



CARIBBEAN EXAMINATIONS COUNCIL

**Caribbean Secondary Education Certificate
CSEC[®]**

**ECONOMICS
SYLLABUS**

Effective for examinations from May/June 2007

Including 2008 amendments

Published by the Caribbean Examinations Council

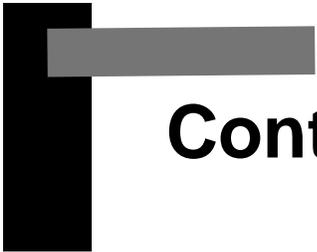
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Content

RATIONALE.....	1
AIMS	1
GENERAL OBJECTIVES.....	2
ORGANIZATION OF THE SYLLABUS	2
SUGGESTED TIME-TABLE ALLOCATION	3
CERTIFICATION AND DEFINITION OF PROFILE DIMENSIONS	3
FORMAT OF THE EXAMINATIONS	3
NOTE TO TEACHERS AND STUDENTS.....	5
SUGGESTED TEACHING AND LEARNING ACTIVITIES	5
SECTION 1 - THE NATURE OF ECONOMICS	6
SECTION 2 - PRODUCTION, ECONOMIC RESOURCES AND RESOURCE ALLOCATION.....	8
SECTION 3 - MARKETS AND PRICES	12
SECTION 4 - THE FINANCIAL SECTOR.....	15
SECTION 5 - ECONOMIC MANAGEMENT: POLICIES AND GOALS.....	17
SECTION 6 - INTERNATIONAL TRADE.....	20
SECTION 7 - CARIBBEAN ECONOMIES IN A GLOBAL ENVIRONMENT	23
GUIDELINES TO TEACHERS FOR THE CONDUCT OF SCHOOL-BASED ASSESSMENT	26
GUIDELINES FOR THE ALTERNATIVE TO SCHOOL-BASED ASSESSMENT	31

REGULATIONS FOR PRIVATE CANDIDATES.....	32
REGULATIONS FOR RESIT CANDIDATES	32
REGULATIONS FOR THE JANUARY SITTING.....	32
GLOSSARY OF TERMS	34
GLOSSARY OF TERMS USED IN EXAMINATIONS	37

ALL AMENDMENTS ARE INDICATED BY ITALICS

First Issued 2005
Revised 2013

Please check website, www.cxc.org for updates on CXC's syllabuses



Economics Syllabus

◆ RATIONALE

Economics is concerned with the study of how scarce resources are allocated, given the unlimited wants of a society. The study of economics will enable students to make a better assessment of, and an improved contribution to, discussions on political, economic and social issues.

The CSEC Economics syllabus introduces students to relevant economic concepts and principles that will provide the foundation necessary for a proper understanding of how economies work, especially the economies of small states like those in the Caribbean. It also gives students the critical knowledge and skills to communicate ideas using the language and tools of the discipline of Economics, *as well as* provides a useful foundation not only for further study in Economics but also for study in other Social Science subjects, including History, Politics, Business and International Relations.

This syllabus will contribute to the development of the Ideal Caribbean Person as articulated by the CARICOM Heads of Government, in areas including but not limited to the following:

- *is aware of the importance of living in harmony with the environment: has a strong appreciation of ... community cohesion, and moral issues including responsibility for and accountability to self and community;*
- *demonstrates multiple literacies, independent and critical thinking, questions the beliefs and practices of past and present and brings this to bear on the innovative application of science and technology to problem solving;*
- *demonstrates a positive work attitude;*
- *values and displays the creative imagination in its various manifestations and nurtures its development in the economic and entrepreneurial spheres in all other areas of life.*

Also, in keeping with the UNESCO Pillars of learning, on completion of this course of study, students will learn to know, learn to do, learn to be, and learn to live together having been exposed to the values implicit within human rights, and democratic principles.

In summary, the syllabus seeks to equip students with the basic tools necessary for an understanding and interpretation of economic phenomena experienced by Caribbean people and for communicating, intelligently and effectively, on economic issues in the region and the wider international community.

◆ AIMS

The syllabus aims to:

1. develop an understanding of the essential concepts and principles of Economics;
2. equip students with the tools needed for economic analysis, thus enabling sound, informed decisions as consumers of goods and services;

3. provide students with the foundation that will enhance their study in other disciplines that include concepts and principles of Economics and make use of the analytic approaches of Economics;
4. develop an awareness and appreciation of economic issues peculiar to the region.

◆ GENERAL OBJECTIVES

On completion of this syllabus, students should:

1. understand basic concepts and principles used in economic analysis;
2. develop the skills to assess economic issues that would affect their lives as workers, consumers and citizens;
3. develop the competence to contribute to discussions on current economic issues and decisions that should be made to shape and strengthen local, national and regional institutions;
4. develop the ability to analyse, critically, economic decisions made by policy makers;
5. demonstrate an awareness of the fact that economists hold differing views on some economic issues.

◆ ORGANIZATION OF THE SYLLABUS

The syllabus is arranged in SEVEN sections, sub-divided into specific objectives and corresponding content.

SECTION 1	-	THE NATURE OF ECONOMICS
SECTION 2	-	PRODUCTION, ECONOMIC RESOURCES AND RESOURCE ALLOCATION
SECTION 3	-	MARKETS AND PRICES
SECTION 4	-	THE FINANCIAL SECTOR
SECTION 5	-	ECONOMIC MANAGEMENT: POLICIES AND GOALS
SECTION 6	-	INTERNATIONAL TRADE
SECTION 7	-	CARIBBEAN ECONOMIES IN A GLOBAL ENVIRONMENT

◆ SUGGESTED TIME-TABLE ALLOCATION

It is recommended that a minimum of five 40-minute periods per week, or the equivalent, be allocated to the syllabus. This time should include at least one double-period.

