

Syllabus

www.XtremePapers.com

Cambridge IGCSE Economics (US) Syllabus Code 0437 For examination in 2013

**This syllabus is only available to Centers taking part in the
Board Examination Systems (BES) Pilot.**

**If you have any questions about this syllabus please contact Cambridge at
international@cie.org.uk quoting syllabus code 0437.**



UNIVERSITY *of* CAMBRIDGE
International Examinations

Note

The subject content of this syllabus is the same as the international version. The range of components available is limited to make coursework, if applicable, a compulsory part of the syllabus.

Administration materials appear in UK English and are standard for all our international customers. Please read the *Cambridge Glossary* alongside this syllabus. This is available from our website.

Contents

Cambridge IGCSE Economics (US) Syllabus Code 0437

1. Introduction	2
1.1 Why Choose Cambridge?	
1.2 Why Choose Cambridge IGCSE Economics?	
1.3 Cambridge International Certificate of Education (ICE)	
1.4 How Can I Find Out More?	
2. Assessment at a Glance.....	5
3. Syllabus Goals and Objectives.....	6
3.1 Goals	
3.2 Assessment Objectives and Their Weightings	
4. Curriculum Content	8
4.1 Basic Economic Problem: Choice and the Allocation of Resources	
4.2 The Allocation of Resources: How the Market Works; Market Failure	
4.3 The Individual as Producer, Consumer, and Borrower	
4.4 The Private Firm as Producer and Employer	
4.5 Role of Government in an Economy	
4.6 Economic Indicators	
4.7 Developed and Developing Economies: Trends in Production, Population, and Living Standards	
4.8 International Aspects	
5. Grade Descriptions.....	12
6. Additional Information	14
6.1 Guided Learning Hours	
6.2 Recommended Prerequisites	
6.3 Progression	
6.4 Component Codes	
6.5 Grading and Reporting	
6.6 Resources	

1. Introduction

1.1 Why Choose Cambridge?

University of Cambridge International Examinations (CIE) is the world's largest provider of international qualifications. Around 1.5 million students from 150 countries enter Cambridge examinations every year. What makes educators around the world choose Cambridge?

Recognition

Cambridge International General Certificate of Secondary Education (IGCSE) is internationally recognized by schools, universities, and employers as equivalent to UK GCSE. Cambridge IGCSE is excellent preparation for GCE A and AS Levels, the Advanced International Certificate of Education (AICE), the US Advanced Placement Program, and the International Baccalaureate (IB) Diploma. Learn more at www.cie.org.uk/recognition.

Support

CIE provides a world-class support service for teachers and exams officers. We offer a wide range of teacher materials to Centers, plus teacher training (online and face-to-face), and student support materials. Exams officers can trust in reliable, efficient administration of exams entry and excellent, personal support from CIE Customer Services. Learn more at www.cie.org.uk/teachers.

Excellence in Education

Cambridge qualifications develop successful candidates. They build not only understanding and knowledge required for progression to college, work, or further examinations, but also learning and thinking skills that help candidates become independent learners and equip them for life.

Nonprofit, Part of the University of Cambridge

CIE is part of Cambridge Assessment, a nonprofit organization, and part of the University of Cambridge. The needs of teachers and learners are at the core of what we do. CIE invests constantly in improving its qualifications and services. We draw upon education research in developing our qualifications.

1. Introduction

1.2 Why Choose Cambridge IGCSE Economics?

Cambridge IGCSE Economics is accepted by universities and employers as proof of knowledge and understanding of economics. Successful IGCSE Economics candidates gain lifelong skills, including:

- an understanding of economic theory, terminology, and principles
- the ability to apply the tools of economic analysis
- the ability to distinguish between facts and value judgments in economic issues
- an understanding of, and an ability to use, basic economic numeracy and literacy
- the ability to take a greater part in decision-making processes in everyday life
- an understanding of the economies of developed and developing nations
- an excellent foundation for advanced study in economics

1.3 Cambridge International Certificate of Education (ICE)

Cambridge ICE is the group award of the IGCSE. It requires the study of subjects drawn from the five different IGCSE subject groups. It gives schools the opportunity to benefit from offering a broad and balanced curriculum by recognizing the achievements of students who pass examinations in at least seven subjects, including two languages, and one subject from each of the other subject groups.

The Cambridge portfolio of IGCSE qualifications provides a solid foundation for higher-level courses such as GCE A and AS Levels and the International Baccalaureate Diploma as well as excellent preparation for employment.

A wide range of IGCSE subjects is available and these are grouped into five curriculum areas. Economics (0437) falls into Group II, Humanities and Social Sciences.

