



Economics

Syllabus

General Certificate of Education

(Advanced Level)

Grade 12 and 13

(Implemented from 2017)

Department of Commerce
Faculty of Science and Technology
National Institute of Education
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Economics
Grade 12 and 13 - syllabus

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1.0 Introduction

A competency based curriculum for Economics at the GCE Advanced Level was introduced to the school system in the year 2009. The subject of Economics covers a wide area of study and it includes Microeconomics, Macroeconomics, International economics and Development economics. All these fields of economics and the global influences that have taken place over time, have influenced the preparation of a revised competency based curriculum that becomes effective from the year 2017.

For the students who study a variety of subjects for the GCE Advanced Level examinations currently covering the fields of Arts, Commerce and Technical subjects, the students studying Economics which is an important, useful and popular subject, it is anticipated that they will not only acquire knowledge but also become citizens who are enriched with useful attitudes, talents and become rational citizens who will make a fruitful and effective contribution to the economic development of Sri Lanka.

Economics is a social science that is closely connected to human life. While social sciences do a study of human behaviour in society from different angles, economics provides an opportunity to study how humanity should behave from an economic perspective. Therefore, the study of Economics provides a good base to engage in daily activities taking decisions as a rational citizen.

The areas of Commerce, Management and Accounting are based on the subject of Economics. Because of this, Economics is included as a main subject in study programmes leading up to degrees in Commerce, Management and Accounting. Therefore, higher study opportunities in professional and academic areas become accessible to students studying Economics as a subject.

Since Economics is a practical subject that impacts the daily life of a human person, the preparation of the learning – teaching process must look beyond the classroom to motivate students to acquire useful experiences from the outside world as an important aspect. It is anticipated that you as teachers, too will take the necessary steps to ensure that your theoretical knowledge is up-to-date.

- (i) National building and the establishment of a Sri Lankan identity through the promotion of national cohesion, national integrity, national unity, harmony, and peace, and recognizing cultural diversity in Sri Lanka's plural society within a concept of respect for human dignity.
- (ii) Recognizing and conserving the best elements of the nation's heritage while responding to the challenges of a changing world
- (iii) Creating and supporting an environment imbued with the norms of social justice and a democratic way of life that promotes respect for human rights, awareness of duties and obligations, and a deep and abiding concern for one another.
- (iv) Promoting the mental and physical well-being of individuals and a sustainable life style based on respect for human values.
- (v) Developing creativity, initiative, critical thinking, responsibility, accountability and other positive elements of a well-integrated and balanced personality.
- (vi) Human resource development by educating for productive work that enhances the quality of life of the individual and the nation and contributes to the economic development of Sri Lanka.
- (vii) Preparing individuals to adapt to and manage change, and to develop capacity to cope with complex and unforeseen situations in a rapidly changing world.
- (viii) Fostering attitudes and skills that will contribute to securing an honorable place in the international community, based on justice, equality and mutual respect.

3.0 Basic Competencies

The following Basic Competencies developed through education will contribute to achieving the above National Goals.

(i) Competencies in Communication

Competencies in Communication are based on four subsets: Literacy, Numeracy, Graphics and IT proficiency.

Literacy : Listen attentively, speak clearly, read for meaning, write accurately and lucidly and communicate ideas effectively.

Numeracy : Use numbers for things, space and time, count, calculate and measure systematically.

Graphics : Make sense of line and form, express and record details, instructions and ideas with line form and color.

IT proficiency : Computeracy and the use of information and communication technologies (ICT) in learning, in the work environment and in personal life.

(ii) Competencies relating to Personality Development

- General skills such as creativity, divergent thinking, initiative, decision making, problem solving, critical and analytical thinking, team work, inter-personal relations, discovering and exploring;
- Values such as integrity, tolerance and respect for human dignity;
- Emotional intelligence.

(iii) Competencies relating to the Environment

These competencies relate to the environment : social, biological and physical.

Social Environment : Awareness of the national heritage, sensitivity and skills linked to being members of a plural society, concern for distributive justice, social relationships, personal conduct, general and legal conventions, rights, responsibilities, duties and obligations.

Biological Environment : Awareness, sensitivity and skills linked to the living world, people and the ecosystem, the trees, forests, seas, water, air and life-plant, animal and human life.

Physical Environment : Awareness, sensitivity and skills linked to space, energy, fuels, matter, materials and their links with human living, food, clothing, shelter, health, comfort, respiration, sleep, relaxation, rest, wastes and excretion.

Included here are skills in using tools and technologies for learning, working and living.

(iv) Competencies relating to Preparation for the World of Work.

Employment related skills to maximize their potential and to enhance their capacity.

to contribute to economic development,

to discover their vocational interests and aptitudes,

to choose a job that suits their abilities, and

to engage in a rewarding and sustainable livelihood.

(v) Competencies relating to Religion and Ethics

Assimilating and internalizing values, so that individuals may function in a manner consistent with the ethical, moral and religious modes of conduct in everyday living, selecting that which is most appropriate.

(vi) Competencies in Play and the Use of Leisure

Pleasure, joy, emotions and such human experiences as expressed through aesthetics, literature, play, sports and athletics, leisure pursuits and other creative modes of living.

(vii) Competencies relating to ‘learning to learn’

Empowering individuals to learn independently and to be sensitive and successful in responding to and managing change through a transformative process, in a rapidly changing, complex and interdependent world.

4.0 Objectives of the syllabus

- Creating a rational thinking in an economic way.
- Providing a critical understanding and scientifically analyzing the basic economic problems in a society and the alternative method of solving.
- Providing a basis for the wellbeing of society by using economic concepts and theories and analysing trends of practical economic problems.
- Motivating to the inquire the rational behaviour of firms and individuals at the market.
- Analysing on the behaviour of macro-economic variables and the inter-relationships between them.
- Providing the ability to analyse contemporary economic policies.
- Motivating to inquire the government intervention to achieve of macro-economic objectives.
- Motivating to analyse the inter-relationships between international trade, international finance and economic integration.
- Developing the skills required to inquire the diversity of development comparatively.
- Developing the skills necessary to see the detailed performance of the Sri Lankan economy .
- Creating an approach for higher education.

5.0 Relationship between the common national goals and the objectives of the syllabus.

| Objectives of the syllabus | Common National Goals | | | | | | | |
|---|-----------------------|----|-----|----|---|----|-----|------|
| | i | ii | iii | iv | v | vi | vii | viii |
| • Creating a rational thinking in an economic way. | | | | | ✓ | | ✓ | |
| • Providing a critical understanding and scientifically analyzing the basic economic problems in a society and the alternative method of solving. | ✓ | | ✓ | | | | | |
| • Providing a basis for the wellbeing of society by using economic concepts and theories and analysing trends of practical economic problems. | | ✓ | | ✓ | | | | |
| • Motivating to the inquire the rational behaviour of firms and individuals at the market. | | | ✓ | | | | ✓ | |
| • Analysing on the behaviour of macro-economic variables and the inter-relationships between them. | | ✓ | | | | | | ✓ |
| • Providing the ability to analyse contemporary economic policies. | ✓ | | | | | | | ✓ |
| • Motivating to inquire the government intervention to achieve of macro-economic objectives. | | | ✓ | | | ✓ | | |
| • Motivating to analyse the inter-relationships between international trade, international finance and economic integration. | | | | | | | | ✓ |
| • Developing the skills required to inquire the diversity of development comparatively. | | | | ✓ | | | ✓ | |
| • Developing the skills necessary to see the detailed performance of the Sri Lankan economy. | | | | | ✓ | ✓ | | |
| • Creating an approach for higher education. | | | | | ✓ | ✓ | | |