◆ CERTIFICATION AND DEFINITION OF PROFILE DIMENSIONS

The CSEC Economics syllabus will be examined at the General Proficiency only. Candidates will be awarded an overall grade reported on a six-point scale. In addition to the overall grade, candidates' performance will be reported by a letter grade under profile dimensions of Knowledge and Comprehension, Interpretation and Analysis, and Application. These profile dimensions are provided below.

Knowledge and Comprehension

The ability to:

- (a) state, list or identify economic concepts, terms and principles;
- (b) define and explain economic concepts, principles, theories and procedures;
- (c) demonstrate an understanding of basic economic concepts, conventions and principles.

Interpretation and Analysis

The ability to:

- (a) select, organise and interpret economic data presented in a variety of forms;
- (b) organise and present, logically and effectively, economic ideas and arguments using verbal, graphical and numerical forms of communication.

Application

The ability to:

- (a) apply economic concepts and principles to analyse economic issues;
- (b) apply economic concepts, principles and theories to solve economic problems in various situations.

◆ FORMAT OF THE EXAMINATIONS

Paper 01
(1 hour 15 minutes) This paper will consist of 60 multiple-choice items. The paper will sample, proportionately, all sections of the syllabus.

Paper 02
(2 hours) This paper will be divided into two parts. Questions in each part will test all three profile dimensions. Part I will consist of four (4) compulsory structured questions. Part II will consist of four (4) essay questions of which candidates will be required to answer two (2) questions.

School-Based Assessment (SBA)

Paper 03/1 This component will focus on the assessment of the Interpretation and Analysis and Application profile dimensions by means of a project or special assignment drawn from relevant objectives in the syllabus. (See pages 26 - 30).

Paper 03/2 This paper is an alternative to the SBA for private candidates (see details on pages 31 - 32).

This paper will focus on the assessment of the Interpretation and Analysis, and Application profile dimensions by means of a written examination with questions based on a case study. The examination will consist of five structured questions requiring responses which may vary in length and detail from one or two sentences to one or more paragraphs. This paper will be weighted in the same way as the Paper 03/1 for school candidates.

MARK ALLOCATION OF PROFILES

The weighting of the profile dimensions is shown below.

PROFILES	PAPERS			TOTAL	(%)
	Paper 01	Paper 02	Paper 03 (SBA)		
Knowledge and Comprehension (P1)	16	34	10	60	(30)
Interpretation and Analysis (P2)	30	40	20	90	(45)
Application (P3)	14	26	10	50	(25)
Total	60	100	40	200	100
(%)	30	50	20	100	(100)

◆ NOTE TO TEACHERS AND STUDENTS

The syllabus provides students with a grounding in economic theories and concepts. The major focus of the syllabus, however, is on the application of these theories and concepts to an understanding of economic issues and problems prevalent in countries of the Caribbean region. Although Section 7: *Caribbean Economies in a Global Environment* is devoted entirely to the Caribbean, teachers should use opportunities throughout the syllabus to apply theories and concepts to the Caribbean situation.

◆ SUGGESTED TEACHING AND LEARNING ACTIVITIES

Teachers are encouraged to engage students in activities such as those listed below as they seek to achieve the objectives of the syllabus.

1. Lectures by resource persons with expertise on aspects of the syllabus;
2. Discussions on surveys of living conditions reports and UNDP reports on Caribbean territories;
3. Group discussions and debates on provisions of national budgets.

◆ SECTION 1: THE NATURE OF ECONOMICS

SPECIFIC OBJECTIVES

Students should be able to:

1. define the term “economics”;
2. explain what is meant by an economy;
3. list the main sectors in an economy;
4. explain the concepts of scarcity and choice within an economy;
5. define “opportunity cost” and “money cost”;
6. illustrate opportunity cost and efficiency, using the production possibility frontier;
7. list the main influences on individuals in making economic decisions;
8. list the main influences on firms in making economic decisions.

CONTENT

1. Economics as a Social Science:
 - (a) the creation of wealth out of scarce resources;
 - (b) the production and distribution of goods and services;
 - (c) the behaviour, interactions and welfare of those involved in the process;
 - (d) economics as a trade off.
2. An economy as a mechanism:
 - (a) organization of resources for production of goods and services;
 - (b) satisfaction of society’s needs and wants.
3. Main sectors in an economy.
4. Concepts of scarcity and choice.
5. Opportunity cost and money cost.

THE NATURE OF ECONOMICS (cont'd)

6. Illustration of Production Possibility Curve.
7. Influences on consumers in making economic decisions.
8. Influences on producers in making economic decisions.

◆ SECTION 2: PRODUCTION, ECONOMIC RESOURCES AND RESOURCE ALLOCATION

SPECIFIC OBJECTIVES

Students should be able to:

1. define “production”;
2. distinguish between production and productivity;
3. define the term “factors of production”;
4. identify the economic resources referred to as “factors of production”;
5. state the rewards of the factors of production;
6. describe the factors of production;
7. identify the costs associated with production;
8. differentiate between short run and long run;
9. distinguish between goods and services;
10. explain the concept of resource allocation;
11. list the types of economic systems;
12. describe the characteristics of each economic system;
13. assess the merits and demerits of each economic system;
14. identify the main types of business organizations in a free market;
15. describe the features of each type of business organization;
16. explain the concept of economies of scale;
17. give examples of economies of scale;
18. explain the concept of diseconomies of scale;
19. outline the advantages and disadvantages of division of labour.

