

For exams January, May and November onwards  
For teaching from September 2021 onwards

SPECIFICATION >



Learning Resource Network



# INTERNATIONAL AS AND A-LEVEL ECONOMICS (7141)



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
INTERNATIONAL TRADE  
2020

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## BACKGROUND TO LRN

Learning Resource Network (LRN) is a recognised Awarding Organisation that offers a range of qualifications to candidates, educational institutes, training providers, schools and employers.

LRN is recognised for its high quality qualifications that enable candidates to progress to other areas of study and employment in their designated fields.

In producing its qualifications, LRN uses the experience and expertise of academics, professionals working in the pertinent industries and assessment practitioners with a wealth of best practice and knowledge of validation, verification, delivery and assessment.

## ACCOLADES

### Queen's Award

In April 2020, LRN received the Queen's Award for Enterprise for International Trade. LRN is one of 220 organisations in the UK to be recognised with this prestigious accolade. This was in recognition of the expansion LRN brought to the overseas qualification market.

## MANAGEMENT SYSTEMS

LRN has been awarded international accreditation as part of its quality controls, policies, systems and overall approach to its management systems. These awards are externally validated by the British Assessment Bureau. LRN has achieved accreditation in the form of ISO 9001: Quality Management Systems, ISO 14001: Environment Management Systems and ISO 27001: Information Security Management Systems.

## CUSTOMER SERVICE EXCELLENCE

LRN has achieved the prestigious award of Customer Service Excellence. This is in recognition of its customer service practices, approach to managing and dealing with UK and Overseas customer needs, including the diverse needs of its centres.

LRN was the first UK Awarding Organisation to achieve Customer Service Excellence. Following reaccreditation in 2019, LRN received an award for Customer Service Excellence: Compliance Plus, demonstrating that LRN went above and beyond the delivery of its customer service principles.



## INTRODUCTION

This specification provides an overview to the LRN International AS & A Level Economics<sup>1</sup>. This document is suitable for various users, including candidates, centres, administrators, employers, parents/guardians, teachers (and other educational based staff) and examiners. The specification outlines the key features and administrative procedures required for this international qualification.

## OBJECTIVE

The LRN International AS & A Level Economics is designed to enable international candidates to demonstrate their ability across a broad range of advanced Economic Fundamentals, Microeconomics, Macroeconomics and Government Interventions.

## MODE OF DELIVERY

This qualification has been constructed to be delivered within centres. Centres will need to demonstrate to LRN, through the centre recognition processes, that they have the resources, facilities and competence to deliver. However, centres must be able to demonstrate, in line with LRN's criteria, that they have the means, capability, capacity and resources (including suitably qualified centre staff) to deliver by the method chosen by the centre.

## PROGRESSION

The LRN International AS & A Level Economics has been designed to reflect the wide variation in candidates' origins, levels of education and career aims. Progression opportunities may, therefore, take a variety of paths. Depending on the level of qualification achieved, it may be appropriate for the candidate to progress to:

1. Similar level 3 qualification in Economics;
2. LRN Level 3 Diploma in Pre-U Foundation Studies;
3. A higher level of any qualification – e.g.; HNC/HND or Degree'
4. Vocationally Related Qualifications

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<sup>1</sup> LRN International AS/A Level are globally recognised qualifications designed specifically for international candidates and are available outside the United Kingdom. Candidates based in England refer to the Ofqual register.

# QUALIFICATION OVERVIEW

Number	Subject Content	LRN International AS Level	LRN International A Level	AO	Exam
1	Economic Fundamentals	✓ 1.1 to 2.1 and 2.7 to 3.3	✓	1, 2, 3 and 4	Combination of written exam papers (externally set and marked).
2	Microeconomics	✓ 1.1 to 2.3	✓	1, 2, 3 and 4	
3	Macroeconomics	✓ 1.1 to 1.4, 1.6 to 2.2 and 3.2 to 3.4	✓	1, 2, 3 and 4	<b>Paper 1:</b> Short answers and essay.  Duration: 1 hour 30 minutes  Weighting: 50%
4	Government Interventions	✓ 1.1 to 2.3	✓	1, 2, 3 and 4	<b>Paper 2:</b>  Data response questions  Duration: 2 hours  Weighting: 50%
					<b>A Level</b>  <b>Paper 1:</b> Short answers and essay.  Duration: 1 hour 30 minutes  Weighting: 25%
					<b>Paper 2:</b>  Data response questions  Duration: 2 hours  Weighting: 25%
					<b>Paper 3:</b>  Case Study  Duration: 3 hours  Weighting: 50%