Proposed plan in the allocation of competency levels in the syllabus into the school terms

| Grade | Term | competency and competency level | No. of periods | No. of competency levels |
|-----------------|-------------|--|-----------------------|---------------------------------|
| Grade 12 | First term | From competency level 1.1 to competency level 2.8 | 104 | 17 competency levels |
| | Second term | From competency level 2.9 to competency level 4.5 | 98 | 14 competency levels |
| | Third term | From competency level 4.6 to competency level 6.4 | 98 | 12 competency levels |
| Grade 13 | First term | From competency level 7.1 to competency level 8.6 | 101 | 14 competency levels |
| | Second term | From competency level 8.7 to competency level 10.7 | 103 | 15 competency levels |
| | Third term | From competency level 0.8 to competency level 12.3 | 96 | 13 competency levels |

6.0 Syllabus

Grade 12 Syllabus

Grade 13 Syllabus

| Grade 12 Syllabus | | Grade 13 Syllabus | | | |
|-------------------|--|-------------------|----------------|---|-----|
| Competency | No. of Periods | Competency | No. of Periods | | |
| 1.0 | Comparatively analyses the alternative ways of solving the basic economic problems in an economic system. | 50 | 7.0 | Investigates the behaviour of money and price levels that affects economic activities and banking system. | 60 |
| 2.0 | Analyses demand, supply, elasticity and market equilibrium. | 80 | 8.0 | Investigates government intervention to achieve macro economic objectives. | 65 |
| 3.0 | Investigates government intervention in the free market. | 30 | 9.0 | Analyses the theoretical basis of International trade and explores how international trade influences Sri Lankan economy. | 40 |
| 4.0 | Explores the rational behaviour of production units in the market.. | 50 | 10.0 | Explores foreign finance affects the Sri Lankan economy. | 45 |
| 5.0 | Demonstrates the readiness of preparing the national accounting by considering the macroeconomic operations. | 55 | 11.0 | Exhibits the interest of contribution to sustainable development by explaining the diversity of development. | 70 |
| 6.0 | Analysis of the determination of macro economic equilibrium. | 35 | 12.0 | Investigates the Sri Lankan economic structure and economic policies | 20 |
| | | 300 | | | 300 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|--|---|--|----------------|
| 1. Comparatively analyses the alternative ways of solving the basic economic problems in an economic system. | 1.1 Examines the foundation of Economics. | <ul style="list-style-type: none"> • Economic behaviour of people • Economics as a social science • Definition of Economics • Importance of learning economics • Microeconomics and Macroeconomics • Positive and normative statements | <ul style="list-style-type: none"> • Describes economic behaviour of people • Confirms economics as a social science. • Defines the Economics and explains its subject scope. • Explains the importance of learning Economics. • Explains the difference between microeconomics and macroeconomics with examples • Explains the difference between positive and normative statements with examples. | 50 06 |
| | 1.2 Emphasizes the utilization of goods and services to fulfill human needs and wants. | <ul style="list-style-type: none"> • Human needs and wants • Goods <ul style="list-style-type: none"> • Economic goods • Non-economic goods • Resources <ul style="list-style-type: none"> • Economic resources and Non-economic resources. • Renewable resources and Non-Renewable resources. | <ul style="list-style-type: none"> • Explains the difference between human needs and wants with examples. • Explains the difference between economic goods and non-economic goods with examples. • Shows the way of converting non-economic goods to economic goods. • Classifies resources as economic resources and non-economic resources. • Classifies natural resources as renewable resources and non-renewable resources with examples. • Explains the importance of protection of natural resources. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 1.3 Identifies the characteristics of factors of production and analyses the determinants of factor productivity. | <ul style="list-style-type: none"> • Factors of Production <ul style="list-style-type: none"> • Land • Labour • Capital • Entrepreneurship • Factor productivity <ul style="list-style-type: none"> • Definitions • Determinants of productivity <ul style="list-style-type: none"> • Technology • Human Capital • Management • Division of Labour • Specialization | <ul style="list-style-type: none"> • Classifies factors of production that used to produce goods and services. • Shows the characteristics of factors of production separately. • Defines factors productivity. • Describes the determinants of factor productivity. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 1.4 Analyses the central problem of economics, logically. | <ul style="list-style-type: none"> • Scarcity <ul style="list-style-type: none"> • Choice • Opportunity cost | <ul style="list-style-type: none"> • Defines the concept of scarcity. • Provides reasons for scarcity. • Describes alternative uses of resources and explains the way of choice is made with, examples. • Defines the concept of opportunity cost. • Analyzes the concept of opportunity cost with examples. • Analyses the situations of zero opportunity cost with examples. • Explains the relationship between scarcity and opportunity cost. | 06 |
| | 1.5. Inquires the Basic Economic Problems. | <ul style="list-style-type: none"> • Basic Economic Problems <ul style="list-style-type: none"> • What to produce and in what quantity? • How to produce? • For whom to produce? | <ul style="list-style-type: none"> • Names the Basic Economic Problems. • Analyses the Basic Economic Problem such as what to produce in what quantity. • Analyses the Basic Economic Problem of how to produce. • Analyses the Basic Economic Problem of whom to produce. | 04 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|--|---------------------|
| | <p>1.6. Analyses the ways of organizing to solve basic economic problems.</p> <p>1.7. Classifies economic systems using various criteria.</p> | <ul style="list-style-type: none"> • Economic systems <ul style="list-style-type: none"> • Definition • Elements • Main actors • Criteria for classification economic systems • Classification of economic systems <ul style="list-style-type: none"> • The market economic systems • The command economic systems • The mixed economic systems • New trends of economic systems • Criteria in the assessment of the performance of an economic system. | <ul style="list-style-type: none"> • Defines economic systems. • Explains the elements of economic systems. • Names main actors of economic systems. • Explains the role of main actors within economic systems. • Describes the criteria for the classification of economic systems. • Defines the market economic system. • Explains the characteristics and operation of the market economic system. • Analyses the ways of solving basic economic problems by market economic system. • Defines the command economic system. • Explains the characteristics and operation of the command economic system. • Analyses the way of solving basic economic problems by command economic system. | <p>04</p> <p>06</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|----------------|
| | 1.8. Analyses the behaviour of opportunity cost using the Production Possibility Frontier. | <ul style="list-style-type: none"> • Production Possibility Frontier <ul style="list-style-type: none"> • Definition • Assumptions • Graphical and numerical presentation of opportunity cost <ul style="list-style-type: none"> • Constant opportunity cost • Increasing opportunity cost | <ul style="list-style-type: none"> • Defines the mixed economic system. • Explains the characteristics and operation of the mixed economic system. • Analyses the way of solving basic economic problems by a mixed economic system. • Investigates new trends related to economic systems. • Lists criteria in the assessment of the performance of an economic system. • Defines the Production Possibility Frontier. • Names the assumptions that are used to construct Production Possibility Frontier. • Creates Production Possibility Frontier under the constant and increasing opportunity cost situations. • Analyses the behaviour of opportunity cost using Production Possibility Frontier. • Presents the factors influencing constant and increasing opportunity cost situations. • Confirms that increasing opportunity cost is as more realistic. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|--|----------------|
| | 1.9 Represents basic concepts of economic change of production capacity using Production Possibility Frontier. | <ul style="list-style-type: none"> • Illustration of the microeconomic concepts and macroeconomic concepts with Production Possibility Frontier. <ul style="list-style-type: none"> • Scarcity • Production efficiency • Underutilization of resources • Allocative efficiency • Economic recession • Allocation of resources between present consumption and future consumption • Change in production capacity • Economic decline • Change in productivity of factors. • Economic growth | <ul style="list-style-type: none"> • Presents microeconomic concepts with Production Possibility Frontier. • Presents various macroeconomic concepts with Production Possibility Frontier. • Shows change in production capacity with Production Possibility Frontier based on the factors affecting production capacity. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|---|---|---|----------------|