PRODUCTION, ECONOMIC RESOURCES AND RESOURCE ALLOCATION (cont'd)

CONTENT

1. Definition of production.
2. Differences between production and productivity.
3. Factors of production: resources, both human and non-human, required to produce goods.
4. Types of economic resources as factors of production:
 - (a) land;
 - (b) labour;
 - (c) capital;
 - (d) entrepreneurial talent.
5. Rewards of factors of production:
 - (a) rent;
 - (b) wages and salaries;
 - (c) interest;
 - (d) profit.
6. Description of the factors of production:
 - (a) Land
 - (i) definition;
 - (ii) characteristics;
 - (iii) types;
 - (iv) importance;
 - (v) productivity.

PRODUCTION, ECONOMIC RESOURCES AND RESOURCE ALLOCATION (cont'd)

- (b) Labour
 - (i) definition;
 - (ii) characteristics;
 - (iii) functions;
 - (iv) division of labour;
 - (v) specialization of labour;
 - (vi) productivity;
 - (vii) efficiency;
 - (viii) supply.
 - (c) Capital
 - (i) definition;
 - (ii) characteristics;
 - (iii) types;
 - (iv) accumulation;
 - (v) importance as a substitute for labour.
 - (d) Entrepreneurial Talent: public and private enterprises
 - (i) definition;
 - (ii) importance;
 - (iii) functions.
7. Fixed, variable, total, average and marginal costs.
 8. Differences between short run and long run.
 9. Goods (tangible) and services (intangible).

PRODUCTION, ECONOMIC RESOURCES AND RESOURCE ALLOCATION (cont'd)

10. Resource allocation: what to produce; how much to produce and for whom to produce.
11. Types of economic systems:
 - (a) traditional (subsistence farming, bartering);
 - (b) command or planned (socialist);
 - (c) free or capitalist (market);
 - (d) mixed (public and private).
12. Characteristics of each economic system in relation to **ownership** of the factors of production, role of government and role of the private sector; how each economic system allocates resources.
13. Merits and demerits of each economic system in terms of its efficiency in allocating scarce resources and in providing goods and services to each sector of the population.
14. Types of business organizations in a free market.
15. Features of each type of business organization.
16. Concept of economies of scale.
17. Technical, Marketing, Financial and Risk-bearing economies.
18. Concept of diseconomies of scale.
19. Advantages and disadvantages of division of labour.

◆ SECTION 3: MARKETS AND PRICES

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the term “market”;
2. identify the market forces;
3. describe the relationship between price and demand, and price and supply;
4. explain the concept of ceteris paribus;
5. illustrate the concepts of demand and supply by using demand and supply curves;
6. explain the determinants of demand and supply;
7. illustrate how changes to the determinants affect demand and supply curves;
8. explain the concept of market equilibrium;
9. illustrate market equilibrium diagrammatically;
10. explain changes in the market equilibrium;
11. illustrate changes in the market equilibrium;
12. explain the concept of price elasticity of demand;
13. outline factors affecting price elasticity of demand;
14. illustrate price elasticity of demand, using simple calculations;
15. illustrate other types of elasticities of demand, using simple calculations;
16. explain price elasticity of supply;
17. illustrate price elasticity of supply, using simple calculations;
18. define the term ‘market structure’;
19. outline the characteristics of market structures;
20. identify the main types of market structures;

MARKETS AND PRICES (cont'd)

21. define the term “market failure”;
22. outline the main causes of market failure;
23. state the main consequences of market failure.

CONTENT

1. Concept of a market.
2. Definitions of supply and demand.
3. The relationship between price and quantity demanded, and price and quantity supplied (the four laws of demand and supply).
4. The concept of *ceteris paribus*.
5. Diagrammatic representation of demand curve and supply curve.
6. Demand and supply conditions: factors determining the environment for price movements.
7. Diagrammatic representations and analyses of how changes to the determinants affect demand and supply curves.
8. Market equilibrium: agreement between consumer and supplier on the price and quantity of goods demanded and offered.
9. Diagrammatic representation of market equilibrium.
10. The impact of changes in market conditions on market equilibrium.
11. Illustration of the market equilibrium.
12. Price elasticity of demand:
 - (a) concept of price elasticity of demand and its determinants;
 - (b) concept of income and cross elasticity of demand.
13. Factors affecting price elasticity of demand.
14. Illustration, by graphs and tables, of changes in conditions of demand and supply.

MARKETS AND PRICES (cont'd)

15. Illustration, by graphs, of elastic and inelastic demand.
16. Price elasticity of supply: what happens to quantity supplied following a change in price.
17. Illustration, by graphs and tables, of elastic and inelastic supply.
18. Definition of market structure.
19. Market structure: behavior and performance of firms in a variety of situations:
 - (a) number of buyers and sellers;
 - (b) types of goods;
 - (c) freedom of entry and exit;
 - (d) control on price.
20. Main types of market structures:
 - (a) perfect competition;
 - (b) monopoly;
 - (c) oligopoly;
 - (d) monopolistic competition.
21. Definition of market failure.
22. Causes of market failure:
 - (a) monopoly;
 - (b) merit goods and public goods;
 - (c) negative or positive externalities.
23. Consequences of market failure:
 - (a) retrenchment;
 - (b) unemployment;
 - (c) economic depression;
 - (d) rise in levels of poverty;
 - (e) decline in provisions for societal welfare.

