

Federal Democratic Republic of Ethiopia
Ministry of Education

Economics Syllabus For Grade 11

2009

Introduction

Students at second cycle secondary education have already decided the broad stream of learning - social science/natural science – in which their future area of study to be.

The purposes of second cycle secondary education are enabling learners choose subjects/areas of training to be attended in higher education within the framework of their respective preparatory stream, and preparing students for the world of work. In pursuit of these purposes students of social science stream at preparatory (11 and 12) level are expected to study one of the specialized fields of social sciences, language, business and management and law faculties.

Economics, as one of the offered subjects in social science stream of preparatory education, aims at providing learners with necessary foundations of knowledge, attitudes, and skills to manage future higher education academic carrier and world of work. This is possible by:-

- discerning basics of economics to learners;
- enabling learners understand demand & supply and elasticity, theory of production & cost, market structure, balance of payment, basic issues of micro and macro economics, economic sectors, consumption, investment & saving and Ethiopian economics.
- facilitating conditions to create citizens who have the attitude of informed appreciation and understanding on Ethiopian economics;
- fostering certain analytical skills that enable them analyze economic condition and argue logically.

The provision of quality education has become the first line issue at present time of Ethiopia. Assessment and other feedback reports demanded the improvement of curriculum materials. Besides, the curriculum revision made at lower education levels subsequently demanded revision of curriculum at this level.

In addressing these issues the current grades 11 and 12 Economics curriculum is founded on outcome based learning which is defined in the new curriculum framework and in line to the international standards. Thus, the present curriculum is organized in such a way that it is suitable to realize active learning methods and equate learner's performance with the specified competencies.

To enable users of this curriculum document understand it fully it is made to contain:

- Profile of Economics student at the end of grade 12 which reflects the contribution of attending Economics lesson in bringing the desired general profile of learners at the end of second cycle secondary education.
- Minimum learning competencies for Economics education grades 11 and 12.
- Content flow chart of the cycle.
- Grade level learning outcomes for each grade (11 and 12) and
- The respective grade syllabuses.

The competencies and content flow charts are organized around ten themes – concepts of economics; basic issues of microeconomics; economic sectors; fundamental concepts of macroeconomics; consumption, investment & saving and recent reform program of the government of Ethiopia; nature of trade and policy instruments. Using these themes, the syllabuses of each grade (11 and 12) have been arranged in units.

Thirty-four weeks are allotted in a year to cover the lesson of each grade with four periods per week.

Unit 1: Concepts of Economics (12 periods)

Unit Outcomes: Students will be able to:

- Understand the concept and nature of economics and analyse how resources are efficiently used in producing output.
- Distinguish & evaluate different Economic systems
- Appreciate the role of decision-making and interpret the circular flow model.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define the term economics ▪ Identify the differences between micro economics and macro economics ▪ Examine the methods of studying economics ▪ Define concepts like scarcity, opportunity cost, choice and efficiency ▪ Construct production possibility curve ▪ Distinguish the differences among economic resources, free resources, and shortage of resources. ▪ Express what economic system is ▪ Compare and contrast the three economic systems. ▪ Explain the characteristics of the three decision making units ▪ Construct the circular flows of economic activities and interpret it. 	<p>Concepts of Economics</p> <p>1.1 Scope of economics</p> <ul style="list-style-type: none"> • Definition and nature of economics • Branches of economics <ul style="list-style-type: none"> ▪ Micro Economics ▪ Macro Economics <p>1.2 Method of studying economic principles</p> <p>1.3 Resource allocation</p> <ul style="list-style-type: none"> • Scarcity and choice • Opportunity cost • Product possibility a frontier and efficiency • Economic resource, free resource shortage of resources <p>1.4 Economic systems</p> <ul style="list-style-type: none"> • Pure capitalism economic system • Command economic system • Mixed economic system <p>1.5 Decision making units and circular flow of economic units</p> <ul style="list-style-type: none"> • Household • Business firms • Government • Two-circular flow of 	<ul style="list-style-type: none"> • Let students discuss on the definition and nature of economics and help them to differentiate the differences between microeconomics and macroeconomics. • Assist students to understand how economic principles are studied • Let students argue on whether resources are scarce or not and help them to identify free resources shortage of resources and scarce resources. • Let students discuss on the concepts of opportunity cost and let them construct the production possibility curve. • Motivate students to compare and contrast the economic systems exercised by Ethiopian government since 1960s. • Start the lesson by motivating students to say something about the characteristics of the decision-making units. • Facilitate conditions to the students so that they can construct circular flow of economic units. • Let students give examples of an entrepreneur from their locality.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none">▪ Define the term entrepreneurship▪ Explain the qualities of entrepreneurs▪ Discuss the roles of entrepreneurs in economic development.	<ul style="list-style-type: none">• economic units• Three circular flow economic units entrepreneurship	

ASSESSMENT

Students' performance has to be assessed continuously over the all units. The assessment will be made by comparing students performance with the specified level of competencies. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus: A student of a minimum requirement level will be able to define the term economics, scarcity, choice, efficiency, opportunity cost, micro economics and macro economics; compare and contract the three economics systems, explain the characteristics of the three decision making units, express what economic system is and construct the circular flow of economic activities and interpret it. Define the term entrepreneurship, explain the qualities of entrepreneurship, and discuss the roles of entrepreneurship in economic development.

