

Skills Exercises

AO1 Knowledge and understanding

Cambridge IGCSE™ / Cambridge IGCSE (9–1)
Economics 0455 / 0987

Cambridge O Level
Economics 2281

For examination from 2023



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Introduction

Cambridge IGCSE / O Level Economics attracts a variety of learners from many different backgrounds. For some learners Economics is a new subject and an opportunity to explore an area of study that interests them, while developing a set of transferable skills. Other learners have previously studied Economics and are looking to continue developing their knowledge of the subject. Either way, the study of Economics allows learners to experience the diverse and dynamic world within which different economies exist and gain the knowledge needed to understand how governments and markets operate within real contexts, analyse alternative courses of action and develop the ability to make justified recommendations.

Skills and why they are important?

Skills are the key to success. The performance of candidates in Cambridge IGCSE / O Level Economics exams have shown a range of areas where improvement would be helpful. These areas of improvement tend to centre around the assessment objectives (AOs) of the course and we have addressed these AOs in a series of exercises and activities.

- AO1 Knowledge and understanding
- AO2 Analysis
- AO3 Evaluation

Skills Exercises make use of examination questions and include activities and worksheets to help skills development and incorporate suggested teaching approaches, such as discussion, structured support and writing in sequence. They do not attempt to cover all possible aspects of the examinations, only those problem areas which have presented consistently over time.

How will these skills be developed?

Skills Exercises aim to help learners develop skills in:

- using knowledge and understanding of economic definitions, formulas, concepts and theories to answer examination questions
- using the context given in the examination to make answers relevant
- analysis by selecting, organising and interpreting data to recognise patterns and to deduce relationships
- evaluation and critical judgement by distinguishing between economic analysis and unreasoned statements, recognising the uncertainties of the outcomes of economic decisions and events and communicating economic thinking in a logical manner

Skills Exercises provide suggestions so you can have confidence that the materials you prepare and use in the classroom are building skills and resilience in your learners. This document should be used alongside the other teaching and learning resources provided on the [School Support Hub](#)

AO1 Knowledge and understanding

AO1 Knowledge and understanding requires learners to demonstrate appreciation of economic definitions, formulas, concepts and theories and to appropriately use economic terminology. To successfully demonstrate their skills of knowledge and understanding learners are expected to correctly interpret examination-style questions, so they can effectively use the economic theory, apply economic terminology and stay relevant to the context of the question.

Exercise 1: Key terms and definitions

The following activities aim to build effective learning habits in learners and addresses the foundation of economic theory, essential to advancing towards other skills to meet the assessment objectives of the syllabus.

The activities in this exercise progress in difficulty and in syllabus content to support teachers from the very beginning of the course.

Activity 1: Economic terms

Give learners **Worksheet 1: Economic terms** and ask them to provide clear definitions of the key terms.

Worksheet 1: Economic terms is aligned with Section 1: The basic economic problem of the syllabus. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs.

Use **Worksheet 1: Economic terms answers** and ask learners to peer assess each other's work. Lead a class discussion to develop learners' understanding of economic terms, ensuring that learners understand that the activity requires definitions and not examples, as this is a common misconception.

Encourage learners to keep their answers and use them for revision.

Extension activity: learners draft their own worksheets for all other sections of the syllabus.

Activity 2: Stating examples

Give learners **Worksheet 2: Stating examples** and ask them to state as many relevant and specific examples as possible. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs.

Encourage learners to use their course book/notebook, especially for the classifications stated in the syllabus, e.g. the types of elasticity (elastic/inelastic).

The examples and/or classifications will enable learners to expand and structure their answers beyond the core topic, giving them more ideas to build convincing arguments for the other assessment objectives.

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Moreover, the different examples on each topic will enrich learners' vocabulary and help them to perceive economic issues from various perspectives.

Use **Worksheet 2: Stating examples answers** and ask learners to peer assess each other's work; encourage learners to help each other complete their list by sharing their ideas. Lead a class discussion to check the examples and/or classifications.

Extension activity: learners draft their own worksheets for all other sections of the syllabus.

Activity 3: Using economic terms

Give learners **Worksheet 3: Using economic terms** and ask them to explain the difference between the pairs of statements which outline common misconceptions in Economics. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs. Draw learners' attention to the importance of reading each question on their course exams carefully.

The activity is suitable for a more advanced stage of the course when learners have built a sufficient grasp of economic theory and experience with examination-style questions.

Use **Worksheet 3: Using economic terms answers** and ask learners to peer assess each other's work. Lead a class discussion to develop learners' understanding of using economic terms, ensuring any misconceptions are addressed.