◆ SECTION 4: THE FINANCIAL SECTOR

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the concept of the Financial Sector;
2. state the role of the Financial Sector;
3. identify the functions of the Financial Sector;
4. explain the concept of the Informal Sector;
5. explain the concept of money;
6. describe the development of money;
7. explain the functions of money;
8. describe the qualities of money;
9. explain the phrase “money supply”;
10. describe the role of the Central Bank and other financial institutions;
11. distinguish between the types of financial instruments.

CONTENT

1. The Financial Sector: The complex mix or network of markets, households, businesses, governments, laws and institutions interacting with one another.
2. The role of the Financial Sector in mobilizing and making loanable funds available from savers to spenders for consumption and investment purposes.
3. Functions of the financial sector.
4. Economic activities that are not officially regulated and which take place outside the formal norms of business transactions.
5. Money as any item considered acceptable to be used as payment for goods and services.
6. From bartering to modern forms of payments.

THE FINANCIAL SECTOR (cont'd)

7. Four main functions of money.
8. Four main qualities of money.
9. Money supply: the total stock of money in the economy at any moment.
10. Roles of the Central Bank and the following financial institutions:
 - (a) Commercial Bank;
 - (b) Stock Exchange;
 - (c) Share Market;
 - (d) Credit Union;
 - (e) Development Bank;
 - (f) Insurance Company;
 - (g) Mutual Fund;
 - (h) Building Society;
 - (i) Investment Trust Company;
 - (j) Informal credit institutions (Sou Sou, Box, Partner, Sindicatos, Meeting Turns).
11. Financial instruments:
 - (a) treasury notes and bonds;
 - (b) corporate bonds;
 - (c) municipal bonds;
 - (d) equity securities.

◆ SECTION 5: ECONOMIC MANAGEMENT: POLICIES AND GOALS

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the role of government in stabilizing the economy;
2. explain the meaning of terms and concepts associated with economic policies and goals;
3. explain the concept of the circular flow of income;
4. illustrate the circular flow of income;
5. distinguish between Gross Domestic Product (GDP) and Gross National Product (GNP);
6. distinguish among nominal output, real output and potential output;
7. distinguish between economic growth and economic development;
8. distinguish between inflation and recession;
9. state the main causes and consequences of inflation and recession on an economy;
10. state ways used by governments to reduce inflation;
11. state ways used by governments to relieve recession;
12. explain the different types of unemployment;
13. outline the role of trade unions in an economy.

CONTENT

1. Role of government, for example, in taxation and expenditure, and transfer policies.
2. Definition of the following terms and concepts:
 - (a) national budget;
 - (b) national income;
 - (c) disposable income;
 - (d) national debt;

ECONOMIC MANAGEMENT: POLICIES AND GOALS (cont'd)

- (e) fiscal policy;
 - (f) fiscal deficit;
 - (g) monetary policy;
 - (h) economic growth;
 - (i) economic development;
 - (j) developing economy;
 - (k) developed economy;
 - (l) balance of payments;
 - (m) GDP;
 - (n) GNP;
 - (o) employment;
 - (p) unemployment;
 - (q) inflation;
 - (r) deflation;
 - (s) savings;
 - (t) investment.
-
3. Flows of goods and services and factors of production between firms and households.
 4. Illustration of a basic flow diagram consisting of households, firms, government and financial institutions.
 5. GDP: a measure of national output; GNP: a measure of the increase or decrease in the standard of living; Calculation of GDP and GNP.
 6. Nominal output, real output and potential output.
 7. Economic growth and economic development.

ECONOMIC MANAGEMENT: POLICIES AND GOALS (cont'd)

8. Inflation and recession.
9. The major causes and consequences of inflation and recession.
10. Government's role in reducing inflation.
11. Government's role in relieving recession.
12. Types of unemployment:
 - (a) structural;
 - (b) cyclical;
 - (c) frictional;
 - (d) seasonal;
 - (e) real-wage.
13. Causes and measures to reduce each type of unemployment.
14. The role of Trade Unions in a free market economy.

◆ SECTION 6: INTERNATIONAL TRADE

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the meaning of terms and concepts associated with international trade;
2. explain the rationale for international trade;
3. describe the primary factors that influence the level of international trade;
4. explain the concept of gains from trade;
5. explain the concept of terms of trade;
6. state the factors that influence the level of an exchange rate;
7. distinguish between the various types of exchange rate regimes;
8. distinguish between exchange rate appreciation and exchange rate depreciation;
9. distinguish between exchange rate devaluation and exchange rate revaluation;
10. distinguish between balance of payments and balance of trade;
11. list the constituent components of the balance of payments;
12. describe the entries that would appear in the balance of payments account;
13. distinguish between balance of payments surpluses and balance of payments deficits;
14. describe the factors that give rise to balance of payments surpluses and deficits;
15. state the possible consequences of balance of payments surpluses and deficits;
16. describe the possible remedies for balance of payments surpluses and deficits.

SECTION 6: INTERNATIONAL TRADE (cont'd)

CONTENT

1. Definition of the following terms and concepts:
 - (a) balance of trade;
 - (b) current account;
 - (c) capital account;
 - (d) balance of payments;
 - (e) balance of payments disequilibria;
 - (f) tariff;
 - (g) Common External Tariff (CET);
 - (h) quota (non-tariff barriers);
 - (i) exchange rate;
 - (j) exchange rate regimes;
 - (k) World Trade Organisation (WTO).
2. The concept of comparative advantage and gains from trade. International trade as a “win-win” situation.
3. Factors that influence International Trade:
 - (a) on the import side;
 - (b) on the export side.
4. Terms of trade.
5. Factors that influence the level of an exchange rate.
6. Fixed, Floating and Managed exchange rate regimes.
7. Appreciation and depreciation of a currency.

