



## IB Economics – Syllabus Outline

**Friedrich-Ebert-Gymnasium Bonn (Germany)**

**School-no: 000973**

**Teacher: Matthias Claus**

### **Course specifics:**

The IB Economics course curriculum is combined with the German Social Sciences curriculum of the Abitur in North-Rhine Westphalia. Students are taught three (basic course) or five (advanced course) lessons per week in their German Social Sciences lessons, complemented by two IB lessons.

### **Resources:**

- Blink, Jocelyn and Dorton, Ian, *Oxford IB Diploma Programme Economics Course Companion*, Oxford (OUP), 2020.
- Khimji, Dipak and Evans-Klock, John, *IB Economics Work Book (tried&tested) Higher & Standard Level (New 2020 Syllabus)*, CreateSpace Independent Publishing Platform; Workbook edition, 2020.
- Khimji, Dipak and Evans-Klock, John, *IB Economics Answer Book (tried & tested) Higher & Standard Level (Ndw 2020 Syllabus)*, CreateSpace Independent Publishing Platform; Workbook edition, 2020.
- Khimji, Dipak and Marcario, Barbara, *IB Economics 20 Full Exam Style Questions with Answers. Data Response Paper 2 (New Syllabus) Higher Level & Standard Level First examination in 2022*. CreateSpace Independent Publishing Platform, 2020.
- Wells, Mike and Fellows, Nick, *Causes and Effects of 20<sup>th</sup>-Century Wars (History for the IB Diploma)*, Cambridge (CUP), 2016.
- Frintrop-Bechthold, Doris, *Politik Gesellschaft Wirtschaft Sowi SII Qualifikationsphase Band 2*, Braunschweig, 2020.
- Binke,-Orth, Brigitte and Dieckmann, Eva and Lindner, Nora and Orth, Gerhard, *Sowi NRW Unterrichtswerk für Sozialwissenschaften in der gymnasialen Oberstufe in Nordrhein-Westfalen Qualifikationsphase*, Bamberg, 2020.
- Additional online resources.
- Resources in school library.

## Economics Skills:

The aims of the Economics course at SL and HL are to:

- apply economic theories, models, ideas and tools and analyse economic data to understand and engage with real-world economic issues and problems facing individuals and societies
- develop a critical understanding of a range of economic theories, models, ideas and tools in the areas
- develop a conceptual understanding of individuals' and societies' economic choices, interactions, challenges and consequences of economic decision-making.
- encourage students to engage with multiple perspectives and to appreciate the complex nature of economic concepts, issues, events and developments,
- promotes international-mindedness through a curriculum that allows for the exploration of economics within a decidedly global context.

[Economics Guide – First Assessment 2022, Oxford 2020, pp. 10 and 16]

## Key concepts for DP Economics:

The DP Economics course is focused on nine key concepts: Scarcity, Choice, Efficiency, Equity, Economic well-being, Sustainability, Change, Interdependence and Intervention. These concepts help learners to organize new information by categorizing groups of theories, ideas, tools, or facts according to patterns of similarity or difference, deepen their understanding of today's complex and dynamic economic environment, approach concepts and content in different ways through multiple perspectives, make connections with other subjects to enhance interdisciplinary learning (cf. Economics Guide – First Assessment 2022, Oxford 2020, p. 12 and pp. 12-14).

