

**Federal Democratic Republic of Ethiopia**

**Ministry of Education**

**Minimum Learning Competencies**

**and**

**Content Flow Chart**

**Economics 11&12**

**2009**

Content Flow Chart For Economics

**Minimum Learning Competencies For Economics**

Theme	Competencies for Grade 11	Competencies for Grade 12
I. Concepts of Economics	<ul style="list-style-type: none"> <li>• Value the concept and nature of economics</li> <li>• Explain how resources are efficiently used in producing out put</li> <li>• Compare and contrast different Economic systems</li> <li>• Explain the role of decision-making units and interpret the circular flow.</li> </ul>	<ul style="list-style-type: none"> <li>• Explain the structure and significance of various resource endowments according to their geographical features.</li> <li>• Compare and contrast different economic systems since the Imperial regime</li> </ul>
II. Basic Issues of Microeconomics	<ul style="list-style-type: none"> <li>• Analyze demand and supply concepts with schedules, graphs and equations.</li> <li>• Interpret the demand and supply concepts with schedules, graphs and equations.</li> <li>• Identify the factors affecting demand and supply</li> <li>• Figure out the law governing demand and supply.</li> <li>• Evaluate the essence of different elasticity of demand and supply.</li> <li>• Compute elasticity of demand and supply.</li> <li>• Identify the basic principles of different theories of consumer Choice and Behavior.</li> <li>• Analyze different theories of consumer Choice and Behavior.</li> <li>• Comprehend and evaluate how firms combine economic resources so as to maximize out put.</li> <li>• Explain the meanings and behaviors of various types of costs</li> <li>• Integrate the relationship between production and cost.</li> <li>• Explain different market structures</li> <li>• Analyze how firms maximize their profit in different markets.</li> </ul>	
III. Economic Sector	<ul style="list-style-type: none"> <li>• Recognize fundamental concepts of National Income Account</li> <li>• Practice the method of measuring economic performance of a country.</li> </ul>	<ul style="list-style-type: none"> <li>• List the role of agricultural sector</li> <li>• Relate agriculture with economic development.</li> <li>• Describe the specific policies and strategies</li> </ul>

Content Flow Chart For Economics

Theme	Competencies for Grade 11	Competencies for Grade 12
		<p>of agricultural sector of Ethiopia.</p> <ul style="list-style-type: none"> <li>• Evaluate the performance and problems of the agriculture sector in the Ethiopian Economy since 1950s.</li> <li>• List the role and size of industrial sector.</li> <li>• Describe specific policies and strategies of industrial sector of Ethiopia.</li> <li>• Assess problems of the industrial sector since 1950s.</li> <li>• Evaluate the performance and problems of the Industrial sector since 1950s.</li> <li>• List the roles of the service sector.</li> <li>• Describe the specific policies and strategies of the service sector.</li> <li>• Assess the problems of services sector.</li> <li>• Evaluate the performance and problems of services sector.</li> </ul>
<p>IV. Fundamental concepts of Macroeconomics</p>	<ul style="list-style-type: none"> <li>• Identify problems of macroeconomics</li> <li>• Analyze the Nature of trade</li> <li>• Recognize the nature of fiscal policy</li> <li>• Identify types of fiscal policy</li> <li>• Assess the impact of fiscal policy on unemployment and inflation.</li> <li>• Recognize the nature of monetary Policy.</li> <li>• Identify types of monetary policy</li> <li>• Assess the impact of monetary Policy on unemployment and inflation.</li> <li>• Recognize income policy</li> <li>• Assess the impact of income policy on inflation and unemployment.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify the role of trade in the Ethiopian Economy.</li> <li>• Describe the specific policy and strategy of EPRDF and structure of foreign trade of Ethiopia.</li> <li>• Assess problems of trade in Ethiopia</li> <li>• Evaluate performance and problems of trade in Ethiopia respectively.</li> <li>• Identify the role of the government in trade.</li> <li>• Review the historical background of public finance in Ethiopia.</li> <li>• Evaluate the structure and performance of government revenue &amp; expenditure.</li> <li>• Analyze government budget defect financing.</li> <li>• Explain decentralization and public sector in Ethiopia.</li> <li>• Explain the evolution and development of money and financial sector in Ethiopia.</li> <li>• Describe the roles and function of National Bank Of Ethiopia (NBE), Commercial Bank</li> </ul>