In addition, a student working above the minimum requirement level and considered as a higher achiever should be able to evaluate varied definitions of economics, explain the three economic systems with real world experience, construct production possibility curve, distinguish the differences among economic resources, free resources and shortage of resources; explain the methods of studying economics.

Students working below minimum requirement level will require extra help if they are to catch up with the rest of the class. Students reaching at the minimum requirement level but achieve a little bit higher should be supported so that they can attain the higher achiever competencies. Students who fulfil the higher achievers competencies also need a special support to continue and achieve more.

Unit 2: Demand, supply and Elasticity (18 periods)

Unit learning outcomes: The students will be able to: Understand, analyze and interpret the demand and supply concepts with schedules, graphs and equations.

- Recognize the factors affecting demand and supply, and then appreciate the law governing them.
- Understand equilibrium price and quantity
- Understand the essence of different elasticity of demand and supply..

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define concept of demand • Examine the law of demand • Identify the differences between individual and market demand • Construct and interpret the demand schedule, graph and function • Describe the basic determinants of demand 	<p>2. Demand, supply and Elasticity</p> <p>2.1 Theory of demand</p> <ul style="list-style-type: none"> • Concepts of demand • Law of demand • Individual and market demand • Demand schedule, curve, function • Determinants of demand • Change in quantity demand and change in demand <p>2.2 Theory of supply</p> <ul style="list-style-type: none"> • Concepts of supply • Law of supply • Individual and market supply • Determinants of supply • Change in quantity supply and change in supply 	<ul style="list-style-type: none"> • Motivate students to mention some of their wants and how they are getting or possessing the object they want. • Facilitate conditions that enable students to construct demand curve and demand function based on the demand schedule. • Let students identify the differences between individual and market demand <ul style="list-style-type: none"> • Motivate students to speak out the factors that affect their demands of certain goods. • Start the lesson by motivating students to explain supply in their own ways

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> • Define market equilibrium • Compare and contrast mathematical equation and graphical representation of market equilibrium • Show how the changes in demand and supply on equilibrium price and quantity • Identify the concepts of price ceiling and price floor • Define the concept of elasticity • Identify and explain types of elasticity • Calculate and derive the formula of price elasticity of demand • Assess the determinants of price elasticity of demand • Construct and interpret the supply schedule, graph & function • Describe the basic determinants of supply • Define concept of supply • Examine the law of supply • Identify the differences between individual and market supply • Construct and compute 	<p>2.3 Market equilibrium</p> <ul style="list-style-type: none"> • Definition of market equilibrium • Mathematical and graphical analysis of market equilibrium • Effects of change in demand and supply on equilibrium quantity and price • Price ceiling • Price floor <p>2.4 Elasticity of demand and supply</p> <ul style="list-style-type: none"> • Definition of elasticity • Types of elasticity <p>2.4.1 Price elasticity of demand</p> <ul style="list-style-type: none"> • Definition and measurement of price elasticity of demand • Determinants of price elasticity of demand • Mathematical and graphical analysis of price elasticity of demand • Price elasticity of demand total revenue <p>2.4.2 Income elasticity</p> <ul style="list-style-type: none"> • Definition and measurement of income elasticity of demand. <p>2.4.3 Cross-price elasticity</p> <ul style="list-style-type: none"> • Definition and 	<ul style="list-style-type: none"> • Facilitate conditions that enable students to construct supply curve and supply function based on supply schedule. • Let students identify the differences between individual and market supply. • Motivate students to speak out the factors that affect the supply of a certain product. • Let the students discuss the concept of market equilibrium. • Let learners calculate/compute and draw a graph of market equilibrium price and quantity. • Ask students what they know about the shortage and surplus other than market equilibrium. • Assist students to design the formula of price elasticity of demand. • Arrange small group discussion so that students discuss on the factors that determine the price elasticity of demand. • Ask the students how can they respond to change in income of a certain good. • Assist students to derive the formula of income elasticity of demand. • In small groups, let students discuss on the factors that determine the cross-price elasticity of demand. • Let students discuss in groups about the concept of elasticity of supply.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p>the price elasticity of demand equation and graphical representation</p> <ul style="list-style-type: none"> • Analyze the relationship between price elasticity and total revenue • Define the concept of income elasticity • Calculate and derive the formula of income elasticity of demand • Define the concept of cross-price elasticity demand • Calculate and derive the formula of cross-price elasticity of demand • Explain the concept of elasticity of supply • Derive the formula and construct the graph of price elasticity of supply 	<p>measurement of gross price elasticity</p> <p>2.5 Elasticity of supply</p> <ul style="list-style-type: none"> • Definition and measurement of price elasticity of supply • Determinants of price elasticity of supply 	<ul style="list-style-type: none"> • Arrange small group discussion so that students discuss on the factors that determine the price elasticity of supply

