ACCREDITED BUSINESS QUALIFICATIONS

ECONOMICS (ECON)

CURRICULUM STATEMENT

CURRICULUM STATEMENT: ICB ECONOMICS

An introduction to economics

- Define economics;
- distinguish between microeconomics and macroeconomics;
- explain how major economic events such as a hike in interest rates, inflation and unemployment affects the 'man on the street';
- explain the role of households, businesses, government, the foreign sector and financial institutions in the economy;
- demonstrate the intricacies of demand and supply;
- illustrate and explain the laws of demand and supply as well as resultant equilibrium;
- explain how the theory of demand and supply can be used to determine what price to charge for a product;
- explain the determinants of demand and supply, and demonstrate how such determinants can affect the equilibrium point;
- explain the concept 'price elasticity';
- discuss the premises of marginal utility;
- explain what is meant by inflation, what causes inflation and what can be done to control it; and
- explain why inflation is a problem.

Economic systems in perspective

- Explain the importance of economic efficiency;
- explain the significance of a production possibilities frontier;
- explain the economic system and its components;
- discuss efficiency and value with regard to the allocation of resources and the resulting goods and services produced from those resources;
- explain the main economic systems: traditional, command, market and mixed; and
- discuss the meaning of a free market economy and a mixed and socialistic economy.

Formulating an economic framework

- Describe in a simple form the overall concept of measuring the economic activities;
- describe the objectives of macroeconomics;
- identify the instruments used to measure economic activities;
- identify the limitations and inaccuracies in measuring GDP;
- explain what CPI is and how it is measured; and
- explain the role that gold plays in the South African economy as well as in the global economic system.

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The money market and monetary economics

- Explain the functions of money;
- explain how banks came about;
- calculate different levels of money supply in the economy;
- explain the functions of the Central Bank;
- outline the instruments used for monetary control;
- describe how interest rates are determined in the money market;
- list the factors that increase or decrease money supply;
  explain the relationship between demand and supply in the money market;
- define inflation and explain how it is measured;
- differentiate between cost-push and demand-pull inflation; and
- discuss the factors that influence exchange rates and the value of a local currency.

International trade and finance

- Provide an overview of international economics;
- explain the difference between comparative and absolute advantage;
- outline the basic premises of exchange rates and explain how they are calculated;
- explain arbitrage;
- demonstrate demand and supply of currencies;
- discuss the exchange rate policy implemented in South Africa;
- demonstrate how free trade policy is exercised in South Africa and the rest of the world;
- discuss the prevalence of trade finance in international trade; and
- explain how letters of credit work and are used in international finance.

Labour economics

- identify the macro-economic objectives of the South African economy;
- give the available definitions of labour;
- describe the South African labour market;
- identify the characteristics of a labour market;
- define the supply of labour;
- define the demand for labour;
- discuss the factors that could influence the demand for labour;
- define labour mobility;
- define migrant labour;
- describe the 'brain drain' from South Africa;
- discuss the factors that influence wages;
- discuss theoretical equilibrium in the labour market;
- define active labour market policy;
- distinguish between unemployment and underemployment;
- define and describe human capital and human capital investment;
- define the informal sector;
- explain employment in the informal sector; and
- discuss the importance of the informal sector.