**Please read in conjunction with the information provided in the introductory section above.**

# ECONOMICS TEST SPECIFICATION

## 1 AIMS

The AEA in economics should encourage students to:

- demonstrate an in-depth understanding of economic concepts and theories through a critical understanding of current economic issues, problems and institutions that affect everyday life;
- demonstrate a critical understanding of the inter-relatedness of economic issues, concepts and theories;
- apply appropriate economic concepts and theories to complex issues and problems in familiar and unfamiliar contexts;
- demonstrate the value and limitations of economic concepts and theories in explaining these issues and problems;
- analyse, synthesise and evaluate information and ideas, construct coherent arguments and propose creative solutions.

## 2 CONTENT

The content will build upon the knowledge, understanding and skills of the Advanced GCE subject criteria, ie economic choices and markets – the reason for individuals, organisations and societies having to make choices, how competitive markets work, the spectrum of competition and competitive behaviour, why markets may not work efficiently, the impact of government intervention on market outcomes and efficiency; and the national and international economy – government policy objectives and indicators of national economic performance, the reasons for, and compatibility of, government policy objectives, aggregate demand and aggregate supply, the determination of output, employment and prices, the application of macro-economic policy instruments, structure and essential determinants of international transactions.
In particular, candidates will be required to demonstrate:

- an in-depth understanding of the linkages and relationships which underpin economic behaviour;
- the ability to apply economic models to different types of data from a variety of sources;
- the ability to analyse economic issues, propose models, solutions and policies and carefully evaluate these drawing on evidence from different perspectives.

The emphasis should be on candidates' ability to think independently and creatively using the economist's 'toolkit' of concepts and theories.

## 3 ASSESSMENT OBJECTIVE

The AEA in economics will assess candidates' abilities to apply and communicate effectively their knowledge and critical understanding of economics using the skills of analysis, evaluation and synthesis.

## 4 SCHEME OF ASSESSMENT

**Supervision and duration of assessment**
External assessment will be a three hour written examination. There will be a choice of one out of two alternatives in at least one of the questions.
The assessment model will conform to the following principles:

- a range of data including written, numerical and graphical forms relating to complex economic issues and problems should be used;
- the choice of data and topics covered must not disadvantage candidates that have studied a particular specification;

- the full range of the aims and the breadth of the assessment objective should be reflected. Candidates will be expected to consider economic issues from a variety of perspectives;
- the assessment may include some structured questions but must also provide opportunities for candidates to demonstrate effective communication through extended writing.

**Use of Resources**

In common with Advanced GCE examinations, the use of dictionaries will not be permitted. The use of any other resources must take full account of the need to ensure fairness to all candidates and the rigour of the assessment.

## 5 PERFORMANCE LEVEL DESCRIPTORS

**Distinction**

Candidates:

- demonstrate in-depth knowledge and understanding of economic concepts and theories and an awareness of their inter-relatedness. They apply this knowledge and understanding with precision and confidence to complex issues and problems in familiar and unfamiliar contexts. They demonstrate the value and limitations of more complex economic concepts and theories. They can explain the tentative nature of explanations and how changes in ideas and methods may give rise to different interpretations.
- display a high degree of skill in interpreting complex data. They formulate and adopt effective approaches to investigation. They select and use a variety of appropriate theories and models to analyse problems and issues. They effectively synthesise complex information and ideas and coherent arguments to reach well-reasoned and supported judgements and conclusions.
- communicate complex information and ideas in a highly effective manner making use of the most appropriate form and style. They organise complex material from a variety of sources in the most appropriate way, making use of a wide range of appropriate economic terminology with a high degree of confidence and accuracy. They use standard conventions of spelling, punctuation and grammar with a high level of accuracy.

**Merit**

Candidates:

- demonstrate knowledge and understanding of economic concepts and theories and an awareness of their inter-relatedness. They apply this knowledge and understanding effectively to complete issues and problems in familiar and unfamiliar contexts. They demonstrate the value and limitations of economic concepts and theories. They are aware of the tentative nature of explanations.
- display skill in interpreting complex data. They adopt effective approaches to investigation. They select and use appropriate theories to analyse problems and issues. They synthesise information and ideas and construct coherent arguments to reach reasoned judgements and conclusions.

communicate complex information and ideas effectively in an appropriate form and style. They effectively organise complex material from a range of sources using appropriate economic terminology with confidence and accuracy. They use standard conventions of spelling, punctuation and grammar with a high level of accuracy