Content Flow Chart For Economics

Theme	Competencies for Grade 11	Competencies for Grade 12
		of Ethiopia (CBE) and Insurance. <ul style="list-style-type: none"> <li>• Evaluate the performance, problems and prospects of the financial sector.</li> <li>• Examine the financial sector policies &amp; reforms undertaken in Ethiopia.</li> </ul>
V. Consumption, investment & saving, and recent reform program of the government	<ul style="list-style-type: none"> <li>• Define concepts like consumption saving and investment.</li> <li>• Assess determinants of consumption, saving and investment.</li> <li>• Relate the role of investment to economic growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Define the structural adjustment program.</li> <li>• Evaluate the performance of the economy after the reform program.</li> <li>• Explain current objective of restructuring the Ethiopian Economy.</li> </ul>

**Content Flow Chart for Grades 11 & 12 Economics**

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
Concepts of economics	<ul style="list-style-type: none"> <li>• Scope of Economics</li> <li>• Methodology</li> <li>• Resource allocation</li> <li>• Economic system</li> <li>• Decision making units and circular flow of economic activities</li> <li>• Main Sector of the Ethiopian Economy</li> <li>• Resource base of Ethiopia</li> <li>• Historical review of the national development objectives and strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Definition and nature of economics</li> <li>• Branches of economics</li> <li>• Approaches of studying economics</li> <li>• Scarcity and choice production possibility frontier, opportunity cost and efficiency.</li> <li>• Basic economic questions</li> <li>• Pure capitalism</li> <li>• Command economy</li> <li>• Mixed economy</li> <li>• Decision making units</li> <li>• Circular flow of economic activities</li> </ul>	<ul style="list-style-type: none"> <li>• Population, land, livestock, fishery, forestry, energy, minerals and environment</li> <li>• National development plan under the monarchy</li> <li>• National development plan in the Derg</li> <li>• The current government national development plan</li> </ul>
Basic Issues of Microeconomics	<p>Theory of demand                      Theory of supply                      Market equilibrium                      Demand and supply elasticity                      Consumer behavior and Utility maximization                      Theories of Utility                      Theory of production and cost                      Market structures</p>	<ul style="list-style-type: none"> <li>• Law of demand</li> <li>• The demand schedule, curve and function</li> <li>• Individual and market demand</li> <li>• Determinants of demand</li> <li>• Change in demand and change in quantity demand</li> <li>• Law of supply</li> <li>• The supply schedule, curve and function</li> <li>• Individual and market supply</li> <li>• Determinants of supply</li> <li>• Change in supply and change in quantity supply</li> <li>• Equilibrium</li> <li>• Effects of changes in demand and supply on</li> </ul>	

Content Flow Chart For Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
		<p>equilibrium price and quantity</p> <ul style="list-style-type: none"> <li>• Price ceiling and floor</li> <li>• Price elasticity of demand</li> <li>• Definition and measurement of price elasticity of demand</li> <li>• Mathematical and graphical analysis</li> <li>• The total – revenue test</li> <li>• Determinants of price elasticity of demand</li> <li>• Price elasticity of supply</li> <li>• Determinant of price elasticity of supply</li> <li>• Income elasticity of demand</li> <li>• Cross-price elasticity of demand</li> <li>• Meaning of utility</li> <li>• Theories of utility</li> <li>• Cardinal theory</li> <li>• Utility maximizing rule, algebraical</li> <li>• Restatement</li> <li>• Ordinal theory</li> <li>• Utility maximizing rule, In difference analysis</li> <li>• The law of diminishing marginal utility</li> <li>• Budget line</li> <li>• Effects of change in consumer’s income or price of the product on satisfaction unit.</li> <li>• Production</li> <li>• Production period               <ul style="list-style-type: none"> <li>▪ short run</li> <li>▪ long run</li> </ul> </li> <li>• Production function               <ul style="list-style-type: none"> <li>▪ Production function with one variable input</li> <li>▪ Production function with two variable input</li> </ul> </li> <li>• Economic scales of production</li> <li>• Effects of technological change on production</li> <li>• Concepts of cost</li> <li>• Short run production of cost</li> </ul> <p>Fixed, variable, total, average, and marginal costs</p>	