INTERNATIONAL TRADE (cont'd)

8. Downward and upward adjustments to the value of a currency.
9. Balance of payments as a balance sheet indicating all the international transactions with the rest of the world.
10. Balance of Trade as the difference between the values of exports and imports of visible and invisible.
11. Current Account, Capital Account and the Official Financing Account.
12. Entries that would appear in the balance of payments account.
13. Surplus as excess of receipts over payments; deficit as excess of expenditure over receipts.
14. Factors that give rise to surpluses.
15. Factors that give rise to a deficit.
16. Possible consequences of balance of payments surpluses and deficits.
17. Possible remedies for balance of payments surpluses and deficits.

◆ SECTION 7: CARIBBEAN ECONOMIES IN A GLOBAL ENVIRONMENT

SPECIFIC OBJECTIVES

Students should be able to:

1. list the main characteristics of Caribbean economies;
2. state the major economic problems associated with Caribbean economies;
3. explain the meaning of terms and concepts associated with Caribbean economies;
4. explain the concept of preferential tariff arrangements;
5. identify the benefits and costs derived from CARICOM's participation in preferential trade arrangements;
6. explain the concept of trade liberalization;
7. explain the concept of globalization;
8. state the major economic features of globalization;
9. list the benefits to be derived from large scale production of goods;
10. list the benefits to be derived from the Caribbean Single Market and Economy (CSME);
11. state the effects of globalization and trade liberalization on territories, firms, consumers and governments in the Caribbean;
12. identify development strategies that Caribbean governments may use in a globalised economic environment;
13. explain the concept of e-commerce;
14. list the benefits of e-commerce;
15. outline the challenges of e-commerce.

CARIBBEAN ECONOMIES IN A GLOBAL ENVIRONMENT (cont)

CONTENT

1. Main characteristics of Caribbean economies: market size, resources, nature of dependency.
2. Economic problems associated with Caribbean economies.
3. Definition of the following terms and concepts:
 - (a) debt burden;
 - (b) structural adjustment;
 - (c) economic integration;
 - (d) protectionism;
 - (e) laissez-faire;
 - (f) common market;
 - (g) economic union;
 - (h) customs union;
 - (i) globalization;
 - (j) trade liberalization;
 - (k) bi-lateral agreement;
 - (l) multi-lateral agreement;
 - (m) International Monetary Fund (IMF);
 - (n) Caribbean Community (CARICOM);
 - (o) African, Caribbean and Pacific (ACP);
 - (p) Free Trade Area of America (FTAA);
 - (q) Association of Caribbean States (ACS);
 - (r) Caribbean and Canadian Association (CARIBCAN)

CARIBBEAN ECONOMIES IN A GLOBAL ENVIRONMENT (cont)

- (s) Caribbean Single Market and Economy (CSME);
 - (t) World Bank;
 - (u) Organisation of Eastern Caribbean States (OECS);
 - (v) European Union (EU);
 - (w) Caribbean Basin Initiative (CBI);
 - (x) Caribbean Development Bank (CDB);
 - (y) Foreign Direct Investment (FDI).
4. Definition and explanation of preferential tariffs including those offered by the European Union (EU).
 5. Benefits and costs of preferential tariff arrangements in light of discussions within the World Trade Organisation (WTO).
 6. Trade liberalization in the context of the termination of all preferential tariff arrangements worldwide.
 7. Globalization in the context of open competition on a world scale.
 8. The free movement of goods, capital, labour and technology.
 9. Social and economic benefits of producing goods in large quantities.
 10. Possible social and economic benefits to be derived from the free movement of capital, goods and labour within CARICOM.
 11. Effects of globalization and trade liberalization on firms, consumers and the sovereignty of territories.
 12. Concept and challenges of e-commerce.
 13. Definition of e-commerce or e-business.
 14. Benefits of e-commerce or e-business.
 15. Challenges of e-commerce or e-business.

◆ GUIDELINES TO TEACHERS FOR THE CONDUCT OF SCHOOL-BASED ASSESSMENT

School-Based Assessment is an integral part of student assessment in the course covered by this syllabus. It is intended to assist students in acquiring certain knowledge, skills and attitudes that are critical to the subject. The activities for the School-Based Assessment are linked to the topics and should form part of the learning activities to enable the student to achieve the objectives of the syllabus.

During the course of study of the subject, students obtain marks for the competences they develop and demonstrate in undertaking their School-Based Assessment assignment. These marks contribute to the final marks and grades that are awarded to students for their performance in the examination.

The guidelines provided in this syllabus for selecting appropriate tasks are intended to assist teachers and students in selecting assignments that are valid for the purpose of School-Based Assessment. These guidelines are also intended to assist teachers in awarding marks according to the degree of achievement in the School-Based Assessment component of the course. In order to ensure that the scores awarded by teachers are not out of line with the CXC standards, the Council undertakes the moderation of a sample of School-Based Assessment assignments marked by each teacher.

School-Based Assessment provides an opportunity to individualise a part of the curriculum to meet the needs of students. It facilitates feedback to the students at various stages of the experience. This helps to build the self-confidence of the students as they proceed with their studies. School-Based Assessment further facilitates the development of essential research skills that allow the student to function more effectively in his or her chosen vocation. School-Based Assessment, therefore, makes a significant and unique contribution to the development of relevant skills of the students. It also provides an instrument for testing them and rewarding them for their achievements.

