

Version 2

# Economic Issues: An Introduction

HIGHER NATIONAL DIPLOMA

## 经济学导论

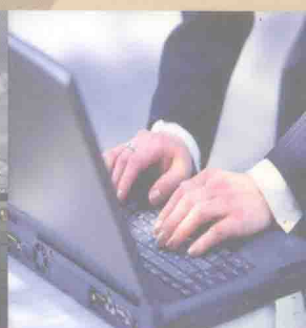
第二版

【英】苏格兰学历管理委员会 (SQA)

### Unit Student Guide

BUSINESS

DE3A 34



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SCOTTISH  
QUALIFICATIONS  
AUTHORITY



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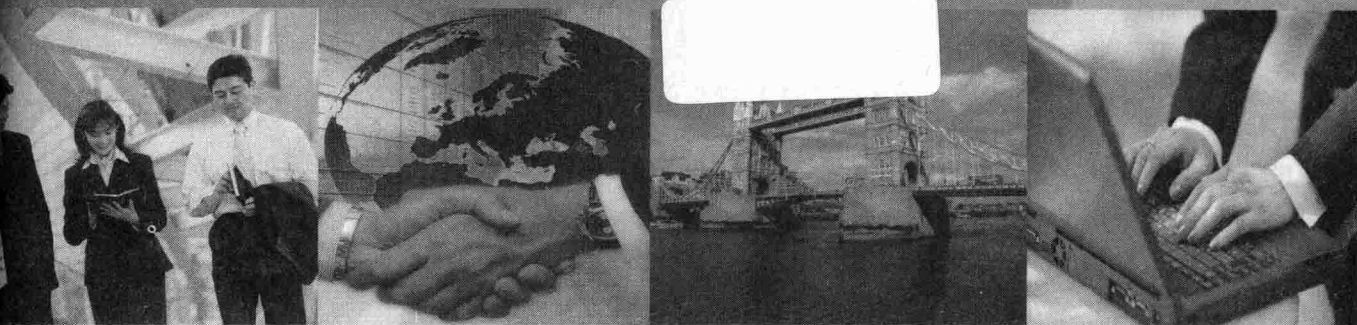
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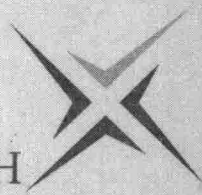
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苏格兰学历管理委员会著

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# 1

## Introduction to the Scottish Qualifications Authority

This Unit **DE3A 34 — Economic Issues: An Introduction** has been devised and developed by the Scottish Qualifications Authority (SQA). Here is an explanation of the SQA and its work:

The SQA is the national body in Scotland responsible for the development, accreditation, assessment, and certification of qualifications other than degrees.

Its website can be viewed on: [www.sqa.org.UK](http://www.sqa.org.UK).

SQA's functions are to:

- Devise, develop and validate qualifications, and keep them under review
- Accredite qualifications
- Approve education and training establishments as being suitable for entering people for these qualifications
- Arrange for, assist in, and carry out, the assessment of people taking SQA qualifications

- Quality assure education and training establishments which offer SQA qualifications
- Issue certificates to candidates.

In order to pass SQA units, students must complete prescribed assessments. These assessments must meet certain standards.

The Unit Specification outlines the **three** outcomes that students must complete in order to achieve this unit. The Specification also details the knowledge and/or skills required to achieve the outcome or outcomes. Within the Unit Specification the Evidence Requirements prescribe the type, standard and amount of evidence required for each outcome or outcomes.

# 2

## Introduction to the Unit

### 2.1

What is the Purpose of this Unit?

This Unit introduces candidates to some basic issues in economics with a particular emphasis on the business environment. The Unit introduces candidates to the basic economic problem (that is, the allocation of resources) and how the consumer and other economic agents address this problem. It also looks at how markets operate and what can be done when the operation of these markets fail. National Income is also considered.

### 2.2

What are the Outcomes of this Unit?