| 2. Analyses demand, supply, elasticity and market equilibrium. | 2.1 Analyses the Theory of Demand and The Law of Demand using determinants of demand. | <ul style="list-style-type: none"> • Demand <ul style="list-style-type: none"> • Definitions • Individual demand and Market demand • Determinants of demand • The Theory of Demand (Function of Demand) • The Law of Demand • Methods of presenting the Law of Demand <ul style="list-style-type: none"> • Demand schedule • Demand curve • Demand equations • Reasons for the Law of Demand <ul style="list-style-type: none"> • Price effect <ul style="list-style-type: none"> • Income effect • Substitution effect • Exceptions to the law of Demand <ul style="list-style-type: none"> • Giffen goods • Demonstrative goods | <ul style="list-style-type: none"> • Defines Demand. • Explains the deference between Individual demand and market demand. • Names determinants influencing demand. • Describes how each determinant influence demand. • Explains function of demand. • Defines Law of Demand. • Presents the Law of Demand with demand schedule, demand curve and demand equation. • Names out the price effect as a reason for the Law of demand. • Confirms the Law of Demand with the income effect and substitution effect. • Describes exceptions to the Law of Demand. | 80 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|--|----------------|
| | 2.2. Compares the difference between change in the quantity demanded and the change in demand. | <ul style="list-style-type: none"> • Change in quantity demanded <ul style="list-style-type: none"> • Increase in quantity demanded • Decrease in quantity demanded • Change in demand <ul style="list-style-type: none"> • Increase in demand • Decrease in demand | <ul style="list-style-type: none"> • Compares the different between change in quantity demand and change in demand. • Presents determinants that influence the change in demand and change in quantity demand separately. • Analyses the change in quantity demand based on demand curve. • Analyses the change in demand based on demand curve. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|--|----------------|
| | 2.3. Analyses the price elasticity of demand with defining elasticity of demand. | <ul style="list-style-type: none"> • Elasticity of demand <ul style="list-style-type: none"> • Definition • Types <ul style="list-style-type: none"> • Price elasticity of demand • Cross price elasticity of demand • Income elasticity of demand • Price elasticity of demand <ul style="list-style-type: none"> • Definition • Point price elasticity of demand <ul style="list-style-type: none"> • Calculation • Arc price elasticity of demand <ul style="list-style-type: none"> • Calculation • Price elasticity of demand and slope of demand curve • Estimates price elasticity of demand with the demand equation • The types of price elasticity of demand based on coefficient of elasticity | <ul style="list-style-type: none"> • Defines the elasticity of demand. • Names types of elasticity of demand. • Defines the price elasticity of demand. • Defines the point price elasticity of demand. • Calculates the point price elasticity of demand based on data. • Defines the arc price elasticity of demand. • Calculates the arc price elasticity of demand based on data. • Describes the relationship between elasticity of demand and slope of the demand curve. • Calculates the point elasticity of demand at a definite price when the demand equation is given. • Presents the types of price elasticity of demand based on the coefficient value of the price elasticity of demand. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 2.4 Inquires rational decision making based on price elasticity of demand. | <ul style="list-style-type: none"> • Determinants of price elasticity of demand. • The relationship between price elasticity of demand and consumer outlay / producer revenue • Importance of price elasticity of demand. | <ul style="list-style-type: none"> • Names determinants of price elasticity of demand. • Analyses how determinants of price elasticity of demand influence price elasticity of demand. • Describe the relationship between price elasticity of demand and consumer outlay / producer revenue. • Explains the importance of price elasticity of demand. | 06 |
| | 2.5. Inquires rational decision making based on cross price elasticity of demand. | <ul style="list-style-type: none"> • Cross price elasticity of demand <ul style="list-style-type: none"> • Definition • Calculation • Classification of goods according to the elasticity coefficient <ul style="list-style-type: none"> • Substitute goods • Complementary goods • The importance of cross price elasticity of demand | <ul style="list-style-type: none"> • Defines the cross price elasticity of demand. • Calculates the cross price elasticity of demand based on data. • Classifies substitutes and complementary goods based on coefficient of cross price elasticity of demand. • Shows the importance of cross price elasticity of demand. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|---|----------------|
| | 2.6 Inquires rational decision making based on income elasticity of demand. | <ul style="list-style-type: none"> • Income elasticity of demand. <ul style="list-style-type: none"> • Definition • Calculation • Classification of goods according to the elasticity coefficient <ul style="list-style-type: none"> • Normal goods <ul style="list-style-type: none"> • Essential goods • Luxury goods • Inferior goods • The practical importance of income elasticity of demand | <ul style="list-style-type: none"> • Defines income elasticity of demand. • Calculates coefficient of income elasticity of demand using data. • Classifies goods based on coefficient of income elasticity of demand. • Shows importance of coefficient of income elasticity of demand. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|---|----------------|
| | 2.7 Analyses the Theory of Supply and the Law of Supply based on determinants of supply. | <ul style="list-style-type: none"> • Supply <ul style="list-style-type: none"> • Definitions • Firm’s supply and market supply • Determinants of supply • The Theory of Supply(Function of supply) • The Law of Supply • Methods of presenting the Law of supply <ul style="list-style-type: none"> • Supply schedule • Supply equations • Supply curve • Reasons for The Law of Supply <ul style="list-style-type: none"> • The Law of Increasing Opportunity Cost (Increasing marginal cost) | <ul style="list-style-type: none"> • Defines supply. • Compares the difference between firm’s supply and market supply. • Names determinants of supply. • Presents the relationship between supply and determinants of supply using the supply function. • Defines The Law of Supply. • Presents the Law of Supply with supply schedule, supply curve and supply equation. • Analyses The Law of Increasing Opportunity Cost as a reasons for the Law of Supply. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|---|----------------|
| | 2.8 Compares the difference between change in quantity supplied and change in supply. | <ul style="list-style-type: none"> • Change in quantity supplied <ul style="list-style-type: none"> • Increase in quantity supplied • Decrease in quantity supplied • Change in supply <ul style="list-style-type: none"> • Increase in supply and reasons • Decrease in supply and reasons | <ul style="list-style-type: none"> • Explains the difference between change in quantity supplied and change in supply. • Presents determinants affecting the change in quantity supplied and change in supply separately. • Analyses how quantity supplied varies with a change in price of a good based on a supply curve. • Analyses how supply changes with change in other factors while price remains constant, based on a supply curve. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|---|----------------|
| | 2.9 Analyses the importance of price elasticity of supply with estimating its value. | <ul style="list-style-type: none"> • Price elasticity of supply <ul style="list-style-type: none"> • Definition • Point price elasticity of supply <ul style="list-style-type: none"> • Calculation • Arc price elasticity of supply <ul style="list-style-type: none"> • Calculation • Price elasticity of supply and the slope of supply curve • Estimating price elasticity of supply with supply equation • The type of price elasticity of supply based on coefficient of price elasticity of supply • Determinants of price elasticity of supply • Importance of price elasticity of supply | <ul style="list-style-type: none"> • Define price elasticity of supply. • Describes the way of calculating point and arc price elasticity of supply. • Calculates point and arc price elasticity of supply using given data. • Describes the relationship between price elasticity of supply and slope of the supply curve. • Lists types of price elasticity of supply based on its coefficient value. • Describes determinants of price elasticity of supply. • Explains importance of price elasticity of supply. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|------------------------------------|--|--|----------------|
| | 2.10 Analyses market economically. | <ul style="list-style-type: none"> • Market <ul style="list-style-type: none"> • Definition • Functions <ul style="list-style-type: none"> • Types of market <ul style="list-style-type: none"> • Goods and services market • Factor market • The difference between Goods and services market and factor market | <ul style="list-style-type: none"> • Defines market. • Names functions of market. • Explains goods and services market with examples. • Explains factor market with examples. • Comparatively analyses the difference between goods market and factor market. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|--|----------------|