ASSESSMENT

Students' performance has to be assessed continuously over all units. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

A student at minimum requirement level will be able to define the concept of demand, supply; identify and explain types of elasticity, examine the law of demand and supply, construct and interpret the demand and supply schedule, graph & function; describe the basic determinants of demand; calculate and compute the price elasticity of demand, supply, cross price elasticity of demand, income elasticity of demand, the slope of demand and supply curves.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to identify the difference between individual and market demand and supply, compare and contrast mathematical equation and graphical representation of market equilibrium; show how the changes in demand and supply on equilibrium price and quantity; Identify the concept of price ceiling and floor; assess the determinants of price elasticities of demand and supply; and derive the formula and construct the graph of price elasticity of demand and supply.

Students' working below a minimum requirement level will require extra help if they are to catch up with the rest of the class. Students reaching at the minimum requirement level but achieve a little bit higher should be supported so that they attain the higher achiever competencies. Students who fulfill the higher achievers competencies also need a special support to continue and achieve more.

Unit 3 : The theory of consumer behavior (18 periods)

Unit learning outcome: Students will be able to:-

- Understand the basic principles of cost
- Analyse the different theories of consumer choice and behaviour

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Asses the basic determinants of price elasticity of supply • Explain the basic theories of consumer behaviour • Define the concept of utility and total marginal utility • State the law of diminishing marginal utility • Classify the theories of utility • Describe the cardinal utility theory • Examine how the cardinalist maximize their total utility and compute and interpret the algebraical restatement • Define the concept of indifference set, curve and map and the theory of ordinal utility. • State the characteristics of indifference curve • Elaborate the concept of marginal rate of substitution 	<p>3. The theory of consumer Behavior</p> <ul style="list-style-type: none"> • Meaning of utility • Definition of Total and marginal utility • The law of diminishing marginal utility • Theories of utility <p>3.1 Cardinal theory of utility</p> <ul style="list-style-type: none"> • Utility maximizing rule, Algebraic restatement <p>3.2 Ordinal theory of utility</p> <ul style="list-style-type: none"> • Definition of indifference set, curve and map • Characteristics of indifference curve • Marginal rate of substitution • Budget line <ul style="list-style-type: none"> • Effects of change in consumer's income on the satisfaction unit • Effects of change in price of the producer on consumers satisfactory unit 	<ul style="list-style-type: none"> • Assist students to recall what they know about the concept satisfaction or utility. • Facilitate conditions that enable students show the relationship between total and marginal utility. • Motivate students to say something how utility or satisfaction can be measured and assist them in identifying the different measurement systems (theories). • Guide students to compute or measure utility by using cardinal theory and assist them to identify the utility maximizing unit. • Show the students the difference between indifference set and curve. • Assist the students to identify the main characteristics of indifference curve. • Brainstorming :- <ul style="list-style-type: none"> • Ask students to recall what they know about budget and guide them identify to the basic relationship of budget and utility. • Facilitate condition for students so that they can discuss the impact of changes in consumers' income and price on satisfaction unit.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> • Explain what is budget line • Interpret how a change in consumer income and price affects consumers' satisfaction. 		

ASSESSMENT

Students' performance has to be assessed continuously over all units. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

A student at minimum requirement level will be able to:-
 Explain the basic theories of consumers behaviour; define the concept of utility & total marginal utility, indifference set, curve and map; state the law of marginal utility (diminishing marginal utility) and the characteristics of indifference curve; classify the theories of utility and describe the cardinal and ordinal utility theory. Besides, explain what a budget line is.

In addition a student working above the minimum requirement level and considered as a higher achiever should be able to examine how the cardinalist maximize their total utility and compute & interpret the algebraic restatement; Elaborate the concept of marginal rate of substitution. Besides, construct the budget line with mathematical explanation; interpret how changes in consumer income and price affect consumer satisfaction, derive the Engle's curve from income consumption curve (ICC).

Students working below a minimum requirement level will require extra help if they are to catch up with the rest of the class. Students reaching the minimum requirement level but achieve a little bit higher should be supported so that they attain the higher achiever competencies. Students who fulfil the higher achievers competencies also need a special support to continue & achieve more.

