



UNIVERSITY of CAMBRIDGE  
International Examinations

## **REVISION CHECKLIST for IGCSE Economics 0455**

### **A student guide**

#### **How to use this guide**

The guide describes what you need to know about your IGCSE Economics examination.

It will help you to plan your revision programme and will explain what the examiners are looking for.

The guide contains the following sections:

#### **Section 1 - How will you be tested?**

This section will give you information about the different examination papers you will take.

#### **Section 2 - What will be tested?**

This section describes the four assessment objectives in Economics.

#### **Section 3 - What you need to know**

This shows the syllabus content so that you can check:

- which topics you need to know about
- details about each topic area in the syllabus
- how much of the syllabus you have covered

## Section 1 - How will you be tested?

The table below gives you information about the examination papers you will take.

Paper Number	Length of Paper	What's on the Paper	Weighting of Papers
1	45 minutes	30 multiple-choice items (all questions to be answered).	20%
2	2 hours	Structured questions. Candidates must answer Section A and three questions in Section B.	50%
3	1 hour 30 minutes	A variety of questions which test enquiry skills. Novel data will be presented for interpretation and analysis of a real economic situation	30%

## Section 2 - What will be tested?

The syllabus sets out the four assessment objectives in Economics.

Skill Area	Skill	Demonstration of Skill
A Knowledge with Understanding	A1	You should be able to demonstrate your knowledge and understanding in relation to: <ul style="list-style-type: none"><li>• economic facts</li><li>• definitions</li><li>• concepts</li><li>• principles and</li><li>• theories.</li></ul>
	A2	You should be able to demonstrate your knowledge and understanding in relation to: <ul style="list-style-type: none"><li>• economic vocabulary and</li><li>• terminology</li></ul>
B Analysis	B3	You should be able to: <ul style="list-style-type: none"><li>• select</li><li>• organise and</li><li>• interpret data</li></ul>
	B4	You should be able to apply economic knowledge and understanding in: <ul style="list-style-type: none"><li>• verbal</li><li>• numerical</li><li>• diagrammatic</li><li>• pictorial and</li><li>• graphical forms</li></ul>
	B5	You should be able to: <ul style="list-style-type: none"><li>• use economic data</li><li>• recognise patterns in such data and</li><li>• deduce relationships</li></ul>
C Judgement and Decision Making	C6	You should be able to: <ul style="list-style-type: none"><li>• distinguish between evidence and opinion</li><li>• make reasoned judgements and</li><li>• communicate them in an accurate and logical manner</li></ul>

	C7	You should be able to: <ul style="list-style-type: none"> <li>recognise that economic theory is subject to various limitations and uncertainties</li> </ul>
	C8	You should be able to: <ul style="list-style-type: none"> <li>evaluate the social and environmental implications of particular courses of economic action</li> </ul>
D Critical Evaluation	D9	You should be able to: <ul style="list-style-type: none"> <li>draw conclusions from economic information and</li> <li>critically evaluate economic data</li> </ul>
	D10	You should be able to: <ul style="list-style-type: none"> <li>communicate conclusions in a logical and concise manner</li> </ul>

The following table shows the relationship between the assessment objectives and the different examination papers.

Paper	A Knowledge and Understanding	B Analysis	C Judgement and Decision Making	D Critical Evaluation
1	60%	40%		
2	20%	40%	40%	
3	20%	20%	20%	40%

The assessment objectives are weighted to give an indication of their relative importance. They are not intended to provide a precise statement of the number of marks allocated to particular assessment objectives.

### Section 3: What you need to know

A table is provided below which describes the topics which will be tested in your examination papers. You can use the table throughout your course to check the topics you have covered. You can also use it as a revision aid.

The column headed 'comments' can be used:

- to add further information about the details of each bullet point, or to give appropriate examples
- to highlight areas of difficulty which you might need to ask your teacher about

Theme	Topic	You should be able to:	Comments
1 Basic economic problem: choice and the allocation of resources	The economic problem	Define the nature of the economic problem in terms of the conflict between: <ul style="list-style-type: none"> <li>• finite resources and</li> <li>• unlimited wants</li> </ul>	
	The factors of production	Define the four factors of production: <ul style="list-style-type: none"> <li>• Land</li> <li>• Labour</li> <li>• Capital</li> <li>• Enterprise</li> </ul>	
	Opportunity Cost	<ul style="list-style-type: none"> <li>• Define the concept of opportunity cost</li> <li>• Analyse particular circumstances to illustrate the concept</li> </ul>	
	The implications of courses of action	Evaluate the implications of particular courses of action in terms of: <ul style="list-style-type: none"> <li>• opportunity cost</li> </ul>	
2 The allocation of resources: how the market works; market failure	The allocation of resources	Describe the allocation of resources in: <ul style="list-style-type: none"> <li>• Market economic systems</li> <li>• Mixed economic systems</li> </ul>	
	The principle of equilibrium price	<ul style="list-style-type: none"> <li>• Demonstrate the principle of equilibrium price</li> <li>• Analyse simple market situations with changes in demand and supply</li> </ul>	
	Changes in demand and supply conditions	<ul style="list-style-type: none"> <li>• Describe the causes of changes in demand and supply conditions</li> <li>• Analyse such changes to show effects in the market</li> </ul>	