| | 2.11. Examines how market equilibrium is determined. | <ul style="list-style-type: none"> • Market equilibrium <ul style="list-style-type: none"> • Definition • Methods of determination market equilibrium <ul style="list-style-type: none"> • By demand and supply schedules • By demand and supply curves • By demand and supply equations • Concepts related to market equilibrium. <ul style="list-style-type: none"> • Excess demand • Excess Supply • Excess demand price • Excess supply price • Consumer surplus • Producer surplus • Economic surplus | <ul style="list-style-type: none"> • Defines market equilibrium. • Names alternate methods by which market equilibrium can be shown. • Analyses market equilibrium based on demand and supply schedules. • Analyses market equilibrium based on demand and supply curves. • Analyses market equilibrium based on demand and supply equations. • Defines concept related to market equilibrium. • Displays concept related to market equilibrium using graphs. • Calculates concepts related to market equilibrium. | 08 |
| | 2.12 Analyses change in market equilibrium. | <ul style="list-style-type: none"> • Change in market equilibrium <ul style="list-style-type: none"> • Change in demand with constant supply • Change in supply with constant demand • Change in both demand and supply | <ul style="list-style-type: none"> • Explains change in market equilibrium. • Analyses change in market equilibrium with demand and supply schedules and equations. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|---|---|--|-------------------------------|
| 3. Investigates government intervention to the market. | <p>3.1 Analyses the way of intervention by the government to the market.</p> <p>3.2 Analyses government intervention to the free market through a unit tax.</p> | <ul style="list-style-type: none"> • Ways of the government intervention to the market <ul style="list-style-type: none"> • Imposing the taxes • Providing the subsidies • Price controls • Price stabilization • Imposing taxes over goods <ul style="list-style-type: none"> • Imposing taxes over suppliers • Imposing taxes over buyers • Tax rates <ul style="list-style-type: none"> • Proportional (Ad-volarem) tax • Definitions • Unit (Specific) Tax • Definitions • Imposing a unit taxes over supplier <ul style="list-style-type: none"> • Adjusting the unit tax <ul style="list-style-type: none"> • To Demand and supply schedule • To Demand and supply curves • To Demand and supply equations • Impact of unit taxes on welfare <ul style="list-style-type: none"> • To consumer surplus • To produces surplus • To government revenue • To total welfare | <ul style="list-style-type: none"> • Demonstrates the ways of government intervention to the market. • Names the ways of imposing the taxes on products. • Defines the proportional tax. • Defines the unit tax. • Shows the effect on supply curve when imposing a unit taxes over supplier. • Defines unit tax. • Shows impact of unit tax on market equilibrium when imposing a unit tax over a supplier through a demand and supply schedules. • Shows impact of unit tax on market equilibrium when imposing a unit tax over a supplier through a demand and supply curves. | <p>30</p> <p>02</p> <p>08</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|---|----------------|
| | 3.3 Analyses the distribution of incidence of tax after the unit tax impose on supplier. | <ul style="list-style-type: none"> • Introduces imposing a unit tax over a buyer • Presents the distribution of incidence of tax with demand and supply curves. | <ul style="list-style-type: none"> • Shows impact of unit tax on market equilibrium when imposing a unit tax over a supplier through a demand and supply equations. • Analyses welfare effect of unit tax. • Introduces imposing a unit tax over a buyer. • Defines incidence of tax. • Describes the distribution of incidence of tax between consumer and producer based on the type of price elasticity of demand and supply. | 04 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|---|----------------|
| | 3.4Analyses the government intervention to the market with providing of a unit subsidy ever supplier. | <ul style="list-style-type: none"> • Providing a unit subsidy over a supplier. • Definition of unit subsidy <ul style="list-style-type: none"> • Adjusting the unit subsidy. <ul style="list-style-type: none"> • To supply schedule • To supply curve • To supply equation • Welfare effect of unit subsidy <ul style="list-style-type: none"> • To consumer surplus • To producer surplus • To government revenue • To total welfare | <ul style="list-style-type: none"> • Defines the unit subsidy given to supplier. • Analyses the effect over market equilibrium when providing unit subsidy over a supplier by using the demand and supply schedules. • Analyses the effect over market equilibrium when providing unit subsidy over a supplier by using the demand and supply curves. • Analyses the effect over market equilibrium when providing unit subsidy over a supplier by using the demand and supply equations. • Analyses the welfare effect of a unit subsidy. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|--|----------------|
| | 3.5 Examines the effects of price control and price stabilization on market operations. | <ul style="list-style-type: none"> • Price control <ul style="list-style-type: none"> • Definition. • Different forms of price control <ul style="list-style-type: none"> • Maximum price policy • Minimum price policy • Maximum price/ Price Ceiling <ul style="list-style-type: none"> • Effective maximum price and the changes associated • Economic effects • Arrangement to make meaningful of maximum price policy • Minimum price/ Floor price <ul style="list-style-type: none"> • Effective minimum price • Economic effects • Procedures converting the minimum price into guaranteed price. • Purchasing of excess supply • Deficiency payment system • Price stabilization | <ul style="list-style-type: none"> • Defines the price control. • Names out the different forms of price control. • Defines the maximum price policy and demonstrates with demand and supply curves. • Analyses the economic effects of maximum price policy. • Describe the arrangement to make meaningful of maximum price policy. • Defines the minimum price policy and demonstrates by demand and supply curves. • Presents the economic effects of minimum price policy. • Describe the arrangement to make meaningful of minimum price policy. • Defines the certified price policy. • Explains the procedures that converting the minimum price into guaranteed price. • Introduces the procedures for price stabilization. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|---|---|--|-----------------|
| 4. Explores the rational behaviour of production firms within the market and behaviour of factor market. | 4.1 Analyses the behaviour of short term and long term production process of a business firm. | <ul style="list-style-type: none"> • Business firms <ul style="list-style-type: none"> • Introduction • Production Process <ul style="list-style-type: none"> • Production function • Short run • Long run • Short run production process <ul style="list-style-type: none"> • The Law of Diminishing Marginal Returns. <ul style="list-style-type: none"> • Total Product • Average Product • Marginal Product • Long run production process <ul style="list-style-type: none"> • The Law of Returns to scale <ul style="list-style-type: none"> • Increasing returns to scale • Decreasing returns to scale • Constant returns to scale | <ul style="list-style-type: none"> • Introduces business firms and explains its various forms. • Explains the relationship between inputs and outputs based on production function. • Explains the difference between short term and long term of the production process based on a production function. • Defines The Law of Diminishing Marginal Returns. • Presents assumptions of the Law of Diminishing Marginal Returns. • Presents The Law of Diminishing Returns numerically and graphically. • Defines concept of total product, average product and marginal product of short run production process. • Analyses the relationship among total product and marginal product. • Defines The law of Returns to Scale • Analyses the reasons for Increasing returns to scale, decreasing returns to scale and constant returns to scale of the production process. | 50 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|--|----------------|
| | 4.2 Makes a comparative analysis of basic concepts related to the production process. | <ul style="list-style-type: none"> • Cost of production <ul style="list-style-type: none"> • Introduction • The basic concept related to the production process. <ul style="list-style-type: none"> • Direct cost and indirect cost • Accounting cost and Economic cost • Sunk cost • Normal profit as a cost | <ul style="list-style-type: none"> • Defines cost of production. • Explains the basic concept related to the production process. • Explains the difference between direct cost and indirect cost with examples. • Explains the difference between Accounting cost and Economic cost with examples. • Explains sunk cost with examples. • Defines normal profits. • Presents reasons for the inclusions of normal profit on production cost. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|---|----------------|