Unit 4 : Theory of production and cost (20 periods)

Unit learning outcomes: Students will be able to:-

- Comprehend and evaluate how firms combine economic resources so as to maximize output
- Realize stages and economic regions of production
- Explain the meanings and behaviours of various types of costs and integrate the relationship with production costs
- Recognize the short run and long run production cost

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define production, input and output • Distinguish the differences between short run and long run production period. • Define production function • Explain the concept of production function with one variable input • Distinguish the difference between total, average and marginal product • Show the relationship between average product and marginal product. • Describe the law of diminishing marginal product • Identify and analyze the stages of production • Explain the concept of production function with two variable input. • Define Iso quant curve, schedule and map 	<p>4. Theory of production and cost</p> <p>Theory of production</p> <ul style="list-style-type: none"> • Definition of production • Input and output • Production period <ul style="list-style-type: none"> • Short run • Long run • Production function • Production function with one variable input • Total, average, marginal product • Relationship between average product and marginal product • The law of diminishing marginal product • Stage of production • Production function with two variable <ul style="list-style-type: none"> • Iso quant curve schedule & map • Characteristics of Iso quants • The economic region of product • Marginal rate of technical substitution 	<ul style="list-style-type: none"> • Ask students what they know about theory of production and help them to arrive at a correct definition and determine the two production periods. • Help the students to identify the differences among total product, Average product and marginal product. • Facilitate conditions that enable students show the relationship between average and marginal product. • Demonstrate the ways of classifying stages of production and let students identify at which point a rational producer produces. • Help students to distinguish the differences among Isoquant curve, schedule and map. • Let students discuss on the general characteristics of Isoquants and help them to identify the similarities and differences from the characteristics of indifference curve: • Ask learners what they know about the link between input and output, and help them to easily understand the concept of economic scale of production. • Motivate students to say something about the impact of technological change on the production, then give explanation. • Let students discuss the concept of cost and facilitate the discussion and assist in classifying cost at the end. Let them distinguish the difference between explicit and implicit costs. • Brain storming: ask students to tell what they know about the production periods, long run and short run and based on that help them to define (understand) long run & short run cost of production. • Facilitate condition so that students can understand the differences between fixed, variable, total and marginal cost. • Ask students to recall what they know about marginal and average product and guide them to understand the relationship between production and cost by using graphical representation.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> • State the basic characteristics of Iso quant • Identify the economic region of production • Show the effects of technological change on production. • Define cost • Differentiate private & social cost • Distinguish the difference between explicit and implicit cost • Differentiate short and long run cost of production period • Distinguish the difference among, fixed, variable, total, costs - Define marginal cost - Explain long run cost of production • Display the relationship between marginal product and cost • Show the relationship between production and cost. 	<ul style="list-style-type: none"> • Economic scale of production • Effects of technological change on production function • Theory of cost • Basic elements of cost • Private cost <ul style="list-style-type: none"> • Explicit & implicit cost • Special cost • Cost of production periods <ul style="list-style-type: none"> • Short run • Long run • Short run cost of production <ul style="list-style-type: none"> • Fixed cost • Variable cost • Total cost • Average, fixed, variable cost • Marginal cost • Long run cost of production • The relation between production & Cost • MP & MC • AVC AP • MP, MC,AVC & AP 	

Assessment

Students' performance has to be assessed continuously over the all units. Comparing students' performance with the specified levels of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly. Thus:-

A student at minimum requirement level will be able to define production, input, output, production function, isoquant curve, schedule and map, cost; distinguish the difference between short run and long run production period; Explain the concept of production with one and two variable/s input/s; distinguish the difference between total, average and marginal product and the difference among fixed, variable, total and marginal costs;

Describe the law of diminishing marginal product; State the basic characteristics of Isoquant; show the effects of technological change on production; Differentiate among different types of costs; show the relationship between production and cost.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to explain the relationship between production and cost curves graphically; Identify the stages of production and its economic region; explain the difference and relationship between indifferent and isoquant curves; display the relationship between production and cost.

Unit 5: Market structures and the decision of a firm (13 Periods)

Unit learning outcome: Students will be able to:-

- Realize and explain the different market structures and analyze how do firms maximize their profit in different markets.
- State how perfectly competitive, pure monopoly, oligopoly and monopolistically competitive market maximize their profit