## BREAKDOWN OF ASSESSMENT OBJECTIVES

**AO 1** – demonstrate an understanding of economic agents and associated issues

**AO 2** – apply knowledge and understanding of economic concepts and issues to a variety of contexts

**AO 3** – analyse issues within economic activity, showing an understanding of the impact on economic agents and markets of external and internal influences.

**AO 4** – evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to economic issues.

## ASSESSMENT

The assessment for this qualification consists of written exam papers, set and marked by the LRN.

Assessment objectives (AOs)	Weighting		
	Paper 1	Paper 2	Paper 3
AO1	45%	25%	10%
AO2	20%	35%	25%
AO3	20%	25%	30%
AO4	15%	20%	35%

## GUIDED LEARNING HOURS (GLH)

The LRN International AS Level guided learning hours (GLH) are 180 and 360 guided learning hours for LRN International A Level. Please note the hours stated are indicative.

## ENTRIES CODES

One entry per qualification is sufficient and will cover all the question papers including certification.

## PRIVATE CANDIDATES

Centres are advised that private candidates are only to be enrolled with prior agreement and confirmation from LRN.

## GRADING

The LRN International A Level will be graded on a six-point scale: A\*, A, B, C, D and E and LRN International AS Level will be graded on a five-point scale: A, B, C, D and E. Candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate.

## RESULTS

Exam series are in:

- January (results released in March)
- June (results released in August)
- November (results released in January)

## RE-TAKES

Whereas candidates can re-take each paper as often as they wish, within the shelf-life of the specification.

## CUSTOMER SERVICE STATEMENT

Learning Resource Network (LRN) is committed to ensuring all customers are dealt with promptly and in a professional and helpful manner. In order to guarantee this, we commit to ensuring the following in our day to day interactions with candidates, assessment centres and our stakeholder network:

- All customers will be treated equally and with respect;
- All customer information will only be used in a way which has been agreed in advance, unless we are informed of something that places them or others at risk of harm;
- All customers will be treated by staff in a professional manner.

LRN has arrangements in place to provide a telephone and e-mail helpdesk which will be staffed from 09:00 to 17:00 from Monday to Friday. Furthermore, it will respond to each e-mail, letter or telephone message it receives regarding feedback on its qualifications, centre approvals process or other matters relating to its products and/or services. The timetable for responding is as follows:

- E-mail: 5 working days
- Letter: 5 working days
- Telephone message: 5 working days

## DIVERSITY AND EQUALITY

Learning Resource Network (LRN) is committed to ensuring fair and equal access to its qualifications, examinations and support materials. Our Diversity and Equality policy seeks to eliminate unjustifiable discrimination, harassment and/or victimisation and to advance equality of opportunity, thereby ensuring all candidates are treated fairly, in accordance with the protected characteristics of the Equality Act 2010. Specifically, we comply fully with the requirements laid out in the Equality Act 2010. In addition, and within the constraints of this policy, LRN will have due regard for the General data Protection Regulations (GDPR) in the retention of information which is unnecessary.