| | 4.3 Analyses the behaviour of cost in the production process. | <ul style="list-style-type: none"> • Presents elements of short run production cost numerically and graphically <ul style="list-style-type: none"> • Total Fixed Cost (TFC) • Total Variable Cost (TVC) • Total Cost (TC) • Average Fixed Cost (AFC) • Average Variable Cost (AVC) • Average Total Cost (ATC) • Marginal Cost (TC) • Presents the relationship between Short run production costs curves and product curves • Behaviour of long run average cost curve. | <ul style="list-style-type: none"> • Defines elements of the short term production cost. • Computes elements of the short term production cost. • Analyses the elements of the short term production cost based on schedules and graphs. • Analyses the relationship between short run production cost curves and product curves. • Analyses the behaviour of long run average cost curves and its relationship with returns to scale. • Defines economies of scale and diseconomies of scale • Presents reasons for economics of scale and diseconomies of scale. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 4.4 Compares basic features of the market structures. | <ul style="list-style-type: none"> • Market structures and their basic characteristics • Perfect competition • Monopoly • Monopolistic competition • Oligopoly | <ul style="list-style-type: none"> • Names market structures. • Explains the basic characteristics of the Perfect competition. • Explains the basic characteristics of a Monopoly. • Explains the basic features of Monopolistic competition. • Explains the basic features of Oligopoly. • Compares the basic characteristics of market structures. | 04 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|-------------------|--|---|--|-----------------------|
| | 4.5 Investigates the short run behaviour of a perfectly competitive firm and industry. | <ul style="list-style-type: none"> • Firm's and market demand curves of perfect competition. • Basic approaches of profit maximization of a firm. <ul style="list-style-type: none"> • Total revenue-Total cost approach • Marginal revenue-Marginal cost approach • The short run behaviour of a perfectly competitive firm in the perfect competitions. (Numerically & Graphically) <ul style="list-style-type: none"> • Normal profit • Abnormal profit • Subnormal profit • Incurring losses • Shut down point • Short run supply curve • Market supply curve • Industry equilibrium | <ul style="list-style-type: none"> • Introduces firm's and industry's demand curves of perfect competitions separately. • Explains, the relationship between firm's demand curve and industry's demand curve based on graphs. • Names basic approaches of profit maximization of profit of a firm. • Analyses the Total cost and Total revenue approach based on statistics and graphs. • Analyses the marginal cost and marginal revenue approach based on statistics and graphs . • Analyses, the short term behaviour of a perfectly competitive firms based on schedules and graphs. • Presents abnormal profits, normal profits and incurring losses and shut down point of a perfectly competitive firms through graphs. • Analyses, the behaviour of short run supply curve of a firm using graphs. • Analyses the equilibrium of the perfect competitive market using the market supply curves demand curves. | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|--|----------------|
| | 4.6 Investigates the behaviour of the factor market. | <ul style="list-style-type: none"> • Factor market • Factor demand • Factor supply • Factor price • Earnings of factor • Transfer earning • Economic rent | <ul style="list-style-type: none"> • Investigates the factor demand . • Investigates the factor supply. • Investigates the determination of factor price. • Describes earnings of factors. • Shows transfer earning and economic rent using demand and supply curves. • Explains the difference between transfer earnings and economic rent with examples. | 12 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|--|--|---|----------------|
| 5.0 Demonstrates the readiness of preparing the national accounting by considering the macroeconomic operations. | 5.1 Inquires the macro economic objectives, macroeconomic problems and macroeconomic policies. | <ul style="list-style-type: none"> • Macroeconomic objectives and variables • Macroeconomic problems <ul style="list-style-type: none"> • Macroeconomic fluctuations <ul style="list-style-type: none"> • Business cycle • Different stages <ul style="list-style-type: none"> • Expansion • Recession • Peak • Trough • Potential output and actual output <ul style="list-style-type: none"> • Output gap • Macroeconomic policies | <ul style="list-style-type: none"> • Names the macro economic objectives and macroeconomic variables. • Explains the macro economic problems. • Describes the business cycle. • Introduces the different stages of business cycle. • Explain the economic fluctuations with business cycle. • Explain the macroeconomic policies. | 55 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|-------------------|--|---|---|-----------------------|
| | 5.2 Analyses the different approaches of national accounting by circular flow of Income. | <ul style="list-style-type: none"> • Economic actors • Circular flow of simple economy <ul style="list-style-type: none"> • Economic actors and mutual functions • Approaches for national accounting <ul style="list-style-type: none"> • Output approach • Income approach • Expenditure approach | <ul style="list-style-type: none"> • Explains by naming the economic activities related to the economic actors. • Explains the mutual relationships among economic actors by using economy circular flow of income of a simple economy. • Derives three approaches of national accounting by using circular flow of income of a simple economy. | 05 |
| | 5.3 Demonstrates the preparedness for national accounting on output approach. | <ul style="list-style-type: none"> • Preparations of national accounting on output approach • Multiple counting error • Methods of avoiding the multiple counting error <ul style="list-style-type: none"> • Final output method • Value added method <ul style="list-style-type: none"> • Gross Value of Output and Value of the Intermediaries. | <ul style="list-style-type: none"> • Explains the multiple counting error • Explains the final output method and presents the way of preparing the national accounting based on that method. • Explains the value added method and presents the way of preparing the national accounting based on that method. • Explains the concept of Gross Value of Output. • Explains the concept of Value of Intermediaries. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|-------------------|--|---|--|-----------------------|
| | 5.4 Analyses the way of estimating the gross domestic production on output approach and the concepts related for that. | <ul style="list-style-type: none"> • Production boundary • Economic activities on standard industrial classification of Sri Lanka. • Composition of based on institutional sectors. <ul style="list-style-type: none"> • Non-Financial Corporations Sector (NFC) • Financial Corporations Sector(FC) • General Government Sector(GG) • Household Sector(HH) • Non-Profit Institutions and Serving Household Sector(NPISH) • Rest of the World (ROW) • Different prices in estimating the value <ul style="list-style-type: none"> • Basic Price • Producer’s price <ul style="list-style-type: none"> • Tax on products • Subsidy on products • Purchase’s price <ul style="list-style-type: none"> • Wholesaler’s and retailer’s (Trade) margins and transport charges • Subsidy on consumer • Tax on consumer | <ul style="list-style-type: none"> • Explains the production boundary • Explains the items include and exclude in production boundary. • Introduces economic activities based on standard industrial activities of Sri Lanka. • Explains the composition of economic activities on institutional sectors. • Names out the different prices in estimating the value. • Explains the concepts of basic price, producer’s price and purchaser’s price with examples. • Explains the concepts of Gross Domestic Product and Gross National Income on market price. • States the composition of Factory Industry Production Index (FIPI) of Sri Lanka. • Explains the concepts related to the production approach. | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|------------------|---|-------------------|----------------|
| | | <ul style="list-style-type: none"> • Gross Domestic Production on market price / Gross National Income • Composition of Factory Industry Production Index (FIPI) • Concepts related to the output approach <ul style="list-style-type: none"> • Value of the Gross Domestic Product <ul style="list-style-type: none"> • On current price • On constant (Fixed) price • Deflator • Gross Domestic Product and Net Domestic Product • Per - capita Gross Domestic Product • Gross National Income • Net National Income | | |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|-------------------|--|---|--|-----------------------|