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define market • Identify the different types of market structure • State the characteristics of perfectly competitive market • Compute and interpret the revenue of perfectly competitive market • Differentiate total, average and marginal revenue • Examine how profit is maximized under total approach • Examine how profit is maximized under marginal approach • Solve for profit maximization in the long run and interpret the level of profit • Derive the supply curve of perfectly competitive firm • Indicate the characteristics of pure monopoly • Analyse the reasons for the existence of pure monopoly 	<p>5. Market structures and the Decision of a firm</p> <ul style="list-style-type: none"> • Definition of market • Types of market structure <p>Perfectly competitive market</p> <ul style="list-style-type: none"> • Assumptions of perfectly competitive market • Revenue of perfectly competitive market • Total, average, marginal profit maximization in the short run • Total approach with mathematical & graphical analysis • Marginal approach with mathematical & graphical analysis <p>Profit maximization in the long run</p> <ul style="list-style-type: none"> • Normal economic profit <p>Deriving the supply curve of a preferably competitive form</p> <p>Pure monopoly</p> <ul style="list-style-type: none"> • Assumption of pure monopoly • The reasons for the existence of pure monopoly 	<p>Brain storm:</p> <p>Start the lesson by asking students about market and let students discuss the definition of the market.</p> <ul style="list-style-type: none"> • Ask students what they know about the types of market structure and let them list the names. • Guide students' discussions by leading students' appropriate concept and characteristics of a perfectly competitive market. • Assist the students to compute profit in perfectly competitive market by using total and marginal approach. • Students are assigned in groups and motivate them to define what pure monopoly is • Assist students to compute profit in pure monopoly market by using total and marginal approach • Assist students compute profit in monopolistically market by using total and marginal approach. • Assist students to compute profit in oligopoly market by using total and marginal approach.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> • Evaluate profit minimization under pure monopoly • Calculate the profit maximization under pure monopoly using total approach and marginal approach • Identify the characteristics of monopolistically competitive firm • Compute profit maximization under a monopolistically competitive market. 	<p>Profit maximization under pure monopoly</p> <ul style="list-style-type: none"> • Total approach • Marginal approach <p>Monopolistically competitive market</p> <ul style="list-style-type: none"> • Characteristics of monopolistically competitive market <p>Profit maximization under a monopolistically competitive market</p> <ul style="list-style-type: none"> • Total approach • Marginal approach <p>Oligopoly market</p> <ul style="list-style-type: none"> • Characteristics of oligopoly market • Methods of coordinations among oligopoly firms <ul style="list-style-type: none"> ▪ Cartel ▪ Price leadership ▪ Conscious Parallelism 	

Assessment

A student's performance has to be assessed continuously over all units. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly. Thus:-

A student at the minimum requirement level will be able to:- Define market; identify the different types of market structures and the characteristics of monopolistically competitive firm; State the characteristics of perfectly competitive market; Differentiate total, average and marginal revenues; Examine how profit is maximized under total approach and under marginal approach; Derive the supply curve of perfectly competitive firm; indicate the characteristics of pure monopoly; analyze the reasons for the existence of pure monopoly; calculate the profit maximization under pure monopolies using total and marginal approaches.

In addition a student working above the minimum requirement level and considered as a higher achiever should be able to:- Compute and interpret the revenue of perfectly competitive market, compute profit maximization under a monopolistically competitive market; Solve profit maximization in the long run and interpret the level of profit, derive the supply curve of perfectly competitive firm and evaluate cost minimization under pure monopoly market.

Students working below minimum requirement level will require extra help if they are to catch up with the rest of the class. Students reaching at the minimum requirement level but achieve a little bit higher should be supported so that they attain the higher achievement competencies. Students who fulfill the higher achievement competencies also need a special support to continue and achieve more.

Unit 6: The fundamental concerns of macro economics (13 periods)

Unit learning outcomes: Students will be able to:-

- Recognize the objectives and problems of macroeconomics
- Elaborate the concepts of Business cycle
- Understand the relation ship among unemployment, Inflation and Budget deficit
- Appreciate the source of Government revenue