Learn more about ICE at www.cie.org.uk/qualifications/academic/middlesec/ice.

1. Introduction

1.4 How Can I Find Out More?

If You Are Already a Cambridge Center

You can make entries for this qualification through your usual channels, e.g., CIE Direct. If you have any queries, please contact us at **international@cie.org.uk**.

If You Are Not a Cambridge Center

You can find out how your organization can become a Cambridge Center. Email us at **international@cie.org.uk**. Learn more about the benefits of becoming a Cambridge Center at **www.cie.org.uk**.

2. Assessment at a Glance

Cambridge IGCSE Economics (US) Syllabus Code 0437

Candidates will receive grades from A* to G.

Paper 1: Multiple choice	45 minutes
Candidates answer thirty multiple choice questions. 20% of total marks	
Paper 2: Structured questions	2 hours
Candidates answer one mandatory question and three questions from a choice of six. 50% of total marks	
Paper 3: Analysis and critical evaluation	1 hour, 30 minutes
Candidates answer two mandatory questions and are required to interpret and analyze previously unseen data relevant to a real economic situation. 30% of total marks	

Availability

This syllabus is examined in the May/June examination session and the October/November examination session.

Combining This with Other Syllabi

Candidates can combine this syllabus in an examination session with any other CIE syllabus, except:

- syllabi with the same title at the same level

3. Syllabus Goals and Objectives

3.1 Goals

The goals below describe the educational purposes of a course in economics for the IGCSE exam.

The goals are to:

1. develop candidates' knowledge and understanding of economic terminology, principles, and theories;
2. develop candidates' basic economic numeracy and literacy and their ability to handle simple data including graphs and diagrams;
3. develop candidates' ability to use the tools of economic analysis in particular situations;
4. show candidates how to identify and discriminate between differing sources of information and how to distinguish between facts and value judgments in economic issues;
5. develop candidates' ability to use economic skills (with reference to individuals, groups, and organizations) to understand better the world in which they live;
6. enable candidates to participate more fully in decision-making processes as both consumers and producers and as citizens of the local, national, and international community;
7. develop candidates' understanding of the economies of developed and developing nations and of the relationships between them; and to develop their appreciation of these relationships from the perspective of both developed and developing nations.

3.2 Assessment Objectives and Their Weightings

The four assessment objectives in IGCSE Economics are:

- A: Knowledge with understanding
- B: Analysis
- C: Judgment and decision making
- D: Critical evaluation.

A: Knowledge with understanding

Candidates should be able to:

1. show knowledge and understanding of economic facts, definitions, concepts, principles, and theories;
2. use economic vocabulary and terminology confidently.

3. Syllabus Goals and Objectives

B: Analysis

Candidates should be able to:

1. select, organize, and interpret data;
2. apply economic knowledge and understanding in verbal, numerical, diagrammatic, pictorial, and graphical form;
3. use economic data, to recognize patterns in such data, and to deduce relationships.

C: Judgment and decision making

Candidates should be able to:

1. distinguish between evidence and opinion, make reasoned judgments, and communicate those judgments in an accurate and logical manner;
2. recognize that economic theory has various limits and uncertainties;
3. evaluate the social and environmental implications of particular courses of economic action.

D: Critical evaluation

Candidates should be able to:

1. draw conclusions from economic information and critically evaluate economic data;
2. communicate conclusions in a logical and concise manner.

The weightings given to the assessment objectives are:

Assessment objective	Paper 1 (%)	Paper 2 (%)	Paper 3 (%)
A: Knowledge with understanding	60	20	20
B: Analysis	40	40	20
C: Judgment and decision making		40	20
D: Critical evaluation			40

The assessment objectives are weighted to give an indication of their relative importance. The weightings are not intended to provide a precise statement of the number of marks allocated to particular assessment objectives.

4. Curriculum Content

4.1 Basic Economic Problem: Choice and the Allocation of Resources

Candidates should be able to:

- define the nature of the economic problem (finite resources and unlimited wants);
- define the factors of production (land, labor, capital, enterprise);
- define opportunity cost and analyze particular circumstances to illustrate the concept;
- demonstrate how production possibility curves can be used to illustrate choice and resource allocation;
- evaluate the implications of particular courses of action in terms of opportunity cost.

