not spent. A sole trader can use his personal savings as a source of finance in his business.
Planned economy	The state allocates resources and decides what to produce, how to produce and for whom to produce.
Price competition	Competitive practices based on price.
Price elasticity of demand	The responsiveness of quantity demanded to a change in price. Price elasticity of demand equals the percentage change in quantity demanded, divided by the percentage change in price.
Primary sector	That part of an economy which consists of farming, fishing, forestry, mining, ie the extractive industries.
Private good	Goods produced by the private sector for a profit.
Private sector	The part of the economy owned and controlled by shareholders or individuals.
Privatisation	The sale of state-owned firms to the private sector.
Production	The amount produced by a firm or group of firms.
Productivity	The amount produced per unit. Labour productivity = amount produced/number of workers.
Progressive taxation	The proportion of income taken in tax increases as a person's income increases, for example income tax.
Proportional taxation	The proportion of income taken in tax remains the same as a person's income increases.
Public goods	Goods provided by the state which are not charged according to their use, for example street lighting. They are non-exhaustible and non-excludable.
Public limited company	A company with limited liability, owned by shareholders. The shares can be traded on a stock exchange.
Public sector	The part of the economy owned and controlled by the government on behalf of the country.
Purchasing power of money	The amount of goods and services an amount of money can buy.
Quotas	An import control (non-tariff) that limits the amount of particular imports brought into the country.
Rate of interest	The amount paid by the borrower to the lender for a loan. Usually calculated over the period of a year.
Real income	Money income adjusted for the rate of inflation.
Regional imbalance	The result of areas in a country having different employment and income levels.

Economic term	Description
Regional policy	This is the government's attempt to correct regional imbalances, eg giving firms incentives to move to areas of high unemployment.
Regressive taxation	The proportion of income taken in tax decreases as a person's income increases, for example Value Added Tax.
Retail Price Index	A statistical measure of weighted average prices of a specified set of goods and services. It is used as a measure of inflation.
Retained profit	The amount left over after everything has been paid by a firm including taxes and dividends.
Savings	The amount of consumers' income not spent.
Scarcity	This is caused by people's wants and needs being greater than the resources available to satisfy them.
Secondary sector	Processing of primary products into manufactured goods.
Seasonal unemployment	Unemployment which rises and falls according to the time of year, for example hotel workers in tourist resorts.
Social benefits	Social benefit = private benefit + external benefit (education, health).
Social costs	Social cost = private cost + external cost (pollution, congestion).
Specialisation	Where one person/country concentrates upon one job/product, for example person – teacher; Brazil – coffee.
Standard of living	The amount of goods and services consumed by individuals with their incomes.
Structural unemployment	Long-term unemployment caused by the decline in demand for the products of an industry.
Subsidies	Money paid to a producer by the government. It shifts the supply curve to the right and reduces the price to the consumer.
Substitute goods	These have close alternatives, eg butter and margarine. If the price of one good increases the demand for the other increases and vice versa. The cross-elasticity of substitute goods is positive.
Supply curve	The line which shows the relationship between price and quantity supplied.
Supply side policies	Encourage the free working of the market mechanism to achieve government objectives, for example reducing the power of trade unions in the labour market.

Economic term	Description
Surplus	Revenue is greater than expenditure. When applied to government revenue and expenditure it is called the budget surplus. It can also be applied to trade balances in international trade when exports are greater than imports.
Tariff barriers	Restrictions on trade which involve import taxes.
Taxes	Money taken from individuals and businesses by the government. Taxes can be direct, eg income tax, or indirect, for example VAT. Taxes form a major part of government revenue.
Technological unemployment	Long-term unemployment brought about by the introduction of machines which replace labour.
Tertiary sector	The sector of the economy which provides services.
Trade cycle	The tendency of economies to go through periods of boom followed by recession, slump, reflation and then returning to boom.
Trading blocs	Group of countries that have a free trade agreement between themselves and may apply a common external tariff to other countries.
Trade unions	Workers' organisations which aim to improve wages and working conditions of their members.
Unit elasticity	An increase in price results in a proportionate increase in quantity demanded/supplied. Elasticity is equal to 1.
Visible exports	Goods sold to other countries.
Visible imports	Goods bought from other countries.
Voluntary unemployment	This is caused by workers making the decision not to work. This may be due to high social security benefits.
World Trade Organization (WTO)	Regulates international trade. It replaced GATT (General Agreement on Tariffs and Trade) in 1995. It tries to reduce trade barriers and settle trade disputes.

Resources

Only a small number of economics textbooks have been published in recent years but the following titles are suitable for the basic theory and concepts. Dictionaries of economics terms are useful for definitions of the concepts given in the specification. Resources are suggested as possible teaching aids only, and are not required reading. The internet is valuable as a tool for research and learning. There is a variety of aids for students and teachers, including revision notes and case studies for the UK GCSE which can be adapted for IGCSE.

Please note that while resources are correct at the time of publication, they may be updated or withdrawn from circulation. Website addresses may change at any time.

Textbooks

Anderton A — *Economics for GCSE, 2nd Edition* (Collins, 1993) ISBN 0003274292

Bannock G — *The Penguin Dictionary of Economics* (Penguin, 1999) ISBN 0140513760

Black J — *A Dictionary of Economics* (Oxford Paperbacks, 1997) ISBN 0192800183

Moynihan D and Titley B — *Economics: A Complete Course, 3rd Edition* (Oxford University Press, 2001) ISBN 0199134138

Paisley and Quillfeldt — *GCSE Economics* (Longman, 1987) ISBN 0582005205

Pass C — *Collins Dictionary of Economics* (HarperCollins, 2000) ISBN 0004724739

Pratten J — *GCSE Economics* (Tudor Education, 2001) ISBN 1872807739

Websites

General websites

www.bbc.co.uk	As well as topical issues there is also an education section.
www.bbc.co.uk/learning	Online learning support and advice.
www.bized.co.uk	Originally designed for Business Studies and now incorporates a wealth of useful information for both teachers and students.
www.s-cool.co.uk	Although available for AS/A level only, many topics are also relevant for the IGCSE specification and are dealt with simply with revision questions.
www.tutor2u.net	Originally for AS/A2 but developing more resources for GCSE level.

Current economic issues and statistical data

www.ebea.org.uk	Designed for teachers developing materials for themselves and students.
www.economist.com	*Economist* magazine.
www.ft.com	*Financial Times* newspaper.
www.guardian.co.uk	*Guardian* newspaper.

UK data

www.bankofengland.co.uk	For information on current interest rates and the UK's financial system.
www.direct.gov.uk	The website of the UK government, providing information for citizens from various government departments.
www.hm-treasury.gov.uk	The UK's economic and finance ministry. Access to budget reports and policy information.
www.statistics.gov.uk	Holds all national statistics, for example economy, census, population, labour market.

World data

www.europa.eu.int/en/comm/eurostat	Holds statistics on all nations in the European Economic Community.
www.oecd.org	The website holds comparable statistics, economic and social data from countries committed to democracy and market economy.
www.worldbank.org	Source of loans, credits and grants to developing countries. Website has a section on world data and research.
www.wto.org	The World Trade Organization deals with rules of trade between nations. Includes a section on trade statistics.

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