| | 5.5 Inquires estimation of gross domestic product using income approach and investigates related concepts. | <ul style="list-style-type: none"> • Domestic income sources <ul style="list-style-type: none"> • Compensation of Employees • Net interest • Rent • Corporate profit • Income from self-employment and professionals/ Mixed income • Components of the Gross Domestic Income in Sri Lanka <ul style="list-style-type: none"> • Compensation of employees • Gross operational surplus <ul style="list-style-type: none"> • Net operational surplus • Mixed income • Consumption of fixed capital • Other taxes and subsidies on production • Gross Domestic Income on basic price • Concepts relate to the income approach <ul style="list-style-type: none"> • Primary Income • Gross Domestic Income and Net Domestic Income • Gross National Income and Net National Income • Disposable National Income • Household Income / Private Income • Household Disposable Income • Real National Income | <ul style="list-style-type: none"> • Explains the domestic income sources • Shows the components of gross domestic income in Sri Lanka. • Explains the concepts related to the income approach. | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|-------------------|---|--|--|-----------------------|
| | 5.6 Inquires the way of estimating the Gross Domestic Product on expenditure approach and the concepts related. | <ul style="list-style-type: none"> • Sources of Gross Domestic Expenditure <ul style="list-style-type: none"> • Household consumption expenditure • Gross Investment expenditure • Government purchase • Gross Domestic Expenditure of Sri Lanka <ul style="list-style-type: none"> • Private Consumption Expenditure • Government Consumption Expenditure • Gross Domestic Capital Formation. • Gross Domestic Expenditure on Expenditure approach <ul style="list-style-type: none"> • Gross Domestic Product on Expenditure approach • Gross National Income on Expenditure approach • Concepts related to the expenditure approach <ul style="list-style-type: none"> • Gross National Disposable Income on market price • Domestic Saving and National Saving • Total Endowment of resource and utilization of resource. | <ul style="list-style-type: none"> • Explains the Gross Domestic Expenditure. • Explains by naming out the components of Gross Domestic Expenditure. • Calculates the Gross Domestic Expenditure. • Calculates the Gross Domestic Product. • Calculates the Gross National Income. • Explains the concepts relate to the expenditure approach. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 5.7 Analyses the importance and limitations of national accounting. | <ul style="list-style-type: none"> • Importance of national accounting • Limitations of national accounting • Green Gross Domestic Product | <ul style="list-style-type: none"> • Explains the importance of national accounting. • Presents the limitations of national accounting. • Explains the concepts of Green Gross Domestic Production with examples. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|---|---|---|----------------|
| 6. Analysis the determination of macro economic equilibrium. | 6.1 Analyses the macro economic equilibrium and disequilibrium. | <ul style="list-style-type: none"> • Macroeconomic equilibrium and disequilibrium • Alternative approaches to present the macro economic equilibrium <ul style="list-style-type: none"> • Aggregate Income = Aggregate Expenditure ($Y = E$) approach • Withdrawals = Injections ($W = J$) approach • Aggregate Demand = Aggregate Supply ($AD = AS$) approach | <ul style="list-style-type: none"> • Defines the macroeconomic equilibrium. • Defines the macroeconomic instability. • Explains the alternative approaches to present the macroeconomic equilibrium. | 35 05 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|---|----------------|
| | 6.2 Analyses the components of aggregate expenditure. | <ul style="list-style-type: none"> • Components of aggregate expenditure • Household consumption expenditure (C) <ul style="list-style-type: none"> • Consumption function <ul style="list-style-type: none"> • Definition • Autonomous consumption and Marginal propensity to consume • Graphical demonstration • Relationship between household consumption and household saving • Saving function <ul style="list-style-type: none"> • Definition • Dissaving and marginal propensity to save • Average propensity to consume and average propensity to save • Investment expenditure (I) • Government purchases (G) • Net exports NX / (X-M) | <ul style="list-style-type: none"> • Explains the components of aggregate expenditure. • Defines the consumption function. • Explains the autonomous consumption and marginal propensity to consume with consumption function. • Demonstrates the autonomous consumption and marginal propensity to consume with graphs. • Examines the relationship between household consumption and household saving with equations and graphs. • Defines the saving function. • Explains the dissaving and marginal propensity to save with saving function. • Demonstrates the dissaving and marginal propensity to save with graphs. • Examines the average propensity to consume and average propensity to save graphically. • Introduces investment expenditure, government purchase and net exports. • Demonstrate the autonomous investment expenditure and government expenditures graphically. | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|----------------|
| | 6.3 Analyses the macro-economic equilibrium through different approaches | <ul style="list-style-type: none"> • Equilibrium income level <ul style="list-style-type: none"> • Aggregate income = Aggregate expenditure approach • By schedules • By graphs • By equations • Withdrawals = Injections approach <ul style="list-style-type: none"> • By schedules • By graphs • By equations • The relationship between aggregate income = aggregate expenditure approach and withdrawals = injections approach | <ul style="list-style-type: none"> • Presents the way of deciding the macroeconomic equilibrium through aggregate income = aggregate expenditure approach with schedules . • Presents the way of deciding the macroeconomic equilibrium through aggregate income = aggregate expenditure approach with graph. • Presents the way of deciding the macroeconomic equilibrium through aggregate income = aggregate expenditure approach with equation . • Presents the way of deciding the macroeconomic equilibrium through withdrawals = injections approach with schedule. • Presents the way of deciding the macroeconomic equilibrium through withdrawals = injections approach with graph. • Presents the way of deciding the macroeconomic equilibrium through withdrawals = injections approach with equation . • Demonstrates the relationship between aggregate income = aggregate expenditure approach and withdrawals = injections approach by schedule and the graphs. | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|--|
| | 6.4 Demonstrates the changes of macroeconomic equilibrium with the changes of the components of the aggregate demand through multiplier process. | <ul style="list-style-type: none"> • Change of the macroeconomic equilibrium. • Factors effecting for change in macroeconomic equilibrium • Changes of the types of autonomous expenditures <ul style="list-style-type: none"> • Autonomous consumption expenditure • Autonomous investment expenditure • Government expenditure • Government tax • Transfer • Change of the consumption function • Change of the investment function • Net export • Multiplier process(In simple economy) <ul style="list-style-type: none"> • By schedule • By equation • Investment multiplier • Government expenditure multiplier • Tax multiplier • Transfer multiplier • Balance budget multiplier • The difference between the full employment output level and equilibrium national income | <ul style="list-style-type: none"> • Explains the change of the macroeconomic equilibrium. • Names out the factors affecting for a change in macroeconomic equilibrium. • Present the way of changing the macroeconomic equilibrium on the change of the types of autonomous expenditure. • Explains the way of changing the macroeconomic equilibrium on the change of consumption function. • Explains the way of changing the macroeconomic equilibrium on the change of investment function. • Introduce the multiplier process in the macro economy. • Analyses the multiplier process of the economy with schedule and equation. • Explains the investment multiplier, government expenditure multiplier, tax multiplier transfer multiplier and balance budget multiplier numerically. • Describes the occasions that the equilibrium income on full employment output and beyond that. | <p style="text-align: center;">10</p> <hr/> <p style="text-align: center;">300</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|---|---|---|--|----------------|
| 7. Investigates the way of contribution of the banking system to the economic activities by identifying the behaviour of money and general price level. | 7.1 Inquires money, types of money and functions of money. | <ul style="list-style-type: none"> • Money <ul style="list-style-type: none"> • Definition • Functions of money • Types of money • Currency <ul style="list-style-type: none"> • Bank money • Near money/ Quasi money • Money substitutes • E-money | <ul style="list-style-type: none"> • Defines money • Explains the characteristics of money. • Explains functions of money with examples. • Presents special characteristics of various types of money and provides examples. | 60 08 |
| | 7.2 Inquires the reasons for money demand and the factors affecting to determines the money demand. | <ul style="list-style-type: none"> • Money demand (Liquidity preference) <ul style="list-style-type: none"> • Definition • The reasons for money demand <ul style="list-style-type: none"> • Transactionary motive • Precautionary motive • Speculative motive • The factors affecting to money demand | <ul style="list-style-type: none"> • Defines money demand • Presents the reasons for money demand. • Analyses the reasons for money demand with graphs. • Analyses the factors that determine | 08 |