<b>Scarcity</b>	The central concept in economics, scarcity refers to the limited availability of economic resources relative to society's unlimited demand for goods and services. Thus, economics is the study of how to make the best possible use of scarce or limited resources to satisfy unlimited human needs and wants.
<b>Choice</b>	Since resources are scarce, economics is a study of choices. It is clear that not all needs and wants can be satisfied; this necessitates choice and gives rise to the idea of opportunity cost. Economic decision-makers continually make choices between competing alternatives, and economics studies the consequences of these choices, both present and future.
<b>Efficiency</b>	Efficiency is a quantifiable concept, determined by the ratio of useful output to total input. Allocative efficiency refers to making the best possible use of scarce resources to produce the combinations of goods and services that are optimum for society, thus minimizing resource waste.
<b>Equity</b>	In contrast to equality, which describes situations where economic outcomes are similar for different people or different social groups, equity refers to the concept or idea of fairness. Fairness is a normative concept, as it means different things to different people. In economics, inequity is often interpreted to refer to inequality, which may apply to the distribution of income, wealth or human opportunity. Irrespective of economic system, inequity or inequality remain significant issues both within and between societies. The degree to which markets versus governments should, or are able to, create greater equity or equality in an economy is an area of much debate.
<b>Economic well being</b>	Economic well-being is a multidimensional concept relating to the level of prosperity and quality of living standards enjoyed by members of an economy.

	<p>It includes:</p> <ul style="list-style-type: none"> <li>• present and future financial security</li> <li>• the ability to meet basic needs</li> <li>• the ability to make economic choices permitting achievement of personal satisfaction</li> <li>• the ability to maintain adequate income levels over the long term.</li> </ul> <p>There are broad disparities in economic well-being both within and across</p>
<b>Sustainability</b>	<p>Sustainability in economics refers to the ability of the present generation to meet its needs without compromising the ability of future generations to meet their own needs. It refers to limiting the degree to which the current generation's economic activities create harmful environmental outcomes involving resource depletion or degradation that will negatively affect future generations. Sustainability is proving increasingly important in all economic analysis as planetary boundaries are pushed to the limit.</p>
<b>Change</b>	<p>An understanding of the concept of change is essential in economics. The economic world is in a continual state of flux and economists must be aware of this and adapt their thinking accordingly. The concept of change is important both in economic theory and the empirical world that economics studies. In economic theory, economics focuses not on the level of the variables it investigates, but on their change from one situation to another. Empirically, the world that is studied by economists is always subject to continuous and profound change at institutional, structural, technological, economic and social levels.</p>
<b>Interdependence</b>	<p>Individuals, communities and nations are not self-sufficient. Consumers, companies, households, workers, and governments, all economic actors, interact with each other within and, increasingly, across nations in order to achieve economic goals. The greater the level of interaction, the greater will be the degree of interdependence. In a highly interdependent economic world, decisions by certain economic actors are likely to generate many, and often unintended, economic consequences for other actors. A consideration of possible economic consequences of interdependence is essential when conducting economic analysis.</p>
<b>Intervention</b>	<p>Intervention in economics usually refers to government involvement in the workings of markets. While markets are considered the most efficient mechanism to organize economic activity, it is recognized that they may fail to achieve certain societal goals, such as equity, economic well-being, or sustainability. Failure to achieve such goals may be considered sufficient reason for government intervention. In the real world, there is often disagreement among economists and policymakers on the need for, and extent of, government intervention. There is a considerable debate about the merits of intervention versus the free market.</p>

### **IB Learner Profile:**

The Economics syllabus is closely linked to the IB learner profile, which “aims to develop inquiring, knowledgeable and caring young people who help to create a better and more peaceful world through intercultural understanding and respect.” [Economics Guide – First Assessment 2022, Oxford 2020, p 9]. By following the Economics syllabus, students will have fulfilled the attributes of the IB learner profile.

### **Approaches to learning**

The five approaches to learning (developing thinking skills, social skills, communication skills, self-management skills and research skills) play an essential role within the curriculum.

## IB Economics – Syllabus Outline – Friedrich- Ebert-Gymnasium Bonn

### Course outline:

The German curriculum topics (most of them relevant to the IB Economics course) are displayed in the left column of the table. The IB topics Higher Level topics are marked *in italics*.