Content Flow Chart For Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
		<ul style="list-style-type: none"> <li>• Long run production of cost</li> <li>• The relationship between cost and production</li> <li>• Pure competition                             <ul style="list-style-type: none"> <li>▪ Profit maximization in the short run Two Approaches Marginal cost and short-run Supply curve</li> <li>▪ Profit maximization in the long run Zero Economic profit model</li> </ul> </li> </ul>	
		<ul style="list-style-type: none"> <li>• Pure monopoly                             <ul style="list-style-type: none"> <li>○ Characteristics of pure monopoly</li> <li>○ Profit maximization under pure monopoly</li> </ul> </li> <li>• Monopolistically competition</li> <li>• Oligopoly</li> </ul>	
Fundamental concerns of macroeconomics	<ul style="list-style-type: none"> <li>• Concerns and problems of macroeconomics</li> <li>• Business cycle</li> <li>• Unemployment</li> <li>• Inflation</li> <li>• Budget deficit</li> <li>• National Income Account</li> <li>• Role of the agricultural sector</li> <li>• Structure of the Agricultural Sector of Ethiopia</li> <li>• Specific policies and strategies of the agricultural sector since 1950s</li> <li>• Performance of agricultural Sector</li> <li>• Major problems Impeding Agricultural development and its remedies</li> </ul>	<ul style="list-style-type: none"> <li>• Objectives of macroeconomics</li> <li>• Meaning and types of unemployment</li> <li>• Rate of unemployment</li> <li>• The impact of unemployment in Economic growth</li> <li>• Measuring inflation</li> <li>• Causes of inflation                             <ul style="list-style-type: none"> <li>○ Demand pull</li> <li>○ Cost push</li> </ul> </li> <li>• The impact of inflation on Economic growth</li> <li>• The effects of budget and trade deficit</li> <li>• Gross domestic product (GDP) and Gross National product (GNP)</li> <li>• Approaches of measuring GDP and GNP                             <ul style="list-style-type: none"> <li>○ Product</li> <li>○ Income</li> <li>○ Expenditure</li> </ul> </li> <li>• Nominal and Real GDP</li> <li>• Other social accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution of macroeconomics to the supply of food and raw materials</li> <li>• Contribution of macroeconomics to market for industrial products</li> <li>• Contribution of macroeconomics to Gross domestic product (GDP)</li> <li>• Contribution of macroeconomics to Employment</li> <li>• Contribution of macroeconomics to foreign exchange earnings</li> <li>• The three major farming systems                             <ul style="list-style-type: none"> <li>○ Small holder farming system</li> <li>○ Pastoral (Nomadic) farming system</li> <li>○ Commercial farming system</li> </ul> </li> <li>• Pre-1974 policies and strategies of the agricultural development</li> <li>• Post-1974 policies and strategies of the agricultural development</li> <li>• Post-1991 policies and strategies of</li> </ul>

Content Flow Chart For Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	<ul style="list-style-type: none"> <li>• Roles of service Sector</li> <li>• Education</li> <li>• Education sector, policies and</li> </ul>		<p>the agricultural development</p> <ul style="list-style-type: none"> <li>• The performance of crop-sector</li> <li>• The performance livestock production</li> <li>• Technology related problems</li> <li>• Input (raw material) related problems</li> <li>• Policy related problems</li> <li>• Historical review, policy and strategy, performance and the major problems of Ethiopian shipping line</li> <li>• Man-made problems affecting agricultural development of Ethiopia:               <ul style="list-style-type: none"> <li>○ lack of institutional arrangement</li> <li>○ lack of conducive agricultural land policy</li> <li>○ land fragmentation</li> <li>○ Uncontrolled population growth</li> <li>○ lack of rural infrastructure</li> </ul> </li> <li>• Natural problems like unpredictable weather condition</li> <li>• Output contribution of the sector of agriculture</li> <li>• Employment contribution agricultural sector</li> <li>• Output contribution</li> <li>• Employment contribution</li> <li>• Foreign Exchange earning</li> </ul> <ul style="list-style-type: none"> <li>• Historical review of Ethiopian education development</li> <li>• Education polices and strategies pre-1974</li> <li>• Education polices and strategies Post – 1974</li> <li>• Education policies and strategies Post-1991               <ul style="list-style-type: none"> <li>○ Primary Education</li> </ul> </li> </ul>