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define the concepts of macroeconomics • Identify and analyze problems of macro economics • Display the business cycle & in the over all economic activity • Explain meaning of un employment • Identify and exemplify types of unemployment • Distinguish the differences among types of unemployment • Measure unemployment level • Examine the impact of unemployment on the economic growth • Define what inflation is • Compute the rate of inflation and interpret the result - Explain causes of inflation - Examine the impact of 	<p>6. The fundamental concerns of macro economics</p> <p>6.1 Concerns of macroeconomics</p> <p>6.2 Problems of macroeconomics</p> <p>6.2.1 Business cycle</p> <ul style="list-style-type: none"> • Boom or peak • Recession or contraction • Through or depression • Recovery <p>6.2.2 Unemployment</p> <ul style="list-style-type: none"> • Meaning of unemployment • Types of unemployment <ul style="list-style-type: none"> ▪ Frictional ▪ Structural ▪ Cyclical • Measurement of unemployment • The impact of unemployment of Economic growth <p>6.2.3 Inflation</p> <ul style="list-style-type: none"> • Meaning of inflation • Causes of inflation <ul style="list-style-type: none"> ▪ Demand-pull inflation ▪ Cost push inflation • Measuring inflation • The impact of inflation on Economic growth <ul style="list-style-type: none"> • Redistribution effects of inflation <ul style="list-style-type: none"> • Price effect 	<ul style="list-style-type: none"> • Assist the students to recall what they known about the concept of macroeconomics. • Based on the discussion, lead students to identify the major problems of macroeconomics. • Demonstrate the ways of identify in boom, recession through and recovery on a business cycle and then let students to define what business cycle is. • Brain storming – Ask students what they know about unemployment. • Then – Let students speak out what they know about unemployment and help them to arrive at the appropriate concept and definition. • Based on the discussion, lead students to arrive at proper definition of frictional, structural and cyclical unemployment. • Help students to measure unemployment, • Students are assigned in groups to discuss the impact of unemployment on economic growth then help them present their ideas. • Brain storming- Ask students to tell what they know about inflation and deflation and lead them to arrive at correct concept and definition of inflation and deflation. • Motivate students to mention the causes of inflation and assist them to understand the two cause of inflation such as demand-pull and cost-push. • Help student to measure inflation • Let students discuss about the impact of inflation on economic growth and show the effect of inflation on output and redistribution • Assist students to recall what they know about budget and deficit then, help them to understand what budget deficit is • Motivate students to say something about source of government revenue and assist in identifying the source of government revenue as ordinary, external assistance and capital revenue. At the end, let them explain the differences among the three. - Brain storming - ask students to recall what they know about government expenditures and guide them to distinguish recurrent and capital expenditures.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none"> - inflation on economic growth - Explain the effects & inflation in terms or redistribution & output - Define budget - Identify and explain the source of government revenue - Classify the source of tax and non-tax revenue - Identify and explain external assistance - Explain capital revenue - Define and identify the types of expenditure 	<ul style="list-style-type: none"> • Income effect <ul style="list-style-type: none"> ▪ Output effects of inflation 6.2.4 Budget deficit <ul style="list-style-type: none"> • Meaning of budget • Source of revenue • Ordinary Revenue <ul style="list-style-type: none"> ▪ Tax ▪ Non-tax ▪ Budget cycle expenditure <ul style="list-style-type: none"> ▪ Recurrent expenditure ▪ Capital expenditure • External assistance <ul style="list-style-type: none"> ▪ Multilateral ▪ Bilateral • Capital Revenue 	

Assessment

Students’ performance has to be assessed continuously over all units. Comparing students’ performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

A student at minimum requirement level will be able to:- define the concept of macroeconomics, budget, inflation and expenditure; identify and analyze problems of macro economics, the type of unemployment and sources of

government Revenues; Display the business cycle over all economic activity; explain the meaning of unemployment, causes of inflation, effects of inflation and capital revenue; distinguish the type of unemployment; measure unemployment level and classify the sources of tax and non-tax revenues.

In addition, a student working above the minimum requirement level and considered as a higher achievers should be able to:- Examine the impact of unemployment and inflation on the economic growth; and compute the rate of inflation and interpret the results.

Students working below minimum requirement level will require extra help if they are to catch up with the rest of the class. Students reaching at the minimum requirement level but achieve a little bit higher should be supported so that they attain the higher achiever competencies. Students who fulfill the higher achievers competencies also need a special support to continue and achieve more

Unit 7: National income account (12 periods)

Unit learning outcomes: Students will be able to:-

- Appreciate national income account and its importance
- Understand and compute the different approaches used to measure GDP
- Analyse the difference between nominal and real GDP

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define and state national income account and its importance • Define GDP and GNP • Identify the problems associated with measuring GDP • Identify and define the three approaches that are used to measure GDP • Define and compute GDP based on product approach • Define and compute GDP based on expenditure approach • Define and compute GDP based on income approach • Define concept of GDP • Define the three approaches to compute GDP • Distinguish the differences between nominal and real GDP • Compute GDP based on the three approaches • State other national income accounts 	<p>7. National Income Account</p> <ul style="list-style-type: none"> • Nature of National income account and its importance • Definition of GDP and GNP <p>7.1 Measurements of GDP</p> <p>7.1.1 Problems of measuring GDP</p> <p>7.1.2 Approaches of measuring GDP</p> <ul style="list-style-type: none"> • Product Approach • Expenditure Approach • Income Approach <p>7.1.3 Nominal and Real GDP</p> <p>7.2 Other National income account</p> <p>7.3 GDP and income distribution</p>	<ul style="list-style-type: none"> • Help students to understand the importance of national income account. • Facilitate condition to students so that they arrive out correct definition of GDP and GNP. • Guide students to identify the major problems in measuring GDP. • Show the students how GDP is measured by using product, expenditure and income approach and give them exercise that helps them to practice measuring GDP by using income, expenditure and product approach. • Encourage students to identify the difference between nominal and real GDP. • Organize students into a small group to prepare a short report on the causes and consequences of income inequalities then let them discuss on what they submit and finally give a summary and consolidate the main points.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<ul style="list-style-type: none">• Show the relationship between income and GDP		