German Abitur curriculum	IB Economics course curriculum
<p><b>Q1.1 (year 12 - first semester)</b></p> <p><b>Course Content:</b></p> <p><b>Economic policy in Germany - objectives, developments and problem areas</b></p> <ul style="list-style-type: none"> <li>- Legitimization of government action in the area of economic policy</li> <li>- Targets for overall economic development in Germany</li> <li>- Qualitative growth and sustainable development</li> <li>- Economic cycle and growth fluctuations</li> <li>- Economic policy concepts</li> <li>- Areas and instruments of economic policy</li> <li>- European Economic and Monetary Union and European monetary policy</li> </ul>	<p><b>Q1.1 (year 12 – first semester)</b></p> <p><b>Course Content:</b></p> <p><b>What is economics?</b> -factors of production, methodology of Economics, economic models, planned vs. free market economy</p> <p><b>The Evolution of Economic Thinking</b> -classical economics, the neoclassical school of economics, Keynesian macroeconomics, Monetarism, behavioural economics, the circular economy</p> <p><b>Microeconomics</b> -demand and supply, <i>the law of demand, cognitive biases affecting decision-making, behavioural economics, the law of supply</i>, market equilibrium, price mechanism, market efficiency, elasticities, indirect taxes, subsidies, price controls, <i>costs, revenues &amp; profits, perfect competition, monopoly, monopolistic competition, oligopoly, price discrimination</i>, market failure, <i>the existence of asymmetric information as a market failure, rational producer behaviour</i>,</p> <p><b>Assessment instruments to be used:</b></p> <p>IB internal assessment: One <b>commentary</b>, maximum of 800 words applying to the <b>Microeconomics</b> section of the IB syllabus</p> <p><b>TOK:</b></p>

- To what extent does the distinction between positive and normative statements exist in other academic disciplines?
- To what extent have individuals shifted the paradigms of economics?
- Will economics as a social science become more reliable in making accurate predictions as with time, empirical testing methods and the quality of data improve?
- Language as a way of knowing: replacements of expressions in newspaper articles, using stronger language to describe environmental crises facing the world (topic: market failure)

**CAS:**

- e.g. field trips: Arrange visits to businesses, factories, financial institutions, or markets to see economic principles in action (e.g. excursions to Lanzarote/Spain to analyze businesses in the tourist sector)

**Approaches to learning (ATL):**

- Thinking
- Social
- Communication
- Self-management
- Research

**Details/Examples (ATL):**

- e.g. the students imagining that they represent the government of their country, trying to explain what policies they could adopt to increase the production possibilities of their country (Thinking and Communication)
- e.g. creating a timeline of the evolution of economic thinking from 1750 up to the present time (Thinking and Communication)
- e.g. investigating “Black Friday” and explaining why the students think “Black Friday” may have come into existence (Thinking, Communication and Research)
- e.g. assessing the price elasticity of demand of pairs of goods and explaining it by making reference to determinants of elasticity (Thinking and Communication)

German curriculum	IB Economics course curriculum
<p><b>Q1.2 (year 12 - second semester)</b></p> <p><b>The European Union in crisis - basic structures, political fields of action and future prospects</b></p> <p>-not relevant for the IB curriculum (!)</p> <p><b>Social change, social inequality and social security in Germany - structures, developments and assessments</b></p> <ul style="list-style-type: none"> <li>- Manifestations and effects of social inequality</li> <li>- Social change (basic course only)</li> <li>- Change in social and economic structures (advanced course only)</li> <li>- Models and theories of social inequality</li> <li>- Welfare state action</li> </ul>	<p><b>Q1.2 (year 12 – second semester)</b></p> <p><b>Course Contents:</b></p> <p><b>Macroeconomics</b></p> <p>-the level of overall economic activity, aggregate demand, aggregate supply, macroeconomic equilibrium, <i>the multiplier effect</i>, <i>government tools to control the money supply</i>, low unemployment, a low and stable rate of inflation, <i>a weighted price index to calculate inflation</i>, <i>trade-off between inflation and unemployment</i>, economic growth, equity (Economics of inequality and poverty), <i>regressive taxes</i></p> <p><b>Assessment instruments to be used:</b></p> <p>IB internal assessment: One <b>commentary</b>, maximum of 800 words applying to the <b>Macroeconomics</b> section of the IB syllabus</p> <p><b>TOK:</b></p> <ul style="list-style-type: none"> <li>• What role do ethical considerations play in shaping macroeconomic policies? How do governments balance economic growth with social equity?</li> <li>• To what extent can economic models accurately predict future economic events? How do assumptions and simplifications in macroeconomic models affect their reliability?</li> <li>• In what ways do cultural perspectives influence macroeconomic theories and policies? How do different countries' economic policies reflect their cultural values?</li> <li>• How do political ideologies shape macroeconomic policy decisions? Can economic policies be truly neutral, or are they inherently political?</li> <li>• What is the impact of technological advancement on macroeconomic theories and practices?</li> <li>• How do changes in technology alter our understanding of economic growth and development?</li> </ul>