RATIONALE FOR SCHOOL-BASED ASSESSMENT IN ECONOMICS

The School-Based Assessment component of the Economics Syllabus is a single guided research project **for school candidates**. The project should be on any topic drawn from relevant objectives of the syllabus and is intended to develop in the candidate an interest in self-directed investigation including the collection of data in a scientific manner. The execution of the SBA project should lead to a sense of accomplishment while facilitating the development of the basic skills of economic research. Teachers should regard School-Based Assessment as an integral part of teaching the syllabus.

The School-Based Assessment should:

- i. provide the candidate with an opportunity to investigate an area of special interest within the prescribed syllabus;
- ii. develop the candidate's ability to conduct an enquiry and present the findings;
- iii. provide an opportunity for the teacher to be involved in the evaluation process.

SBA REQUIREMENTS

Every candidate who enters for the CSEC Economics examination must submit a report on a project. Students may work individually or in groups to investigate a specific problem. However, each candidate must produce a complete report. No two reports from the same group should be identical. The report should *not exceed 1,000* words and should include appropriate charts, graphs, tables and pictures.

The teacher must approve the problem to be investigated, guide the student during the process of investigation, mark the completed work according to the guidelines provided by CXC, and submit the marks for the project to reach CXC by **April 30** in the year of the examination. *Submission should be made via the SBA Data Capture Module of the Online Registration System (ORS) found on the Council's website www.cxc.org*

The project should be based on research activities and should make use of **qualitative or quantitative data** or both to research economic issues and problems. *Students doing more than one subject in the Business cognate group may submit one SBA under a theme which covers this group.*

PROJECT REPORTS

A student's report should be *submitted electronically or* presented in a soft folder bearing the student's number, name of subject and the date submitted. The project document should comprise:

- (i) title;
- (ii) table of contents;
- (iii) aims and objectives;
- (iv) methodology employed;
- (v) report (not exceeding 1000 words).

Students and teachers must ensure that the report contains the required components and addresses all the profile dimensions identified on Page 3 of the syllabus.

Students are expected to present the report using qualitative or quantitative data or both, including graphs, charts and tables. Students will be awarded marks for clarity of expression and the correct use of grammar.

Students should:

- (i) state the purpose of the investigation;
- (ii) select an appropriate method of investigation;
- (iii) describe the procedures used to collect the data;
- (iv) present data in qualitative or quantitative formats or both;
- (v) explain the data presented;

- (vi) interpret data in terms of the purpose of the investigation;
- (vii) state findings;
- (viii) make recommendations based on findings and suggest measures for their implementation.

SOURCES OF DATA AND INFORMATION

The sources of data listed below can be used by candidates in their research activities.

- (i) The business section of local newspapers.
- (ii) Statistical reports such as national income statistics, balance of payments statistics, survey of living conditions, household budgetary surveys, annual economic reports of Central Banks, Ministries of Finance and Planning Units, questionnaires and interviews.
- (iii) Annual reports of firms in the region.
- (iv) The economic information available on the Internet.
- (v) Budget speeches of Ministers of Finance.
- (vi) Reviews of estimates of income and expenditure from Ministries of Finance.

MANAGEMENT OF THE PROJECT

The teacher must:

- (i) inform students of appropriate topics in the syllabus that are suitable for research;
- (ii) approve students' research proposals;
- (iii) advise students about the final date for completion and submission of the project;
- (iv) ensure that themes relevant to the project are adequately covered;
- (v) advise students of the nature of the task, the scope and depth required to fulfill it and the availability of resource materials;
- (vi) monitor students' progress by advising them of the quality of their work and recommending ways to improve the quality of the project;
- (vii) collect and mark students' projects;

- (viii) keep records of students' marks and submit these, together with samples of their work, as requested by CXC; *via the SBA Data Capture Module of the Online Registration System (ORS) found on the Council's website www.cxc.org*
- (ix) ensure that the guidelines are closely followed and the criteria are adequately met.
- NB.** It is the responsibility of the teachers to ensure that the project is the students' work as plagiarism and other forms of cheating will be penalised.

MARK SCHEME FOR RESEARCH PROJECTS

The project should be marked out of 40, weighted as follows:

Knowledge/Comprehension	-	10 marks
Interpretation/Analysis	-	20 marks
Application	-	10 marks

N.B. The following tasks are to be done under the supervision of the teacher.

CRITERIA	P1 (Knowledge/ Comprehension)	P2 (Interpretation/ Analysis)	P3 (Application)
1. State the Title of the Project (2 marks) - Title of project clearly stated - Title of project not clearly stated	2 marks 1 mark		
2. State the Purpose of the Project (3 marks) - Purpose of project fully stated - Satisfactory statement of aim - Limited statement of aim	3 marks 2 marks 1-0 mark		
3. Collection and Presentation of Data (3+ 7 = 10 marks) (a) - Collection from three to five sources - Collection from two sources - Collection from one source (b) - Excellent presentation of relevant data - Good presentation of relevant data - Satisfactory presentation of relevant data - Weak presentation of relevant data			3 marks 2 marks 1 mark 6-7 marks 4-5 marks 2-3 marks 1-0 mark

CRITERIA	P1 (Knowledge/ Comprehension)	P2 (Interpretation/ Analysis)	P3 (Application)
<p>4. Interpretation and Analysis (10 marks)</p> <ul style="list-style-type: none"> - Excellent analysis of data - Satisfactory analysis of data - Weak analysis of data 		<p>8-10 marks 5-7 marks 4-1 marks</p>	
<p>5. Findings and Recommendations (6 + 4 = 10 marks)</p> <p>(a)</p> <ul style="list-style-type: none"> - Findings are fully supported by the data - Findings are partially supported by the data - Findings are minimally supported by the data <p>(b)</p> <ul style="list-style-type: none"> - Excellent recommendations arising from data - Satisfactory recommendations arising from data - Weak recommendations arising from data 		<p>6 marks 5 -3 marks 2-1 marks 4 marks 3-2 marks 1-0 mark</p>	
<p>6. Communication of Information in a Logical way using Correct Grammar (5 marks)</p> <ul style="list-style-type: none"> - Excellent language and reporting skills - Satisfactory language and reporting skills - Weak language and reporting skills 	<p>4-5 marks 2-3 marks 1-0 mark</p>		
TOTAL	10 marks	20 marks	10 marks

