

# Introduction to A level Economics

***How does it differ from A level  
Business Studies?***

***How does it differ from IB  
Economics?***

# A level Economics

- A Two-year Course
- AS taken at the end of Year 12
- A2 taken at the end of Year 13
- Two modules taken at end of each year
- A\* available to top grade students at A2

# A level Business Studies

- Two year course
- One year course for AS Business Studies
- One further year for A2 Business Studies
- Two modules taken at the end of each year.
- A\* grade available to top grade students at A2

# Differences between them

- Economics is the study of how Societies make choices which use up their scarce resources, to meet their citizens' wants and needs, usually but not always expressed through "Demand".
- Business Studies is the study of how firms interact with the other agents of the economy, Workers, Consumers and Governments to produce goods and services they perceive will be demanded.

# Economics

- Economics divides into Micro topics, about how markets operate, how they work well and how they “fail”. It therefore looks at goods markets, services markets, commodity markets, labour markets, currency markets
- It also looks at Macro issues, that is, the whole economy’s experience of the economic variables, like Employment, Unemployment, Economic Growth, Inflation, Government Budget, Balance of Payments, Development

# Business Studies

- Business Studies tries to “get inside” the psyche of the Firm – its Objectives and Aims, its Mission, its behaviour and to interpret and predict how its purposes could be achieved with its current resource base and limitations.
- It also tries to get inside the psyche of a firm’s Workers, to see how productive and motivated they can be; and its Consumers, to predict, persuade and react to, their spending and Demand behaviour.
- Business Studies uses REAL data and firms, REAL case studies of Workers, Consumers and Government *intervention*; it is NOT based on fictitious sellers, but on well-documented cases, like Virgin, Cadbury’s, BA, Microsoft, Coca-Cola, TopShop etc etc.

# Economics

- Economics uses REAL data about markets and their failures; markets “work” when Demand is **satisfied** by Supply, when no buyer or seller is left unsatisfied at the “going price” and when price and quantity **quickly** reflect new market conditions without any buyer or seller having inordinate “market power” to **dominate** the market.
- Markets “fail” when small numbers of Buyers or Sellers have undue **market power** to prevent the speedy and impersonal operation of the market; when Society’s choices are “**inefficient**”; or when Buyers or Sellers have disproportionate knowledge and awareness of market conditions and use them to effect **uncompetitive** outcomes.

# Business Studies

- Business Studies asks “**Who** are the successful Entrepreneurs?” **What** do they have in common? **How** do they react to Change? How do they lead their firms and their workforces to remain **competitive** and **successful**? What is “**successful**”? What are the roles of **Stakeholders**?
- Business Studies provides answers by using a significant body of theory and concepts to explain, interpret and predict the routes that businesses take to meet their objectives – usually but not exclusively **PROFIT!** Business Studies students also find productions like “Dragon’s Den” and “The Apprentice” not only entertaining but very useful contributions in the analysis of Business **planning** and **decisions** in practice!
- Most businesses, even those not trying to make a profit, have the 4 major departmental functions: Operations, Human Resource Management, Marketing and Finance. The syllabus closely examines each of these in context.

# Economics

- Economics is a Social Science, with its own set of theories and concepts which enable the student to explain, analyse and predict economic outcomes, and to evaluate them. It requires fluency in the language of Economics and in mathematical thinking – many theories depend on mathematical relationships, thus the need for confidence in graphs, algebraic relationships, tabular manipulations and some differentiation skills.

# Business Studies

- Business Studies students are ***aware*** of what is going on around them, are ***interested*** in the dynamic nature of business: how and why firms, government, workers and consumers constantly change and modify. It is a “***hands-on***” subject, with immediate sources of ***feedback*** and ***illustration*** “out there” to clarify and illuminate student learning.

# IB ECONOMICS

- IB Economics is a Group 4 subject – the content is similar to A-level, but with some differences:
- More GLOBAL context – not concentrating on the UK economy
- Internal assessment – choose your real world data and write a commentary on each piece.
- Independent Learning encouraged

# IB ECONOMICS Contd

- Share thoughts online in international forums
- Choose IB Economics as a specialism for your Extended Essay
- Choose IB Economics as a HL or a SL subject

# Economics and Business Studies

- Students may belong to and run their own ***Young Enterprise companies***
- Students may belong to the ***Shares4Schools*** national investment club, investing real funds.
- Students may contribute to “***EyeWitness***” their own St Helen’s economics/business newspaper
- Students may belong to St Helen’s ***Stockpiler*** Activity.
- There are many opportunities to enter ***national competitions*** in the subjects.
- There are chances to make Business and Economics ***visits*** to outside venues over the course.