	Price elasticity of demand and supply	<ul style="list-style-type: none"> <li>Define price elasticity of demand</li> <li>Define price elasticity of supply</li> <li>Perform simple calculations</li> </ul>	
	Usefulness of price elasticity of demand and supply	<p>Demonstrate the usefulness of price elasticity in particular situations, such as in relation to:</p> <ul style="list-style-type: none"> <li>Revenue changes</li> <li>Consumer expenditure</li> </ul>	
	Market failure	<ul style="list-style-type: none"> <li>Describe the concept of market failure</li> <li>Explain the reasons for its occurrence</li> </ul>	
	The market system	Evaluate the merits of the market system	
	Private and social costs and benefits	<ul style="list-style-type: none"> <li>Define private and social costs</li> <li>Define private and social benefits</li> <li>Discuss conflicts of interest in relation to these costs and benefits in the short term and long term through studies of the following issues- <ul style="list-style-type: none"> <li>(i) conserving resources versus using resources</li> <li>(ii) public expenditure versus private expenditure</li> </ul> </li> </ul>	
3 The individual as producer, consumer and borrower	Money and exchange	<ul style="list-style-type: none"> <li>Describe the functions of money</li> <li>Describe the need for exchange</li> </ul>	
	Central banks and stock exchanges	<ul style="list-style-type: none"> <li>Describe the functions of central banks</li> <li>Describe the functions of commercial banks</li> <li>Describe the functions of stock exchanges</li> </ul>	
	Choice of occupation	<p>Identify the factors affecting an individual's choice of occupation:</p> <ul style="list-style-type: none"> <li>Wage factors</li> <li>Non-wage factors</li> </ul>	
	Changes in earnings	Describe the likely changes in earnings over time for an individual	
	Differences in earnings	<p>Describe the differences in earnings between different occupational groups:</p> <ul style="list-style-type: none"> <li>Male/female</li> <li>Skilled/unskilled</li> <li>Private/public</li> </ul>	

		<ul style="list-style-type: none"> <li>• Agricultural/manufacturing/services</li> </ul>	
	Trade Unions	<ul style="list-style-type: none"> <li>• Describe trade unions</li> <li>• Describe the role of trade unions in an economy</li> </ul>	
	Specialisation	<ul style="list-style-type: none"> <li>• Describe the benefits of specialisation for the individual</li> <li>• Describe the disadvantages of specialisation for the individual</li> </ul>	
	Spending, saving and borrowing	<p>Analyse the different motives for:</p> <ul style="list-style-type: none"> <li>• Spending</li> <li>• Saving</li> <li>• Borrowing</li> </ul>	
	Expenditure patterns	<ul style="list-style-type: none"> <li>• Discuss how different income groups have different expenditure patterns (in terms of spending, saving and borrowing)</li> <li>• Discuss why different income groups have different expenditure patterns (in terms of spending, saving and borrowing)</li> </ul>	
4 The private firm as producer and employer	Different types of business organisation	<p>Describe the types of business organisation in the private sector:</p> <ul style="list-style-type: none"> <li>• Sole proprietor/trader</li> <li>• Partnership</li> <li>• Private company</li> <li>• Public company</li> <li>• Multi-nationals</li> <li>• Co-operatives</li> </ul> <p>Describe the type of business organisation in the public sector:</p> <ul style="list-style-type: none"> <li>• Public corporation</li> </ul>	
	Changes in the structure of business organisations	<ul style="list-style-type: none"> <li>• Describe the effects of changes in the structure of business organisations</li> <li>• Evaluate the effects of changes in the structure of business organisations</li> </ul>	
	Demand for factors of production	Describe what determines the demand for factors of production	
	Costs of production	<ul style="list-style-type: none"> <li>• Define total cost</li> <li>• Define average cost</li> <li>• Define fixed cost</li> <li>• Define variable cost</li> <li>• Perform simple calculations</li> </ul>	