4.2 The Allocation of Resources: How the Market Works; Market Failure

Candidates should be able to:

- describe the allocation of resources in market and mixed economic systems;
- demonstrate the principle of equilibrium price and analyze simple market situations with changes in demand and supply;
- describe the causes of changes in demand and supply conditions and analyze such changes to show effects in the market;
- define price elasticity of demand and supply and perform simple calculations;
- demonstrate the usefulness of price elasticity in particular situations such as revenue changes, consumer expenditure;
- evaluate the merits of the market system;
- describe the concept of market failure and explain the reasons for its occurrence;
- define private and social costs¹ and benefits and discuss conflicts of interest in relation to these costs and benefits in the short term and long term through studies of the following issues:
 - conserving resources versus using resources;
 - public expenditure versus private expenditure.

¹ Social costs are equal to the sum of private costs and external costs.

4. Curriculum Content

4.3 The Individual as Producer, Consumer, and Borrower

Candidates should be able to:

- describe the functions of money and the need for exchange;
- describe the functions of central banks, stock exchanges, commercial banks;
- identify the factors affecting an individual's choice of occupation (wage factors and non-wage factors);
- describe likely changes in earnings over time for an individual;
- describe the differences in earnings between different groups of workers (male/female; skilled/unskilled; private/public; agricultural/manufacturing/services);
- describe labor unions and their role in an economy;
- describe the benefits and disadvantages of specialization for the individual;
- analyze the different motives for spending, saving, and borrowing;
- discuss how and why different income groups have different expenditure patterns (spending, saving, and borrowing).

4.4 The Private Firm as Producer and Employer

Candidates should be able to:

- describe the types of business organization in the public and private sectors: sole proprietors, partnerships, private limited companies, public limited companies, multinationals, cooperatives, public corporations;
- describe and evaluate the effects of changes in the structure of business organizations;
- describe what determines the demand for factors of production;
- distinguish between labor-intensive and capital-intensive production;
- define productivity and recognize the difference between productivity and production;
- define total and average cost, fixed and variable cost, and perform simple calculations;
- analyze particular situations to show changes in total and average cost as output changes;
- define total and average revenue and perform simple calculations;
- describe the principle of profit maximization as a goal and recognize that business organizations may have different goals;
- describe pricing and output policies in perfect competition and monopoly;
- describe the main reasons for the different sizes of firms (size of market, capital, organization);
- describe and evaluate integration, economies, and diseconomies of scale;
- discuss the advantages and disadvantages of monopoly.

4. Curriculum Content

4.5 Role of Government in an Economy

Candidates should be able to:

- describe the government as a producer of goods and services and as an employer;
- describe the aims of government policies, such as full employment, price stability, economic growth, redistribution of income, balance of payments stability;
- explain fiscal, monetary, and supply-side policies;
- analyze the use of fiscal, monetary, and supply-side policies;
- discuss the possible conflicts between government aims;
- describe the types of taxation (direct, indirect, progressive, regressive, proportional) and the impact of taxation;
- discuss the government's influence (regulation, subsidies, taxes) on private producers.

4.6 Economic Indicators

With regards to **prices** candidates should be able to:

- describe how a consumer prices index/retail prices index is calculated;
- discuss the causes and consequences of inflation;
- discuss the causes and consequences of deflation.

With regards to **employment** candidates should be able to:

- describe the changing patterns and levels of employment;
- discuss the causes and consequences of unemployment.

With regards to **output** candidates should be able to:

- define Gross Domestic Product (GDP);
- define the term recession;
- describe and evaluate measures and indicators of comparative living standards, such as GDP per head, Human Development Index (HDI).

4. Curriculum Content

4.7 Developed and Developing Economies: Trends in Production, Population, and Living Standards

Candidates should be able to:

- describe why some countries are classified as developed and others are not;
- describe the difference between absolute and relative poverty;
- recognize and discuss policies to alleviate poverty;
- describe the factors that affect population growth (birth rate, death rate, fertility rate, net migration) and discuss reasons for the different rates of growth in different countries;
- analyze the problems and consequences of these population changes for countries at different stages of development;
- describe the effects of changing size and structure of population on an economy;
- discuss differences in standards of living within countries and between countries, both developed and developing.

4.8 International Aspects

Candidates should be able to:

- describe the benefits and disadvantages of specialization at regional and national levels;
- describe the structure of the current account of the balance of payments;
- discuss the causes and consequences of current account deficits and surpluses;
- define exchange rates;
- discuss the causes and consequences of exchange rate fluctuations;
- describe methods of trade protection;
- discuss the merits of free trade and protection.

5. Grade Descriptions

CIE provides grade descriptions to give a general indication of what a candidate must achieve for a particular grade. The actual grade given to the candidate will depend on how well they have met the assessment objectives overall. A candidate's weakness in one aspect of the exam may be balanced by above average performance in some other aspect.