1		Economic Fundamentals	
<b>Aim</b>			
This subject content aims to provide students an overview of the key concepts of economic activity. Important classifications of economic sectors will be explored in the topics. Learners will be familiarized with the importance of factors of production and economic decision making. The subject content will highlight the influence of markets in allocation of resources, leading to factors causing market failure and its implications.			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand the fundamental economic objectives and their implications.	1.1	Judge economics as a social science.
		1.2	Evaluate the basic economic problem.
		1.3	Compare the interconnection between scarcity and opportunity cost.
		1.4	Explain the purpose of ceteris paribus assumption.
		1.5	Analyse the key economic decisions.
		1.6	Differentiate between value judgements and positive statements.
		1.7	Explain the classifications of economic resources into factors of production such as: (i) labour, (ii) land, (iii) capital and enterprise.
		1.8	Explore the role of the Production Possibility Curve in decision making process.
		1.9	Assess the key characteristics of money in modern economy.
		1.10	Compare Free goods and Economic goods.
2	Understand the significance of resource allocation.	2.1	Evaluate the causes and costs of misallocation of resources.
		2.2	Judge the conditions required for productive and allocative efficiency.
		2.3	Compare concepts of: (i) allocative, (ii) productive and (iii) dynamic efficiency.
		2.4	Explain short and long runs with respect to variable and fixed factors.

3	Understand the nature of market failure.	3.1	Explore key sources of market failure such as: (i) moral hazard, (ii) externalities, (iii) speculation and market bubble
		3.2	Differentiate between the characteristics of complete and partial market failure.
		3.3	Judge the impact of negative and positive externalities in terms of production.
		3.4	Differentiate between external benefits of consumption and production.
		3.5	Judge the influence of social costs in the existence of externalities.
		3.6	Explore major types of positive and negative externalities.
4	Be able to demonstrate a practical application of basic principles of economics.	4.1	Calculate the following: (i) price elasticity of demand and supply, (ii) Average total, (iii) total, (iv) variable and (v) average variable costs, (vi) average and (vii) total revenue.
		4.2	Draw and interpret the following: (i) Production Possibility Curve diagrams, (ii) diagrams representing demand and supply, diagrams associated with (iii) Maximum and (iv) minimum prices in economic markets, (v) subsidies and (vi) indirect taxation.

2		Microeconomics	
<b>Aim</b>			
This subject content introduces learners to basic microeconomic concepts. The subject content aims to highlight major factors contributing to price determination. Students will explore intermarket relationships to understand fluctuations in supply and demand. The topic will also involve investigation and interpretation of price elasticities.			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand the major concepts of microeconomics.	1.1	Analyse the purpose of demand and supply curves.
		1.2	Compare major concepts of elasticities of demand such as: (i) price, (ii) income, and (iv) cross elasticities.
		1.3	Explore the major factors influencing price elasticity of supply.
		1.4	Explain the significance of interaction of demand and supply with respect to determining equilibrium prices.
		1.5	Compare characteristics of market equilibrium and disequilibrium.
		1.6	Explore the difference between consumer and producer surplus.
		1.7	Explain the purpose of indifference curves and budget lines.
		1.8	Assess the importance of slope of budget line in economics.
		1.9	Explore price effect in terms of income and substitution effect on goods.

2	Understand the characteristics of utility theory.	2.1	Assess the significance of diminishing marginal utility.
		2.2	Explain the law of equi-marginal utility.
		2.3	Explain main features of total and marginal utility theories.
		2.4	Explore advantages and disadvantages of marginal utility analysis.
3	Understand revenue, costs and profits in economics.	3.1	Explain the concept of economic productivity.
		3.2	Examine the major stages in short-run production function.
		3.3	Compare the following types of products: (i) average, (ii) total and (iii) marginal product.
		3.4	Examine advantages and disadvantages of law of diminishing returns.
		3.5	Compare major types of costs such as: (i) Fixed, (ii) marginal, (iii) average (iv) and variable costs.
		3.6	Explore major types of return to scales such as: (i) constant, (ii) increasing and (iii) decreasing.
		3.7	Evaluate causes of economies and diseconomies of scale.
		3.8	Analyse internal and external economies of scale.
		3.9	Compare the following types of revenue: (i) total, (ii) marginal and (iii) average.
		3.10	Compare following types of profit: (i) supernormal, (ii) normal and (iii) accounting.