	<ul style="list-style-type: none"><li>• How does the language of economics influence our understanding of macroeconomic issues?</li><li>• To what extent does the terminology used in economics shape public perception and policy decisions?</li><li>• What are the implications of global interconnectedness for national economic policies?</li><li>• How do global economic organizations influence domestic macroeconomic decisions?</li><li>• To what extent is economic growth a measure of societal well-being? What are the limitations of GDP as an indicator of economic success?</li><li>• How do macroeconomic theories address issues of inequality and poverty? Are there alternative measures of economic success that better capture societal well-being?</li><li>• What are the challenges of using empirical data in macroeconomic research? How do economists ensure the accuracy and reliability of data used in macroeconomic analysis?</li><li>• In what ways do historical events shape contemporary macroeconomic theories? How do past economic crises inform current economic policies?</li><li>• To what extent do macroeconomic policies reflect the interests of different social groups? How do power dynamics within a society influence economic decision-making?</li><li>• How do macroeconomic policies address environmental sustainability? What are the trade-offs between economic growth and environmental protection?</li><li>• What is the role of uncertainty in macroeconomic decision-making? How do policymakers deal with the unpredictability of economic variables?</li><li>• How do media representations of economic issues influence public opinion and policy?</li><li>• What is the impact of media on the perception and implementation of macroeconomic policies?</li></ul>
--	---

**CAS:**

- e.g. role plays: a simulation game where participants can role-play as government officials making economic policy decisions
- e.g. educational videos/podcasts: produce videos or podcasts explaining macroeconomic concepts and their real-world applications
- e.g. economic blog: creating a blog to analyze and discuss current macroeconomic trends and events

**Approaches to learning (ATL):**

- Thinking
- Social
- Communication
- Self-management
- Research

**Details/Examples (ATL):**

- e.g. a study of an OECD country the students choose on Real GDP (growth), the Better Life Index results for that country, consumption as the main part of aggregate part in the country of the students' choice, market-based and interventionist policies, the labour market, the nature of poverty, applied in the country of the students' choice etc.
- e.g. preparing a presentation on a city in a developed country of the students' choice, demonstrating any consequences of inequality and/or poverty that are evident in the city (text, data, pictures etc.)