Grade A

To achieve an A grade, a candidate must show mastery of the curriculum and an outstanding performance on the more academic problems. Within the separate assessment objectives, a candidate awarded an A grade must show:

A: Knowledge with understanding

- an excellent ability to identify detailed facts and principles in relation to the content of the syllabus;
- an excellent ability to describe clearly graphs, diagrams, tables;
- a thorough ability to define the concepts and ideas of the syllabus.

B: Analysis

- an excellent ability to classify and comment on information;
- an ability to apply this information in a logical and well-structured manner to illustrate the application of economic analysis to a particular situation.

C: Judgment and decision making

- a sound ability to discriminate between complex and varied sources of information and to distinguish clearly between facts and opinions;
- a sound ability to make clear, reasoned judgments and to communicate them in an accurate and logical manner.

D: Critical evaluation

- a thorough ability to classify and order information;
- a sound ability to form conclusions from this information and to demonstrate these conclusions clearly and logically.

Grade C

To achieve a C grade, a candidate must show a good understanding of the curriculum and some ability to answer questions that are pitched at a more academic level. Within the separate assessment objectives, a candidate awarded a C grade must show:

A: Knowledge with understanding

- a sound ability to identify detailed facts and principles in relation to the content of the syllabus;
- a sound ability to describe clearly graphs, diagrams, tables;
- a sound ability to define the concepts and ideas of the syllabus.

5. Grade Descriptions

B: Analysis

- an ability to use and comment on information in a non-verbal as well as a verbal manner;
- an ability to apply this information to illustrate the application of economic analysis to a particular situation.

C: Judgment and decision making

- an ability to discriminate between more complex information and to distinguish clearly between facts and opinions;
- an ability to evaluate and make reasoned judgments.

D: Critical evaluation

- an ability to use evidence accurately and draw conclusions;
- an ability to present conclusions in a clear manner, using appropriate methods.

Grade F

To achieve an F grade, a candidate must show some familiarity with the central concepts and ideas in the curriculum. Within the separate assessment objectives, a candidate awarded an F grade must show:

A: Knowledge with understanding

- some ability to identify specific facts or principles in relation to the content of the syllabus;
- some ability to describe graphs, diagrams, tables.

B: Analysis

- some ability to classify data in a simple way and some ability to select relevant information from a set of data;
- some ability to apply the tools of economic analysis to particular situations.

C: Judgment and decision making

- a limited ability to discriminate between different sources of information and to describe the difference between facts and opinions.

D: Critical evaluation

- some ability to use information relating to a particular topic and to draw some basic conclusions.

6. Additional Information

6.1 Guided Learning Hours

IGCSE syllabi are designed with the assumption that candidates have about 130 guided learning hours per subject over the duration of the course. (“Guided learning hours” include direct teaching and any other supervised or directed study time. They do not include private study by the candidate.)

However, this figure is for guidance only, and the number of hours required may vary according to local curricular practice and the candidates’ prior experience with the subject.

6.2 Recommended Prerequisites

Candidates beginning this course are not expected to have studied Economics previously.

6.3 Progression

IGCSE Certificates are general qualifications that enable candidates to progress either directly to employment or to proceed to further qualifications.

Candidates who are awarded grades C to A* in IGCSE Economics are well prepared to follow courses leading to AS and A Level Economics, or the equivalent.

6.4 Component Codes

Because of local variations, in some cases component codes will be different in instructions about making entries for examinations and timetables from those printed in this syllabus, but the component names will be unchanged to make identification straightforward.

6.5 Grading and Reporting

IGCSE results are shown by one of the grades A*, A, B, C, D, E, F, or G indicating the standard achieved, Grade A* being the highest and Grade G the lowest. “Ungraded” indicates that the candidate’s performance fell short of the standard required for Grade G. “Ungraded” will be reported on the statement of results but not on the certificate.

6. Additional Information

6.6 Resources

Copies of syllabi, the most recent question papers, and Principal Examiners' reports for teachers are available on the Syllabus and Support Materials CD-ROM, which is sent to all CIE Centers.

Resources are also listed on CIE's public website at **www.cie.org.uk**. Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' discussion forums, suggested schemes of work (unit lesson plans), and regularly updated resource lists may be found on the CIE Teacher Support website at **<http://teachers.cie.org.uk>**. This website is available to teachers at registered CIE Centers.

University of Cambridge International Examinations
1 Hills Road, Cambridge, CB1 2EU, United Kingdom
Tel: +44 (0)1223 553554 Fax: +44 (0)1223 553558
Email: international@cie.org.uk Website: www.cie.org.uk

© University of Cambridge International Examinations 2011