Content Flow Chart For Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	<p>strategies since 1950s</p> <ul style="list-style-type: none"> <li>• Performance of the Education Sector</li> <li>• Major problems impending the development of Ethiopian education</li> <li>• Historical review of the health sector</li> <li>• Policies and strategies of the health sector</li> <li>• Performance of the health sector</li> <li>• Major problems of the health sector and the impact of HIV/AIDS</li> <li>• Transportation and communication historical review</li> <li>• Road transport</li> <li>• Rail way transport</li> <li>• Ethiopian shipping line</li> <li>• Air-transport</li> <li>• Development of the communication sector</li> <li>• Policy and strategy in the communication sector</li> <li>• Performance of the communication sector</li> <li>• Problems of communication sector</li> <li>• The role of the industrial sector</li> <li>• Specific policies and strategies of the industrial sector since 1950s</li> <li>• Structure of the industrial sector of Ethiopia</li> </ul>		<ul style="list-style-type: none"> <li>○ Secondary Education</li> <li>○ Higher Education</li> <li>• Historical review, policy and strategy, performance and the major problems of Ethiopian road transport</li> <li>• Historical review, policy and strategy, performance and the major problems of Ethiopian rail way transport</li> <li>• Historical review, policy and strategy, performance and major problems of Ethiopian Air-transport</li> <li>• Pre-1974 Industrial development</li> <li>• Post-1974 Industrial development</li> <li>• Post-1991 Industrial development <ul style="list-style-type: none"> <li>○ Cottage (handicraft)</li> <li>○ Small-scale industry</li> <li>○ Large and Medium industry</li> </ul> </li> <li>• Gross value output of the manufacturing sector</li> <li>• Gross value output of the large and medium manufacturing sector</li> <li>• Value added of large and medium manufacturing sub-sector</li> <li>• Finance related problems</li> <li>• Market related problems</li> <li>• Trend in the flow of tourists</li> <li>• Trends in foreign exchange earnings form tourism</li> </ul>

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Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	<ul style="list-style-type: none"> <li>• Performance of the industrial sector</li> <li>• Major constraints of the industrial sector in Ethiopia</li>   <li>• The role of tourism</li> <li>• Historical development of Ethiopian tourism</li> <li>• Performance of tourism</li> <li>• Major obstacles for the development of Ethiopian tourism</li> </ul>		
Trade and balance of payment	<ul style="list-style-type: none"> <li>• The Economic basis of trade</li> <li>• Export and import</li> <li>• Trade barriers</li> <li>• The impact of international trade on GDP</li> <li>• Balance of payment</li> <li>• Exchange rate</li> <li>• Historical development of trade in Ethiopia</li> <li>• The role and importance of trade in Economic development of Ethiopia</li> <li>• Restrictions and mode of payments in international trade</li> <li>• Trade policies and strategies of Ethiopia</li> <li>• The structure and performance of trade</li> <li>• Major trading partners of Ethiopia</li> </ul>	<ul style="list-style-type: none"> <li>• Comparative advantage</li> <li>• Absolute advantage</li> <li>• Quota</li> <li>• Tariff</li> <li>• Exchange control</li> <li>• Current Account</li> <li>• Capital Account</li> <li>• Fixed Exchange rate</li> <li>• Floating Exchange rate</li> </ul>	<ul style="list-style-type: none"> <li>• Absolute advantage</li> <li>• Comparative advantage</li> <li>• Quota, tariff, and exchange control</li> <li>• Letter of credit, Bill of exchange and Banker's transfer</li> <li>• Domestic policy and strategy               <ul style="list-style-type: none"> <li>○ Ownership, price, Distribution and licensing policy</li> </ul> </li> <li>• Foreign trade policy and strategy</li> <li>• Domestic trade               <ul style="list-style-type: none"> <li>○ Whole sale trade under public enterprises</li> <li>○ Whole sale trade in manufactured products</li> <li>○ Whole sale trade in Agricultural products</li> <li>○ Whole sale trade under private enterprises</li> <li>○ Retail trade</li> </ul> </li> <li>• Foreign trade performance and structure</li> </ul>