4	Understand the nature of major market structures.	4.1	Explain the characteristics of perfect competition.
		4.2	Compare the strengths and limitations of monopolistic competition.
		4.3	Compare characteristics of: (i) monopoly, (ii) oligopoly and (iii) natural monopoly.
		4.4	Assess major factors used to differentiate between main market structures.
		4.5	Explain the role of market contestability in terms of improved performance.
		4.6	Examine the stages of delegation, and its strengths and limitations.
		4.7	Examine the significance and method of calculating concentration ratios.
5	Understand the structure of firms.	5.1	Explain the main objectives of small firms.
		5.2	Explain the satisficing principle.
		5.3	Judge the strengths and limitations of growth for small firms.
		5.4	Examine the features of economic integrations such as: (i) free trade areas, (ii) monetary, (iii) customs and (iv) economic unions.
		5.5	Judge the purpose of trade diversion.
		5.6	Examine the role of mergers and cartels in growth of firms.
		5.7	Judge the significance of traditional profit maximization.

		5.8	Compare main features of maximisation and non-maximisation objectives.
		5.9	Explain the principal agent problem.
		5.10	Analyse the reasons for and the consequences of a divorce of ownership from control.
		5.11	Explain key behavioral analysis approaches to the decision making process of a firm.
		5.12	Examine key pricing strategies such as: (i) price discrimination, (ii) leadership and (iii) mutual interdependence.
		5.13	Analyse key factors influencing firm performances such as: (i) profits, (ii) efficiency and (iii) revenue.

3		Macroeconomics	
<b>Aim</b>			
This subject content focuses on the key macroeconomics principles and their implementations on domestic and global levels. The subject content aims to highlight the characteristics of international trade and its main implications. Learners will explore main economic policies for developing economies, along with the role of financial sectors and globalisation.			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand fundamental principles of macroeconomy.	1.1	Explore the purposes of Aggregate demand and Aggregate supply analysis in economics.
		1.2	Examine causes and consequences of inflation.
		1.3	Assess significance of balances on various components on balance of payments.
		1.4	Judge advantages and disadvantages of major exchange rate systems.
		1.5	Summarise the role of terms of trade in an economy.
		1.6	Compare main features of absolute and competitive advantage.
		1.7	Judge strengths and limitations of protectionist policies.
		1.8	Examine the purpose of key types of specialisation in economics.
2	Understand the nature of economic growth and sustainability.	2.1	Explain the following economic features: (i) Economic growth, (ii) development and (iii) sustainability.
		2.2	Examine the characteristics of economic growth rates.
		2.3	Compare short-run and long-run growth.
		2.4	Differentiate between positive and negative output gaps.
		2.5	Compare actual and potential growth.

		2.6	Examine key causes of economic growth such as: (i) FDI, (ii) Domestic investment and (iii) innovation.
		2.7	Examine possible benefits of growth such as: (i) lower unemployment, (ii) increased tax revenue, (iii) increased profits, and (iv) higher level of investment.
		2.8	Analyse possible costs of growth such as: (i) opportunity and (ii) environmental costs.
		2.9	Assess possible limitations in measuring output gaps.
3	Understand the model of circular flow of income.	3.1	Explain the circular flow of income concept.
		3.2	Compare closed and open economies.
		3.3	Explain the concept of circular flow of income.
		3.4	Compare injections and withdrawals into circular flow of income.
		3.5	Explain the multiplier and multiplier concept.
		3.6	Compare average and marginal propensities to save, withdraw and consume.
		3.7	Examine causes and consequences of given output gap.
		3.8	Explain the accelerator effect.
		3.9	Explain the key role of Aggregate Expenditure.
		3.10	Explore the components of Aggregate Expenditure.
		3.11	Examine the purpose of measuring national income.
		3.12	Compare Gross Domestic Product and Gross National Income as measures of economic growth.
		3.13	Examine the significance of size of national debts.