German curriculum	IB Economics course curriculum
<p><b>Q2.1 + Q2.2 (year 13 – first and second semester)</b></p> <p><b>Global political and economic structures and processes - International security policy and economic relations</b></p> <ul style="list-style-type: none"> <li>- International peace and security policy</li> <li>- The UN's contribution to conflict resolution and peacekeeping</li> <li>- International significance of human rights and democracy</li> <li>- Characteristics, dimensions and effects of globalization</li> <li>- Global governance (advanced course only)</li> <li>- International economic relations</li> <li>- Germany as a business location</li> </ul>	<p><b>Q2.1 + Q2.2 (year 13 – first and second semester)</b></p> <p><b>Course Contents:</b></p> <p><b>International Economics</b>  <i>-free trade, comparative advantage theory, protectionism, exchange rates, advantages/disadvantages of fixed and floating exchange rates</i>  balance of payments, relationship between the current account and the exchange rate, <i>consequences of/methods to correct current account imbalances</i>, economic integration, terms of trade</p> <p><b>Development Economics</b>  - economic development, measuring development, domestic factors, international trade, foreign direct investment, aid &amp; debt, the balance between markets and intervention</p> <p><b>Assessment instruments to be used:</b></p> <p>IB internal assessment:  One <b>commentary</b>, maximum of 800 words applying to the <b>The Global Economy</b> section of the IB syllabus</p> <p><b>TOK:</b></p> <ul style="list-style-type: none"> <li>• How does globalization challenge traditional economic theories and practices?</li> <li>• In what ways does globalization affect the distribution of knowledge and resources across different regions?</li> <li>• How do international organizations like the IMF and World Bank influence global economic policies?</li> <li>• To what extent do the policies of international economic organizations reflect the interests of all member countries?</li> <li>• How has technological advancement influenced our knowledge and understanding of the global economy</li> <li>• In what ways do technological innovations create challenges and opportunities for global economic stability?</li> <li>• How do cultural perspectives influence economic theories and policies regarding globalization?</li> </ul>

**CAS:**

- e.g. Model United Nations (MUN): participate in a Model United Nations conference focusing on economic issues, such as international trade agreements, economic development, or financial crises
- e.g. field trips to financial institutions, such as banks, stock exchanges, or economic research centers
- e.g. support local or the school's Fair Trade initiatives
- e.g. international market study: conduct a research project on how different products are traded internationally

**Approaches to learning (ATL):**

- Thinking
- Social
- Communication
- Self-management
- Research

**Details/Examples (ATL):**

- e.g. producing tables with two columns, one headed "Winners" and one headed "Losers" in the context of tariffs, subsidies and quotas
- e.g. preparing a presentation on one trading bloc of the students' choice showing the steps involved in its establishment and evolution, significant achievements and/or setbacks; picking one country in the bloc and evaluating how it has been affected by membership of the zone
- e.g. doing research on one very high human development country, one medium human development country and one low human development country (e.g. life expectancy, infant mortality rate, mean of years of schooling, expected years of schooling etc.)

### **Theory of knowledge**

The TOK questions outlined in the table above are exemplary questions. Individual topic choices will require different TOK questions. Some TOK questions are more general and can apply to several or all the topics studied. Students are encouraged to discuss central TOK questions relating to the subject Economics repeatedly and to apply them to different topics in order to get a better idea of the nature of and interdependency between TOK and Economics.

### **Creativity, activity, service (CAS)**

Students follow their own individual CAS project throughout the course of the IB programme. The activities outlined in the curriculum above should be seen as opportunities to integrate some CAS activities into the Economics course. Some of these activities will take place in the German Social Sciences lessons and some are only completed by the students in the IB programme.

### **Internal assessment: Writing three commentaries**

Economics students start working on their first commentary (syllabus section “Microeconomics”) at the beginning of Q1.2/ year 12, start working on their second commentary (syllabus section “Macroeconomics”) at the end of Q1.2/year 12, start working on their third commentary (syllabus section “The Global Economy”) before the autumn break in Q2.1 (year 13). IB Economics students are to hand in their first ideas for a research question, sources and literature and methodic approach after the Christmas break in year 12. They should schedule consulting sessions with the teacher. The students are supposed to hand in their first draft of their first commentary after the Easter break in year 12, the first draft of their second commentary before the autumn break in year 13 and the first draft of their third commentary before the Christmas break in year 13.

In the IB sessions the basic information about methods, topic choices, material choices and time allocation will be explained to the students early in the course. The teacher provides information on where to find sources and secondary literature, how to research information, how to take notes and structure them, how to structure one’s commentary and how to reference information properly.

Last reviewed: July 2024