



Department  
for Education

# **Economics**

**GCSE subject content**

**May 2022**

# Contents

The content for economics GCSEs	3
Introduction	3
Aims and objectives	3
Subject content	4
Knowledge and understanding	4
Skills	6
Use of quantitative skills in economics	6

# The content for economics GCSEs

## Introduction

1. GCSE subject content sets out the knowledge, understanding and skills common to all GCSE specifications in a given subject. Together with the assessment objectives it provides the framework within which awarding organisations create the detail of their specification, ensuring progression from key stage 3 national curriculum requirements, and the possibilities for progression to A level.

## Aims and objectives

2. GCSE specifications in economics should increase students' understanding of the world in which they live and enable them to engage more effectively with current and historical economic issues on a local, national and global level.

3. GCSE specifications in economics should enable students to develop economic knowledge, understanding and skills, and to read and comprehend articles written by leading economists.

4. GCSE specifications in economics should enable students to build logical economic arguments based on a framework of economic concepts using appropriate economic terminology. By developing students' ability to think critically and weigh up alternatives, GCSE economics will prepare them for further academic study, vocational study or employment, and enable them to make informed decisions about further education opportunities and career choices.

5. GCSE specifications in economics should enable students to:

- understand how markets operate and the roles of consumers, producers or workers within markets
- understand how the economy works nationally and globally and the levers employed by governments to reach desired social and economic objectives
- actively engage in the study of economics to develop as effective and self-motivated students, and as critical and reflective thinkers with enquiring minds, able to distinguish between fact and opinion
- understand and apply their economic knowledge and skills, to investigate current and historical economic situations and issues in a range of national and global contexts
- build economic arguments and make informed judgements by using economic concepts and quantitative evidence through the use, application and interpretation of data
- understand the perspectives of different economic agents including consumers, producers and government in relation to economic activity

- consider moral and ethical and sustainability issues that arise as a result of the impact of economic activity

## Subject content

### Knowledge and understanding

6. GCSE specifications in economics must require students to develop knowledge and understanding of the following essential economic terms, concepts and models of economic behaviour. These should be applied to contemporary and historical issues that illustrate the nature and power of economics.

7. GCSE specifications in economics must require students to know and understand:

#### Introduction to economics

8. The basic conceptual framework of the economic problem including:

- scarce resources and unlimited wants, weighing up costs and benefits of economic choices, including opportunity costs
- the factors of production: land, labour, capital and enterprise
- the main economic groups: consumers, producers and the government

#### The role of markets

9. The reasons why markets exist, their role and their importance in the economy, including:

- the costs and benefits of specialisation and exchange in markets
- the primary, secondary and tertiary sectors, and the difference between factor and product markets
- supply and demand in competitive markets, including individual supply and demand; market supply and demand; and shifts of and movements along the supply and demand curves
- the role of markets in the determination of price and allocation of resources
- the inter-relationship between market forces and the effect on equilibrium price; the importance, for producers, of price elasticities of supply and demand
- the meaning of monopoly and oligopoly; the impact of competition on price; and the economic impact of competition on producers and consumers
- the operation of firms in competitive markets; the importance of productivity; and the importance of cost, revenue and profit for producers
- the meaning of economies of scale
- the role and operation of the labour market, including the determination of wages through supply and demand

## **The role of money and financial markets**

10. The role of money and financial markets and their importance to individuals, organisations and government in achieving their objectives, including:

- the role and importance of the financial sector for the economy
- the different rates of interest in an economy and their impact on saving, borrowing and investment

## **The role of government**

11. Government economic objectives and why they are desirable, including:

- economic growth and how it is measured with reference to Gross Domestic Product (GDP); the causes, costs and benefits of economic growth
- employment and unemployment; how unemployment is measured; types, causes and consequences of unemployment
- distribution of income; reasons for and effects of differences in income and wealth
- price stability and inflation and how it is measured; causes and consequences of inflation

12. The use, impact, costs and benefits of economic policies by government, including fiscal, monetary and supply-side policies to achieve its objectives, including:

- fiscal policy and the government budget; how government revenue and spending influence the economy
- the use of monetary policy to control inflation
- the effects of supply side policies on the economy
- measures to redistribute income and wealth, including progressive taxes, and their economic consequences

13. Limitations of markets in allocating resources and the role of government where markets fail, including:

- positive and negative externalities
- use, impact, costs and benefits of government policies designed to correct positive and negative externalities

## **International trade and the global economy**

14. The reasons why countries trade and the importance of international trade to the UK including:

- the balance of payments on current account, its importance to the economy and the causes of surpluses and deficits

- exchange rates, how they are determined through the interaction of supply and demand, and the effect of changes in the exchange rate on consumers and producers
- free trade agreements including the EU
- globalisation and its benefits and drawbacks to producers, workers and consumers in developed and less developed countries

## Skills

15. GCSE specifications in economics will require students, drawing on the knowledge and understanding above, to develop the following skills:

- use economic terms and concepts to investigate and explain economic behaviour
- apply economic terms and concepts to contemporary and historical economic contexts and issues
- investigate, analyse and evaluate a variety of economic situations and issues in a range of national and global contexts
- make reasoned and informed judgements using both qualitative and quantitative data, including their selection, interpretation, analysis and evaluation, including the possible limitations of data, and the application of appropriate quantitative skills

## Use of quantitative skills in economics

16. The list below states the range and extent of quantitative skills appropriate to the subject content of GCSE economics. Specifications must require students, drawing on the knowledge and understanding above, to apply these skills to relevant economic contexts.

### Calculations

- calculation of percentages and percentage changes, including interest on savings
- calculation of averages, including cost
- calculation of totals, including revenue, costs and profit
- calculation of income, including gross and net pay

### Construction of graphs

- construction of graphs from data, including supply and demand curves

### Interpretation and use of quantitative data to support and justify economic decisions

- interpretation and use of information from graphs and charts
- interpretation and use of economic data, such as unemployment figures, exports and imports



Department  
for Education

© Crown copyright 2022

This publication (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3)

email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk)

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries [www.education.gov.uk/contactus](http://www.education.gov.uk/contactus)

download [www.gov.uk/government/publications](http://www.gov.uk/government/publications)



Follow us on Twitter:  
[@educationgovuk](https://twitter.com/educationgovuk)



Like us on Facebook:  
[facebook.com/educationgovuk](https://facebook.com/educationgovuk)