| Competency | Competency Level | Subject content | Learning outcomes money demand. | No. of Periods |
|------------|---|---|--|----------------|
| | 7.3 Presents money supply analytically. | <ul style="list-style-type: none"> • Money supply. <ul style="list-style-type: none"> • Definition • Definition on monetary aggregates <ul style="list-style-type: none"> • M₁ -Narrow money supply • M₂ -Broad money supply • M₂b- Consolidated broad money supply • M₄ -Monetary aggregate (No need of statistical data knowledge) <ul style="list-style-type: none"> • Base money <ul style="list-style-type: none"> • Components and determinants • Money multiplier • Relationship between base money and money multiplier | <ul style="list-style-type: none"> • Defines money supply. • Lists out the definitions for types of money supply in an order. • Analyses the types of definitions for money supply. • Presents the factors that determine money supply. • Analyses the factors that determine the base money. • Analyses the base money on assets and liabilities of the Central Bank. • Defines money multiplier. • Analyses the relationship between money multiplier and base money with an equation. | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|---|---------------------|
| | <p>7.4 Analyses concepts related to price level, theory and measures.</p> <p>7.5 Inquires the functions of financial system in Sri Lanka.</p> | <ul style="list-style-type: none"> • Concepts related to price level <ul style="list-style-type: none"> • Inflation • Deflation • Disinflation • Theoretical approaches of inflation <ul style="list-style-type: none"> • Demand pull inflation <ul style="list-style-type: none"> • Quantity theory of money • Keynesian theory • Cost push inflation • Effects of Inflation • General price level in Sri Lanka <ul style="list-style-type: none"> • Introduction of price indices • Price indices currently used in Sri Lanka • Financial system of Sri Lanka <ul style="list-style-type: none"> • Definition • Components <ul style="list-style-type: none"> • Financial institutions • Financial market • Financial instruments • Financial infrastructure • Regulatory bodies to monitor the financial institutions | <ul style="list-style-type: none"> • Defines the general price level • Explains the concepts related to general price level • Analyses reasons for inflation with various approaches. • Examines economic consequences of inflation. • Explains steps to control inflation. • Introduces the various price indices currently used to measure change of general price level in Sri Lanka. • Examines recent trends in general price level of Sri Lanka using the above indices. • Defines the financial system. • Analyses the components of financial system of Sri Lanka. | <p>10</p> <p>08</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|---|----------------|
| | 7.6 Inquires the objectives and functions of the Central Bank of Sri Lanka. | <ul style="list-style-type: none"> • Central Bank of Sri Lanka (CBSL) <ul style="list-style-type: none"> • Objectives • Functions • Monetary policy • Monetary policy instrument <ul style="list-style-type: none"> • Instrument of monetary policy | <ul style="list-style-type: none"> • Defines the Central Bank of Sri Lanka. •Analyses the objectives of Central Bank of Sri Lanka. •States the functions of Central Bank of Sri Lanka. •Defines the finance policy. •Analyses the financial policy tools by naming out them. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|---------------------|
| | 7.7 Inquires the functions of the Commercial Bank. | <ul style="list-style-type: none"> • Commercial Banks <ul style="list-style-type: none"> • Introduction • Objectives • Functions • Balance sheet • Money creation | <ul style="list-style-type: none"> • Defines a Commercial bank • Explains the main objectives of a Commercial Bank. • Explains the problems that occur when achieving objectives of Commercial Bank. • Explains the functions of a commercial Bank • Presents the balance sheet of a Commercial Bank • Presents assets structure of a commercial bank analytically. • Explains the money creations of a Commercial Bank through the balance sheet. | <p>08</p> <p>10</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|---|--|---|--|----------------|
| 8. Investigates government intervention to achieve macro economic objectives. | 8.1 Inquires reasons for market failure. | <ul style="list-style-type: none"> • Market Failure <ul style="list-style-type: none"> • Introduction • Reasons <ul style="list-style-type: none"> • Inefficient allocation of resources. • Non provision of public goods. • Non consideration of externalities. • Imperfect competitions and monopoly imperfect information. • Over utilization of resources • None provision of merit goods optimally • Non consumption semi public goods optimally. <ul style="list-style-type: none"> • Supplying of demerit goods. • Macro economic instability. • Income distribution disparities | <ul style="list-style-type: none"> • Defines market failure. • Explains the reasons for market failures. • Explains inefficient allocation of resources. • Explains macro economic instability. • Explains Income Distribution Disparities. | 65 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 8.2 Examines effects of the externalities for market failure. | <ul style="list-style-type: none"> • Externalities <ul style="list-style-type: none"> • Definition • Externalities of Production • Externalities of Consumption • Market failure due to externalities • Policy procedures to rectify market failure occurs due to externalities. | <ul style="list-style-type: none"> • Defines externalities • Names sources of externalities • States positive and negative sources of externalities separately and presents the examples. • Graphically explains the way of fail the market due to externalities. • Presents proposals to prevent market failures due to externalities. | 07 |
| | 8.3 Investigates the functions of Government in a market economy. | <ul style="list-style-type: none"> • Functions of a Government within a market economy <ul style="list-style-type: none"> • Efficient allocation of resources • Equal distribution of income and wealth • Macro Economic stability • Sustainable Development • Regulation • Government failures <ul style="list-style-type: none"> • Definitions • Reasons | <ul style="list-style-type: none"> • Introduces government functions of a market economy. • Explains functions of the government in a market economy with examples. • Explains government failures in fulfilling the functions of a market economy. • Presents the reasons for the government failures in market economy. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|---|----------------|
| | 8.4 Analyses Government revenue in Sri Lanka by examines the tax principles and tax classification. | <ul style="list-style-type: none"> • Fiscal Policy <ul style="list-style-type: none"> • Definition • Objectives • Government Revenue <ul style="list-style-type: none"> • Tax Revenue <ul style="list-style-type: none"> • Objectives of imposing taxes • Principles of taxation • Classification of taxation • Shifting the tax burden and tax incidence • Economic effects of Tax system • Non tax revenue • Recent trends in government revenue in Sri Lanka | <ul style="list-style-type: none"> • Defines Government Fiscal Policy. • Explains the objectives of Fiscal Policy • Names out the instruments of Fiscal Policy • Names out the main sources of government revenue. • Explains the objectives of imposing the tax. • Explains the principles of taxation. • Classifies the taxes on different criteria. • Explains concepts of transferring tax burden and tax incidence. • Investigates the economic consequences of taxation. • Shows components of non tax revenue in Sri Lanka. • Examines recent trends of tax revenue in Sri Lanka. (Using Central Bank Report) | 10 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 8.5 Analyses the composition of Government Expenditure and its recent trends. | <ul style="list-style-type: none"> • Government expenditure. <ul style="list-style-type: none"> • Reasons for government expenditure. • Classification of government expenditure. • Economic classification. • Recent trends in government expenditure. | <ul style="list-style-type: none"> • Explains the reasons for government expenditure. • Classifies government expenditure based on economic classification. • Explains the components of economic classification. • Examines composition of government expenditure and its trends based on Central Bank Report. • Explains economic consequences of government expenditure. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|---|----------------|