		3.14	Judge the factors influencing size of national debt.
4	Understand the structure of international economy.	4.1	Judge the role of major macroeconomic measures and indicators in calculation of economic development.
		4.2	Examine the features of less-developed economies.
		4.3	Compare objectives of key monetary and non-monetary policies.
		4.4	Explain possible non-monetary considerations.
		4.5	Evaluate the impact of performance of emerging economies on other economies.
		4.6	Examine components of Human Development Index such as: (i) Education, (ii) Health, (iii) Income.
		4.7	Judge strengths and limitations of key macroeconomic measures.
		4.8	Examine main characteristics of developed, developing and emerging economies.
		4.9	Compare the role of trade and aid in development and growth.
		4.10	Examine main constraints on growth and development such as: (i) dependency, (ii) debt, (iii) infrastructure, (iv) demographic factors, (v) corruption.
		4.11	Explore the significance of savings and investments.
		4.12	Assess the role of multinationals and Foreign Direct Investment in globalisation.

		4.13	Evaluate the key goals of International Monetary Fund and World Bank in terms of globalisation.
5	Understand the impact of employment and unemployment on economy.	5.1	Explain the components of the labour force.
		5.2	Explain labour productivity.
		5.3	Explain the impact of full employment.
		5.4	Examine the factors influencing demand for labour.
		5.5	Assess causes and consequences of unemployment.
		5.6	Judge measures of unemployment such as: (i) labour force survey, (ii) claimant count.
		5.7	Examine major types of unemployment.
		5.8	Explain the concept of Non-Accelerating Inflation Rate of Unemployment.
6	Understand significant macroeconomic theories.	6.1	Compare Fischer`s equation of exchange and Quantity theory of Money.
		6.2	Explain money supply.
		6.3	Compare narrow and broad money.
		6.4	Explore factors influencing money supply.
		6.5	Explain the monetary policy transmission mechanism.
		6.6	Differentiate between Keynesian and Monetarist theories.
		6.7	Judge the role of liquidity preference theory in interest rate determination.

4		Government Interventions	
<b>Aim</b>			
This subject content will introduce learners to a perspective of wider economy from a major economic group, the Government. The subject content aims to explain the objectives behind Government interventions and tools used for it. Government economic policies will be explored in both macro and microeconomics. Learners will explore the influence of Government spending and taxation on economic activity.			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand the nature of microeconomic interventions.	1.1	Analyse the use of major tactics as Government interventions such as: (i) Taxation, (ii) Price control, (iii) subsidies, (iv) public expenditure, (v) nationalisation and (vi) privatisation.
		1.2	Judge the significance of property rights in an industry.
		1.3	Examine the strengths and limitations of extending property rights.
		1.4	Explain the causes and consequences of information failure.
		1.5	Differentiate between regulation and deregulation of markets.
		1.6	Compare default, restricted and mandated choices.
		1.7	Examine the influence of behavioral economists on economic decision making.
		1.8	Compare equity and efficiency.
		1.9	Examine major policies influencing redistribution of wealth and income.
		1.10	Explain main measures of inequality such as the Gini coefficient and Lorenze curve.
		1.11	Explore Government inventions to fiscal deficits.
		1.12	Compare the factors affecting demand for labour and supply of labour in an industry.

		1.13	Compare the methodologies of wage determination in perfect and imperfect markets.
		1.14	Judge the influence of trade union and monopsony activity on a labour market.
		1.15	Explore main causes and consequences of government failure.
2	Understand the nature of macroeconomic government interventions.	2.1	Compare features of main macroeconomic interventional policies such as: (i) fiscal, (ii) monetary, (iii) supply side policy.
		2.2	Compare main expenditure switching and changing policies.
		2.3	Explore key aims and objectives of government macro policies.
		2.4	Differentiate between internal and external value of money.
		2.5	Analyse the interconnection between inflation and balance of payments.
		2.6	Examine the purpose of Phillip`s curve in macroeconomic policy making.
		2.7	Examine possible problems arising from conflict within macroeconomic policy objectives.
		2.8	Explore main causes and consequences of government failure within macroeconomic spaces.