	Changes in costs as output changes	<ul style="list-style-type: none"> <li>Analyse particular situations to show changes in total cost as output changes</li> <li>Analyse particular situations to show changes in average cost as output changes</li> </ul>	
	Revenue	<ul style="list-style-type: none"> <li>Define total revenue</li> <li>Define average revenue</li> <li>Perform simple calculations</li> </ul>	
	Profit maximisation	Describe the principle of profit maximisation as a goal	
	Pricing and output policies in different markets	<ul style="list-style-type: none"> <li>Describe pricing and output policies in perfect competition</li> <li>Describe pricing and output policies in monopoly</li> </ul>	
	Size of firms	Describe the main reasons for the different sizes of firms: <ul style="list-style-type: none"> <li>Size of market</li> <li>Capital</li> <li>Organisation</li> </ul>	
	Integration and economies of scale	<ul style="list-style-type: none"> <li>Describe integration</li> <li>Evaluate integration</li> <li>Describe economies of scale</li> <li>Evaluate economies of scale</li> <li>Describe diseconomies of scale</li> <li>Evaluate diseconomies of scale</li> </ul>	
	Monopoly	<ul style="list-style-type: none"> <li>Discuss the advantages of monopoly</li> <li>Discuss the disadvantages of monopoly</li> </ul>	
5 Role of government in an economy	The role of government	<ul style="list-style-type: none"> <li>Describe the government as a producer of goods and services</li> <li>Describe the government as an employer</li> </ul>	
	The aims of government policy	Describe the aims of government policy: <ul style="list-style-type: none"> <li>Full employment</li> <li>Price stability</li> <li>Economic growth</li> <li>Redistribution of income</li> <li>Balance of payments stability</li> </ul>	

	Possible conflicts between aims	Discuss the possible conflicts between these government aims	
	Taxation	Describe the types of taxation: <ul style="list-style-type: none"> <li>• Direct</li> <li>• Indirect</li> <li>• Progressive</li> <li>• Regressive</li> <li>• Proportional</li> </ul> Describe the impact of taxation	
	Government influence on private producers	Discuss the government's influence on private producers: <ul style="list-style-type: none"> <li>• Regulation</li> <li>• Subsidies</li> <li>• Taxes</li> </ul>	
6 Economic indicators	Prices	<ul style="list-style-type: none"> <li>• Describe how the retail/consumer price index is calculated</li> </ul>	
	Inflation	<ul style="list-style-type: none"> <li>• Describe the causes of inflation</li> <li>• Describe the consequences of inflation</li> </ul>	
	Employment	<ul style="list-style-type: none"> <li>• Describe the changing patterns of employment</li> <li>• Describe the changing levels of employment</li> </ul>	
	Unemployment	<ul style="list-style-type: none"> <li>• Discuss the causes of unemployment</li> <li>• Discuss the consequences of unemployment</li> </ul>	
	Output	<ul style="list-style-type: none"> <li>• Define Gross Domestic Product (GDP)</li> </ul>	
	Living standards	Describe simple measures and indicators of comparative living standards, such as: <ul style="list-style-type: none"> <li>• GDP per head</li> <li>• Human Development Index (HDI)</li> </ul>	
7 Developed and developing economies: trends in production, population and living standards	Developed and developing economies	<ul style="list-style-type: none"> <li>• Describe why some countries are classified as developed</li> <li>• Describe why some countries are not classified as developed</li> </ul>	
	Poverty	<ul style="list-style-type: none"> <li>• Recognise poverty</li> </ul>	

		<ul style="list-style-type: none"> <li>• Discuss policies to alleviate poverty</li> </ul>	
	Population growth	<p>Describe the factors that affect population growth:</p> <ul style="list-style-type: none"> <li>• Birth rate</li> <li>• Death rate</li> <li>• Fertility rate</li> <li>• Net migration</li> </ul> <p>Discuss reasons for the different rates of population growth in different countries</p>	
	Population changes	<ul style="list-style-type: none"> <li>• Analyse the problems of these population changes for countries at different stages of development</li> <li>• Analyse the consequences of these population changes for countries at different stages of development</li> </ul>	
	Changing size and structure of population	<ul style="list-style-type: none"> <li>• Describe the effects of the changing size of population on an economy</li> <li>• Describe the effects of the changing structure of population on an economy</li> </ul>	
	Living standards	<ul style="list-style-type: none"> <li>• Discuss differences in living standards within countries, both developed and developing</li> <li>• Discuss differences in living standards between countries, both developed and developing</li> </ul>	
8 Inter-national aspects	Specialisation	<ul style="list-style-type: none"> <li>• Describe the benefits of specialisation at regional levels</li> <li>• Describe the disadvantages of specialisation at regional levels</li> <li>• Describe the benefits of specialisation at national levels</li> <li>• Describe the disadvantages of specialisation at national levels</li> </ul>	
	The Balance of Payments	Describe the structure of the current account of the Balance of Payments	
	Exchange rates	Define exchange rates	
	Exchange rate fluctuations	<ul style="list-style-type: none"> <li>• Discuss the causes of exchange rate fluctuations</li> <li>• Discuss the consequences of exchange rate fluctuations</li> </ul>	
	Protection	Describe methods of protection	
	Free trade and protection	<ul style="list-style-type: none"> <li>• Discuss the merits of free trade</li> <li>• Discuss the merits of protection</li> </ul>	