Assessment

Students’ performance has to be assessed continuously over the whole, unit. Comparing students’ performance with the specified level of competencies will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus:-

A student at a minimum requirement level will be able to define national income account, the terms GDP and GNP and their concept, the three approaches to compute GDP, state the importance of NIA, identify the problems associated with measuring GDP, distinguish the difference between nominal and real GDP.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to compute GDP based on the three approach, state other national income account and show the relationship between income and GDP, students who full fill the higher competencies also need a special support to continue and achieve more.

Unit 8: Balance of payment (14 periods)

Unit learning outcomes: Students will be able to:

- Realize the concept of balance of payment and identify the parts of balance of payment
- Understand the restriction on trade and mode of payments
- Exemplify the impact of foreign trade on the economy

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define balance of payment • Define and identify the components of current account • Define trade balance and show how trade balance is computed • Define net service • Define current account balance • Identify the components of current account balance • Compute and interpret change in country's asset held abroad. • Compute and interpret change in foreign asset held in country. • Define the concept of international trade. • Analyze absolute advantage & comparative advantage • Explain import & export • Distinguish the differences between trade surplus, deficit and balance. • Identify and define the 	<p>8. Balance of payment(BOP)</p> <ul style="list-style-type: none"> • Meaning of BOP • Elements of BOP <ul style="list-style-type: none"> • Current Account <ul style="list-style-type: none"> • Trade Balance • Net service • Capital Account • Change in country's asset held abroad • Change in foreign asset held in country • Statistical Discrepancies • The nature of international trade <ul style="list-style-type: none"> • Absolute advantage • Comparative advantage • Foreign trade components: <ul style="list-style-type: none"> • Export and Imports • Trade surplus • Trade Deficit • Trade balance • Restriction on Trade <ul style="list-style-type: none"> • Tarrif • Quota 	<ul style="list-style-type: none"> - Arrange a group discussion, so that students can identify the major elements of balance of payment and its definition. - Facilitate conditions that enable students to identify the elements of current account and capital account and guide them to understand what statistical discrepancy is. - Ask students to recall what they know about why nation's trade? Then help them to understand the differences between absolute and comparative advantage. - Motivate the students to say something about export and import then guide them to define trade surplus, deficit and balance. - Brain storming – Ask students what they know about tariff and quota and lead them to arrive at the correct concept of restriction on trade. - Let students discuss on how payment is made in international trade and help them to understand the different ways of payments in international trade. - Arrange small groups of learners and guide them to discuss about the impact of international trade on the economy. - Ask students what they know about how exchange rate is decided in Ethiopia and assist them to understand the differences between floating and fixed exchange rates. - Facilitate conditions to students so that they arrive at the correct definition of revaluation, devaluation, appreciation and depreciation.

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p>basic restrictions on trade</p> <ul style="list-style-type: none"> • Identify and explain mode of payment in international trade • Asses the impact of foreign trade on the economy <ul style="list-style-type: none"> ▪ Classify exchange rates ▪ Define fixed exchange rate and identify the types of fixed exchange rate • Define revaluation and devaluation fixed exchange rates. • Explain what floating exchange is • Distinguish the differences between appreciation and depreciation floating exchange rate. • Asses the impact of exchange rate on BOP. 	<ul style="list-style-type: none"> • Mode of payments in international Trade • Impact of foreign trade on the economy • Impact of foreign trade on GDP • Exchange rates and the BOP • Fixed exchange rate <ul style="list-style-type: none"> ▪ Revaluation exchange rate ▪ Devaluations exchange rate • Floating exchange rate <ul style="list-style-type: none"> ▪ Appreciation exchange rate ▪ Depreciation exchange rate <p>8.1 Impacts of exchange rate on BOP</p>	

Assessment

Students' performance has to be assessed continuously over the whole unit. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus:-

A student at a minimum requirement level will be able to define balance of payment, the components of current account, trade balance, net service, international trade; fixed exchange rate, and floating, revaluation and deregulation fixed exchange rate, identify the components of current account, capital account balance of payment, the basic restrictions on trade; explain types of fixed and floating exchange rate, explain import and export, distinguish the difference between trade surplus, deficit and balance.

In addition to, a student working above the minimum requirement level and considered as higher should be able to compute and interpret change in country's assets held abroad and in country, analyze absolute advantage and comparative advantages, identify and explain mode of payment in international trade.

Assess the impact of foreign trade on the economy and the impact of exchange rate on BOP. Students who fulfil the higher achievers competencies also need a special support to continue and achieve more.