◆ GUIDELINES FOR THE ALTERNATIVE TO SCHOOL-BASED ASSESSMENT

The Alternative to the School-Based Assessment in CSEC Economics (Paper 03/2), takes the form of a written examination in lieu of internal assessment for school candidates. This paper will be drawn from any area of the syllabus that lends itself to the Knowledge and Comprehension, Interpretation and Analysis, and Application of qualitative and/or quantitative or economic data. Paper 03/2 will be weighted in the same way as the Paper 03/1 (SBA) for school candidates, as shown in the table below.

Knowledge/Comprehension Profile 1	Interpretation/Analysis Profile 2	Application Profile 3	Total	% of Total Exam
10	20	10	40	20

Paper 03/2 consists of five structured questions requiring written responses which may vary in length and detail from one to two sentences to one or more paragraphs. Questions will be based on research activities and will test the candidates' ability to interpret qualitative and/or quantitative economic issues and problems presented in the form of case studies. Candidates are advised to familiarise themselves with the research activities listed below, in order to prepare adequately for Paper 03/2. Please note that candidates taking Paper 03/2 are NOT required to submit a project.

Questions will normally test candidates' ability to:

- i. select an economic problem or issue;
- ii. prescribe appropriate data to investigate the problem or issue;
- iii. present data in qualitative and/or quantitative formats;
- iv. explain data presented in task (iii);
- v. interpret data as they relate to the problem or issue in task (i);
- vi. state findings;
- vii. make recommendations based on findings and measures to implement them.

In order to enhance their performance on Paper 03/2, candidates may also wish to:

- i. select an economic problem to investigate and state it clearly;
- ii. choose appropriate sources of data to investigate the problem or issue; these may include the business section of local newspapers, statistical reports such as national income statistics, balance of payments statistics, survey of living conditions, household budgetary surveys, annual economic reports of Central Banks, Ministries of Finance and Planning Units, annual reports of firms in the region, the economic information available on the internet, budget speeches of Ministers of Finance or reviews of estimates of income and expenditure from Ministries of Finance;

- iii. use graphs, charts, tables, maps, diagrams as well as prose to present data;
- iv. explain the data in task (iii) and state how the data addresses the problem identified in task (i);
- v. write at least three statements on what was found from the investigation of the problem;
- vi. suggest two or more recommendations based on findings and state how they could be implemented.

◆ REGULATIONS FOR PRIVATE CANDIDATES

Private candidates must be entered for the examination through the Local Registrar in their respective territories and will be required to sit Papers 01, 02, and Paper 03/2.

Paper 03/1 is a single guided research project for candidates whose research must be monitored by tutors in a recognised educational institution. The reports must be original work and must be validated by the principal and the candidates' tutors.

Paper 03/2 is a written examination designed for candidates whose research projects cannot be monitored by tutors in a recognised educational institution and who have been assigned by the Local Registrar to write Paper 03/2 at a designated examination centre.

◆ REGULATIONS FOR RESIT CANDIDATES

Resit candidates who have obtained 50% or more of the total SBA marks will not be required to repeat this component of the examination provided that they write the examination in the academic year immediately following their first sitting of the examination. Resit candidates who failed to achieve 50% of the total SBA marks must repeat the project during the academic year in which the examination is repeated. Resit candidates must indicate at registration that they are resit candidates.

◆ REGULATIONS FOR THE JANUARY SITTING

- i. All candidates for the January sitting who are taking CSEC Economics examination for the first time MUST write Paper 03/2.
- ii. There is no SBA option (Paper 03/1) available for January candidates.

- iii. Resit candidates fall into two categories:
 - a. those resit candidates who wrote Paper 03/1 (SBA) in the year immediately preceding the January examination. Those who obtained 50% or more are NOT required to write Paper 03/2 in January;
 - b. those resit candidates who wrote Paper 03/2 (Alternative to SBA) in the year immediately preceding the examination. Those who obtained 50% or more are NOT required to re-write Paper 03/2 in January.
- iv. A candidate who qualified under iii(a) and iii(b) above who obtained 50% or more, but who wish to try to improve on his/her grade may write Paper 03/2 in January.
- v. All resit candidates who did NOT satisfy the 50% requirement (either on 03/1 or 03/2) are required to write Paper 03/2 in January.

◆ GLOSSARY OF TERMS

TERMS	CONCEPT
Barter	The exchange of one type of good or service for another, without the use of money.
Demand	The amount of a good or service consumers wish to have and the price they are able to pay for this amount during a specific time.
Demand Curve	A graph relating demand for a good or service to its price. The price of the good is usually shown on the vertical axis and the quantity demanded at each level of its own price on the horizontal axis.
Demand Deposit	Funds that the customer can withdraw on demand (that is, without giving any notice of intention to withdraw) for example, current accounts and personal chequing accounts.
Economic Flow	The quantity of an economic variable, for example, money, goods or service that is measured over a period of time, usually one year.
Economic Goals	These refer to the aims or objectives that an organization or the government wishes to achieve during the course of its activities, for example, two objectives of a government are to achieve high employment and to reduce the level of inflation.
Economic Growth	This refers to an increase in a country's real output of goods and services over a period of time, usually one year.
Economic Indicators	These consist of a variety of types of information, obtained mainly from statistics that policy makers use to monitor the state of the economy. Examples of economic indicators are retail price indices, economic growth indices, exchange rate indices and unemployment indices.
Economic Systems	These are the network of organizations designed by countries to solve the economic problem. The three main types are Free Market Economy, Planned Economy and Mixed Economy.
Equilibrium Price	This refers to market price at which the quantity demanded by consumers and the quantity supplied by firms are equal so that there is no incentive for firms to increase or reduce production.
Exchange Rate	This is the rate at which one country's currency trades for another country's currency on the foreign exchange market.