Content Flow Chart For Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	<ul style="list-style-type: none"> <li>• Balance of payments (BOP)</li> <li>• Problems of trade in Ethiopia</li> <li>• Historical development of trade in Ethiopia</li> <li>• The role &amp; importance of trade in economic development</li> <li>• Restrictions &amp; modes of payments in international trade</li> <li>• Trade policies and strategies of Ethiopia</li> <li>• The structure &amp; performance of trade in Ethiopia</li> </ul>		<ul style="list-style-type: none"> <li>○ Export</li> <li>○ Import</li> <li>• Foreign Exchange Earning</li> <li>• Trade Balance</li> <li>• Current Account Balance</li> <li>• National debt service performance</li> </ul>
Macroeconomics Policy Instruments	<ul style="list-style-type: none"> <li>• Macro economics policy instrument</li> <li>• The role of the government in public finance in Ethiopia</li> <li>• Historical background of public finance in Ethiopia</li> <li>• Structure and performance of the revenue and Expenditure</li> <li>• Analysis of Government budget and deficit financing</li> <li>• Fiscal decentralization and public sector reform in Ethiopia</li> <li>• Financial sector policies and reforms in Ethiopia</li> <li>• The performance and problems of the financial sector of Ethiopia</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscal policy</li> <li>• Monetary policy</li> <li>• Income policy</li> </ul>	<ul style="list-style-type: none"> <li>• Objectives of the government</li> <li>• Functions of fiscal policy</li> <li>• Government Revenue</li> <li>• Government Expenditure</li> <li>• The structure of government budget</li> <li>• Government expenditure budget</li> <li>• Budgetary deficit financing</li> <li>• Personal income tax</li> <li>• Business income tax</li> <li>• Indirect taxes</li> <li>• Foreign trade taxes</li> <li>• National Bank of Ethiopia</li> <li>• Commercial Banks</li> <li>• Development bank</li> <li>• Financial sector policies and strategies since 1950s</li> <li>• The performance of the financial sector in Ethiopia</li> </ul>
Consumption, investment & saving	<ul style="list-style-type: none"> <li>• Consumption and saving</li> <li>• Investment</li> <li>• The new economic policy &amp; the need to reform</li> <li>• Introduction to structural adjustment program</li> <li>• Structural adjustment policy</li> </ul>	<ul style="list-style-type: none"> <li>• Definition, (Meaning) of consumption and saving</li> <li>• Determinants of consumption and saving</li> <li>• Average propensity to consume and save</li> <li>• Propensity to consume and save (Marginal)</li> <li>• Investment</li> <li>• Determinants of Investment</li> </ul>	<ul style="list-style-type: none"> <li>• Exchange rate policy</li> <li>• Monetary policy</li> <li>• Interest policy</li> <li>• Fiscal policy</li> <li>• Trade liberalization</li> <li>• Price deregulation</li> <li>• Privatization</li> </ul>

Content Flow Chart For Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	measures undertaken in Ethiopia <ul style="list-style-type: none"> <li>• Performance of the economy after the new Economic reform program</li> <li>• Investment policy and climate in Ethiopia during the post 1991</li> </ul>	<ul style="list-style-type: none"> <li>• The Role of Investment in Economic Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Transport deregulation</li> <li>• Investment law</li> <li>• The private sector response</li> <li>• Sector level and regional distribution of investment</li> <li>• The structure of domestic &amp; foreign direct investment in Ethiopia</li> </ul>