Unit 9 : Macroeconomic policy instruments (7 periods)

Unit learning outcomes: Students will be able to:-

- Realize the difference among fiscal, monetary and income policy
- Distinguish the difference between expansionary, fiscal and expansionary monetary policy
- State income policy

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define macroeconomic policy instruments • Identify the types of macroeconomic policy instruments • Explain and classify fiscal policy • Distinguish the difference between expansionary and contractionary fiscal policy • Classify monetary policy • State and define monetary policy instruments • Distinguish the difference between expansionary and contractionary monetary policy • Define the concept of income policy 	<p>9. Policy instruments</p> <p>9.1 Definition and types of macroeconomic policies</p> <p>9.1.1 Fiscal policy</p> <ul style="list-style-type: none"> • Expansionary fiscal policy • Contractionary fiscal policy <p>9.1.2 Monetary policy</p> <ul style="list-style-type: none"> • Monetary policy instruments • Types of monetary policy <ul style="list-style-type: none"> ▪ Expansionary monetary policy ▪ Contractionary monetary policy <p>9.1.3 Income policy</p>	<ul style="list-style-type: none"> • Start the lesson by motivating students to say something about policy and help them to arrive to the appropriate concept and definition of macroeconomic policy instruments. • Let students identify the difference between expansionary and contractionary fiscal policy • Facilitate conditions so that they can identify and explain monetary policy instruments. • Let students identify the difference between expansionary and contractionary fiscal policy. • Assign a group, and let the students to discuss about income policy instruments.

Assessment

Students' performance has to be assessed continuously over the whole unit. Comparing students' performance with the specified level of competencies will make the assessment logical. Besides the teacher has to recognize the level of performance of each student and provide assistance accordingly.

Thus:-

A student at a minimum requirement level will be able to:- Define macro economic policy instrument, monetary policy instrument, income policy, fiscal policy, identify the types of macro economic policy instruments, distinguish the difference between expansionary and contractionary fiscal policy and monetary policy; and classify monetary policy.

In addition, a student working above the minimum requirement level and considered as higher achiever should be able to assess the impact of fiscal, monetary and income policy on inflation and deflation. Students who fulfil the higher achievers competencies also need a special support to continue and achieve more.

Unit 10 : Consumption, Investment and saving (10 periods)

Unit learning outcomes : Students will be able to:-

- Realize the relationship among consumption, saving and investment
- Compute average and marginal propensity to consume and save
- Appreciate the role of investment in economic growth

<i>Competencies</i>	<i>Contents</i>	<i>Suggested activities</i>
<p><i>Students will be able to:</i></p> <ul style="list-style-type: none"> • Define the concept of consumption • Asses the basic determiners of consumption • Explain what saving is • Identify the determinants of saving • Show the relationship between consumption and saving • Define Investment • State the determinants of investment • Show appreciation about the impact of investment in economic growth 	<p>10. Consumption, Investment and saving</p> <p>10.1 Consumption</p> <ul style="list-style-type: none"> • Meaning and determinants of consumption <p>10.1.1 Consumption function</p> <p>10.2 Saving</p> <ul style="list-style-type: none"> • Meaning and determinants of saving <p>10.2.1 Saving function</p> <p>10.3 Relationship between consumption and saving</p> <ul style="list-style-type: none"> • Average propensity to consume and save • Marginal propensity to consume and save <p>10.4 Investment</p> <p>10.4.1 Meaning of investment</p> <p>10.4.2 Determinants of investment</p> <p>10.4.3 Role of investment in economic growth</p>	<p>Consumption, Investment and saving</p> <ul style="list-style-type: none"> • Brain storming:- Start the lesson by asking students about consumption and saving and assist them to understand the correct definition. • Motivate the students, so that they can mention some of the factors that affect their consumption and saving. • Based on the discussion lead students to understand the relationship between consumption and saving. • Brain storming – ask students what they know about investment and let them speak out what they know about the impact of investment on economic growth.

ASSESSMENT

Students performance has to be assess continuously over he whole units. Comparing students' performance with the specified level of competency's will make the assessment logical. Besides, the teacher has to recognize the level of performance of each student and provide assistance accordingly –

A student at a minimum requirement level will be able to:-
define the concept of consumption, saving and investment.; explain what saving is; asses the basic determiners of consumption, saving & investment, and show the relationship between consumption and saving.

In addition, a student working above, the minimum requirement level and considered as a higher achiever should be able to:-
Show appreciation the impact of investment in economic growth.

Students working below the minimum requirement level will require extra help, if they are to catch up with the rest of the class. Students reaching the minimum requirement level, but achieve a little bit higher should be supported, so that they attain the higher achiever competencies. Students fulfil the higher achiever competencies also need special support to continue an achieve more