TERMS**CONCEPT**

Factors of Production	These are the economic resources which are used to enable the processes of production to occur. The main types are land, labour, capital and entrepreneurship.
Fiscal Policy	This refers to an economic policy used by a government which involves changing or regulating the rates of taxation and the amount of its own spending in order to bring about changes in the economy.
Foreign exchange reserves	Liquid assets held by a country's government or Central Bank for the purpose of intervening in the foreign exchange market. These include gold or convertible foreign currencies.
Free Rider	A person or organization that benefits from a public good, but neither provides it nor contributes to the cost of collective provision.
Functions of Money	These refer to use of anything accepted as money. These uses include medium of exchange, measure of value or unit of account, store of value and standard of deferred payment.
Gold Standard	A system for fixing exchange rates by the Central Bank or government of each country making its currency freely convertible into gold at a fixed price. Under this system, the par value of exchange rates is set by the amount of each currency that can be obtained for a given quantity of gold.
Legal Tender	Forms of money which a creditor is legally obliged to accept as settlement of a debt.
Money Demand	The amount of wealth every one in the economy wishes to hold in the form of money balances.
Money Substitute	A temporary medium of exchange but not a store of value, for example, a credit card.
Money Supply	The total stock of money in the economy at any moment including currency and demand deposits.
Reserves Requirement	The minimum percentage of their total assets which banks or other financial institutions are required to hold in money balances, or in some form of highly liquid assets.
Resources (Human/Natural/ Capital)	Anything, for example, skills, products and money that can contribute to economic activity.
Savings Deposits	Also referred to as term deposits. This is an interest-bearing deposit that can be legally withdrawn only after notice is given.

TERMS**CONCEPT**

Scarcity	Where demand exceeds supply.
Shortage	When the demand for a good or service exceeds the available supply.
Specialization	Concentration on providing particular types of goods and services, and relying on others to provide what one does not produce.
Spending	Money given out in payment for goods or services. Discretionary Spending - spending which a government body is empowered but not legally required to undertake. This can include both spending on real goods and services, such as public works, and grants to individuals or organizations. Mandatory Spending - spending required by law or by the rules governing schemes like pensions or disability benefits.
Supply	The amount of a good or service offered for sale by suppliers at the price they are willing to sell at, and the amount they are willing to supply at a specific time.
Supply Curve	A curve showing the amount that firms in an industry are willing to supply at each possible price.
Surplus	A situation where supply exceeds demand.
Tax	A payment compulsorily collected from individuals or firms by central or local government. Direct tax - A tax levied on the income or capital of an individual or company. The word 'direct' implies the view of such a tax falls on the person or firm paying it and cannot be passed on to anybody else. Indirect tax - A tax levied on sales of a good or service; the word 'indirect' implies the view that the real burden of such a tax does not fall on the person or firm paying it, but can be passed on to a customer or a supplier.
Trade-offs	The process of deciding whether to give up some of one good or one objective to obtain more of another. The need to trade off goods or objectives against one another is a sign of economic efficiency.
Unemployment	Inability to obtain a job when one is willing and able to work.

◆ GLOSSARY OF TERMS USED IN EXAMINATIONS

TERMS	MEANING	LEVEL
Define; describe; enumerate; identify; label; list; match; name; record; reproduce; select; state; view.	Remembering and recalling of appropriate, previously-learned information.	1 Knowledge
Classify; cite; convert; describe; discuss; estimate; explain; generalise; give examples; makes sense out of; paraphrase; restate in own words; summarise; trace.	Grasping the meaning of informational materials.	2 Comprehension
Articulate; assess; chart; collect; compute; construct; determine; develop; discover; establish; extend; implement; include; inform; instruct; operationalise; participate; predict; prepare; preserve; produce; project; provide; relate; report; show; solve; teach; transfer; use; utilise.	Using previously learned information in new and concrete situations to solve problems that have single or best answers	3 Application
Breakdown; correlate; differentiate; discriminate; distinguish between; focus on; illustrate; infer; limit; outline; point out; prioritise; recognise; separate; subdivide.	Breaking down of informational materials into their component parts, examining and trying to understand the organizational structure of such information to develop divergent conclusions by identifying motives or causes, making inferences, and finding evidence to support generalizations.	4 Analysis
Adapt; anticipate; categorise; combine; compare; compile; compose; contrast; create; design; devise; formulate; generate; initiate; integrate; modify; negotiate; plan; rearrange; reconstruct; reinforce; reorganise; revise; structure; substitute; validate.	Applying prior knowledge and skills to creatively or divergently produce a new or original whole.	5 Synthesis
Appraise; compare and contrast; conclude; criticise; critique; decide; defend; interpret; judge; justify; reframe; support.	Judging the value of material based on personal values and opinions, resulting in an end product with a given purpose, without real right or wrong answers	6 Evaluation

Western Zone Office
2005/24/02