Exercise 2: Understanding formulas

This exercise is a step-by-step foundation for basic economic numeracy.

The exercise contains three activities that focus on formulas, practice for calculating percentage changes and identification of units of measurement.

The activities aim to support learners' knowledge of formulas; enable them to confidently calculate percentage changes necessary for many calculations and comparisons later in the course and raise learners' awareness of the importance of specifying units of measurement in their answers to calculation questions.

The formula sheet can be completed throughout the course or used as a revision activity.

The worksheet on percentage changes sets a clear example for learners to follow and lays the ground for critical analysis of absolute and relevant changes by using convenient numerical examples.

Activity 1: Formulas list

Give learners **Worksheet 4: Formulas list**. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs. Go through the worksheet with learners to check they understand what is required of the task.

Learners complete the list with the respective formula.

Use **Worksheet 4: Formulas list answers** and ask learners to peer assess each other's work. Lead a class discussion and go through the formulas so that each learner has a complete and accurate list, ensuring any misconceptions are addressed.

Encourage learners to use the handout for quick reference when doing homework and during revision.

Activity 2: Percentage changes

This activity aims to develop learners' numerical skills by prompting them to follow the examples given.

The activity tests understanding of the use of the percentage changes formula, which is essential to calculating price elasticity of demand and supply.

Give learners **Worksheet 5: Percentage changes** and ask them to complete this either as individuals or in pairs. Go through the worksheet with learners to check they understand what is required of the task.

Use **Worksheet 5: Percentage changes answers** and ask learners to peer assess each other's work. Lead a class discussion going through the answers, ensuring any misconceptions are addressed.

This activity could be used at a later stage as a supporting activity for the AO2 Analysis when learners must appreciate the differences between absolute and relative values and its implications on decision-making.

Activity 3: Units of measurement

Give learners **Worksheet 6: Units of measurement**. For this activity learners may work individually or in pairs. Go through the worksheet with learners to check they understand what is required of the task.

Ask learners to identify the units of measurement for each of the economic concepts.

Encourage learners to always add the unit of measurement when they answer calculations questions.

Draw learners' attention to elasticity calculations, which do not have a unit of measurement, as they are co-efficients.

Use **Worksheet 6: Units of measurement answers** and ask learners to peer assess each other's work. Lead a class discussion, ensuring that all learners have a correctly completed table and correcting any misconceptions.

Elicit the units for all economic concepts measuring rates – percentages.

Exercise 3: Answering the question

This exercise is designed to help learners understand examination questions.

Learners may over focus on learning knowledge. Even though learners may possess excellent analysis and evaluation skills, if these do not lead in to the direction of the question, the results would not be optimal.

The activities within this exercise help learners realise that reading and understanding the question is just as important as developing and making use of their skills in Economics.

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The purpose of the activities is to help learners advance more quickly in examination-style questions by staying relevant to the context of the question and maximising the value of their knowledge and skills.

The activities are also suitable for use shortly after the beginning of the course, since they develop understanding of the examination format rather than the syllabus content.

Activity 1: Command words

Give learners **Worksheet 7: Command words**. For this activity learners may work individually or in pairs. Go through the worksheet with learners to check they understand what is required of the task.

Learners match the command words to their respective explanation and guidance.

Use **Worksheet 7: Command words answers** and ask learners to peer assess each other's work. Lead a class discussion to go through the results with learners, ensuring any misconceptions are addressed.

Activity 2: Command words in use

Give learners **Worksheet 8: Command words in use**. For this activity learners may work individually or in pairs. Go through the worksheet with learners to check they understand what is required of the task.

Ask learners to match the (excerpts of) answers to the correct command word.

Encourage learners to use **Worksheet 7: Command words** from the previous activity to help them identify the correct answer.

Use **Worksheet 8: Command words in use answers** to lead a class discussion, asking learners to justify their choice using supporting evidence from the explanation and guidance column in **Worksheet 7: Command words**.

Activity 3: Understanding the question

Give learners **Worksheet 9: Understanding the question** and ask them to answer the questions for each sample task. For this activity learners may work individually or in pairs. Go through the worksheet with learners to check they understand what is required of the task.

The main purpose of the activity is not (necessarily) to answer the sample questions in full.

The aim is for learners to gain orientation in exam-style questions and understand what they are expected to do (and not to do).

Explore learners' understanding with a group discussion, using **Worksheet 9: Understanding the question answers**, ensuring any misconceptions are addressed.

The activity could be used as a quick warm-up during revision.

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