There are 3 Outcomes:

1. Explain the allocation of resources within the economy.
2. Explain the theory of National Income.
3. Explain and evaluate the role of government policy in the United Kingdom market.



2.3  
What is  
needed to  
achieve  
this Unit?

There are three main sections [Sections: 5.1, 5.2 and 5.3] of learning material corresponding to the three learning outcomes contained in this unit. At the start of each section there is a brief introduction designed to explain the topic(s) you are about to undertake. Please read these introductions very carefully as they are designed to ease you into your subsequent studies.

For Outcome 1 you will be asked to provide evidence of the following knowledge or skills:

- Scarcity of resources and the choices of what to produce, how to produce it and for whom.
- Opportunity cost.
- The determinants of demand and supply.
- Interaction within the market.
- Price and income elasticity.

For Outcome 2 you will be asked to provide evidence of the following knowledge or skills:

- Circular flow of income.
- Injections and withdrawals.
- Measuring national income.

- Difficulties of measurement.
- Comparison of national income globally.
- National income growth both monetary and real.
- Multiplier.

For Outcome 3 you will be asked to provide evidence of the following knowledge or skills:

- The role of government in market failure, that is, missing markets, externalities and imperfect competition.
- Government policy instruments: regulation, taxes, and public ownership.
- Current Government welfare policy.
- Current Government competition policy.

## 2.4 Approximate Study Time for this Unit

The unit you are studying is an SQA single credit unit, which means that it has a notional study time of 40 hours. Some candidates will require longer and some candidates may complete the unit in less time.

## 2.5 Equipment/ Material Required for this Unit

It would be advantageous to have access to the Internet. See Section 6 for an extensive list of books and websites, you may consider using.

## 2.6 Symbols Used in this Unit

The various Learning Materials sections are designed so that you can work at your own pace, with tutor support. As you work through the Learning Materials at Section 5, you will encounter symbols. These symbols indicate tasks that you are expected to do, which are **not Outcome Assessments**. These tasks are designed to consolidate learning or encourage thought, in preparation for the Outcome Assessment (see Section 3 — Assessment Information for this Unit).

### Activity



This symbol indicates an Activity, which is used to improve or consolidate your understanding of a particular feature of the subject matter under review. In this unit, you may be asked to undertake activities, which will encourage you to access information via the Internet and / or through additional reading.

## Self-Assessed Question



This symbol indicates a Self-Assessed Question. Using a Self-Assessed Question helps you check your understanding of the content that you have already covered. The Self-Assessed Questions in this guide will often take the form of short answer questions. Self-Assessed Questions are designed for you to check your understanding of a larger chunk of the material than activities.

Everything is provided for you to check your own responses. Answers to the Self-Assessed Questions and Activities are to be found at the back of the Unit Student Guide. The Self-Assessed Questions and Activities provided throughout the Unit Student Guide will help you to prepare yourself for the formal assessments, and to identify areas in which you will require clarification and additional tutor support. They will not serve this purpose if you look at the answers before trying them!

No tutor input is necessary at this stage unless special help is requested, although from time to time your tutor may wish to view your responses to Self-Assessed Questions to see how you are progressing.



# 3

## Assessment Information for this Unit

3.1

What is  
needed to  
achieve this  
Unit?

Three Instruments of Assessment under controlled conditions will assess the Unit. Each assessment should last no more than 1 hour and will involve a written piece in response to specific questions that may be based on stimulus materials.



# 4

## Suggested Lesson Plan

The Learning Materials at Section 5 are designed to lead you through a series of topics that will allow you to consolidate your learning and check on your own progress.

1. Scarcity and Choice
2. Opportunity Cost
3. Demand
4. Supply
5. Markets
6. Price and Income Elasticity
7. National Income measurement and calculation
8. Uses and limitations of National Income statistics
9. Comparison of National Income statistics
10. Circular Flow of income



- 11. Consumption Function
- 12. Multiplier
- 13. Market failure
- 14. Government Policy
- 15. Regulation
- 16. Competition Policy
- 17. Current Government Policy
- 18. Welfare Economics