| | 8.6Analyses the nature of Government Budget and budgetary policy. | <ul style="list-style-type: none"> • Government budget of Sri Lanka <ul style="list-style-type: none"> • Definition • Deficit, surplus and balanced budgets. • Structure <ul style="list-style-type: none"> • Current account balance. • Primary account balance. • Overall balance. • Net cash deficit. • Government budgetary policy. <ul style="list-style-type: none"> • Expansionary budgetary policy. • Contractionary budgetary policy. • Economic consequences of government budgetary policy. | <ul style="list-style-type: none"> • Defines government budget. • Presents deficit, surplus and balanced budgets. • Presents structure of government budget. • Explains the importance of the surplus in current account. • Explains primary account balance. • Explains the differences between Sri Lankan’s net cash deficit and overall balance. • Explains expansionary government budgetary policies. • Explains contractionary government budgetary policies. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|---|----------------|
| | 8.7 Inquires financing budget deficit and composition of government debt. | <ul style="list-style-type: none"> • Financing government budget deficit. <ul style="list-style-type: none"> • Domestic sources and its consequences. • Foreign sources and its consequences. • Government debt in Sri Lanka. <ul style="list-style-type: none"> • Composition • Consequences | <ul style="list-style-type: none"> • Explains the consequences of domestic and foreign financing sources of budget deficit. • Presents the composition of government debt. • Presents recent trends in government debt in Sri Lanka by using the central bank sources. • Describes problems that arise with domestic debt sources. • Analyses consequences of increase in government debt. | 08 |
| | 8.8 Inquires supply promotion policies and steps related to Sri Lanka. | <ul style="list-style-type: none"> • Supply Promotion Policies. <ul style="list-style-type: none"> • Introduction • Steps associated in Sri Lanka. • Economic consequences. | <ul style="list-style-type: none"> • Defines supply side economic policies. • Names the instruments of supply side economic policies. • Explains with examples, how supply promotions policies are implemented in Sri Lanka. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|--|---|--|---|---------------------|
| <p>9. Explores international trade influences on Sri Lankan economy by analysing the theoretical basis of International trade.</p> | <p>9.1 Investigates the basis of International trade.</p> | <ul style="list-style-type: none"> • International Trade <ul style="list-style-type: none"> • Definition • Theories of International Trade <ul style="list-style-type: none"> • The Theory of Absolute Advantage • The Theory of Comparative Advantage <ul style="list-style-type: none"> • Assumptions of Comparative Advantage Theory • Internal exchange rate • External exchange rate • Sources of Comparative Advantage • The Advantages of Competitiveness • Gains of international trade <ul style="list-style-type: none"> • Static a gains • Dynamic gains | <ul style="list-style-type: none"> • Defines International Trade. • Defines The Theory of Absolute Advantage. • Explains with statistical examples how each country receive Absolute Advantages. • States the reasons for Absolute Advantage. • Defines The Theory of Comparative Advantage. • States assumptions of The Theory of Comparative Advantage. • Explains with statistical examples how the comparative advantages are gained. • Explains internal exchange rate. • Calculates external exchange rate to enter international trade to achieve mutually beneficial gains. • States the sources (reasons) for the comparative advantage. • Explains the advantages of competitiveness for International Trade. • Explains the static and dynamic gains of International Trade. | <p>40</p> <p>10</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|---|----------------|
| | 9.2Analyses Protectionist policies and its impact on Free trade. | <ul style="list-style-type: none"> • Protectionism <ul style="list-style-type: none"> • Definition` • Protectionist strategies <ul style="list-style-type: none"> • Tariffs • Nominal Protection • Effective Protection • Non Tariff trade barriers. • Argument s for and against protectionism | <ul style="list-style-type: none"> • Defines protectionism. • States the protectionist strategies separately. • Explains the tariff protection. • Explains the nominal rate of protection and effective rate of protection. • States the Non-tariff protectionist strategies. • Presents the arguments for and against the protectionism. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|--|----------------|
| | 9.3 Analyses reasons for change and consequences of foreign Terms of Trade, while stating the types. | <ul style="list-style-type: none"> • Terms of Trade • Commodity Terms of Trade <ul style="list-style-type: none"> • Definition • Calculation • Changes and its reasons • Consequences • Income Terms of Trade <ul style="list-style-type: none"> • Definition • Calculation • Consequences | <ul style="list-style-type: none"> • Defines the Terms of Trade. • Names out the types of Terms of Trade. • Expresses the Commodity Terms of Trade with equation. • Calculates Commodity Terms of Trade with given data. • Explains reasons for changes in Commodity Terms of Trade. • Explains economic consequences in changes of Commodity Terms of Trade. • Expresses the Income Terms of Trade by equation. • Calculates Income Terms of Trade with given data. • Explains economic consequences of Income Terms of Trade. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 9.4 Inquires globalization, regionalization and bilateral . | <ul style="list-style-type: none"> • World Trade Organization (WTO) <ul style="list-style-type: none"> •Objectives •Functions • Globalization <ul style="list-style-type: none"> •Definition •Arguments for and against to the globalization • Economic Integrations • Trade agreements <ul style="list-style-type: none"> • Bilateral trade agreements • Present trade agreement with Sri Lanka. • Multilateral trade agreements • Present trade agreements with Sri Lanka. | <ul style="list-style-type: none"> • Explains objectives of World Trade Organization. • Describes functions of World trade organization. • Defines Globalization. • Presents the arguments for and against globalization. • Defines Economic Integrations. • Describes recent trade agreements with Sri Lanka. • Explains importance of foreign trade agreements • Provides examples for bilateral trade agreements. • Provides examples for multilateral trade agreements. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|--|----------------|
| | 9.5 Investigates the nature of foreign trade and foreign trade policies in Sri Lanka. | <ul style="list-style-type: none"> • Exports of Sri Lanka <ul style="list-style-type: none"> • Export structure • Trends • Imports of Sri Lanka <ul style="list-style-type: none"> • Imports structure • Trends • Foreign trade policies <ul style="list-style-type: none"> • Present foreign trade policies • Problems and solutions for export trade | <ul style="list-style-type: none"> • Explains export trade in Sri Lanka • Explains export structure in Sri Lanka. • Explains import trade in Sri Lanka. • Explains import structure in Sri Lanka with data from Central Bank Report. • Explains the trends of import in Sri Lanka with data from Central Bank Report. • Explains foreign trade policies in Sri Lanka with recent information. • Explains the problems of export trade. • Presents the problems and solutions for export trade. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|---|---|---|--|-----------------------|
| 10.Explores foreign finance affects the Sri Lankan economy. | 10.1 Analyses items of Balance of Payments. | <ul style="list-style-type: none"> •Balance of Payments <ul style="list-style-type: none"> • Definition • Components <ul style="list-style-type: none"> • Current Account • Capital Account • Financial Account | <ul style="list-style-type: none"> • Defines balance of payment. • Explains the components of Balance of Payments with examples. • Prepares a Balance of Payment using hypothetical data. • Presents the recent format of Balance of Payment statement with Central Bank Report. | 45 05 |
| | 10.2 Proposes strategies and solutions for the imbalances of Balance of Payments in Sri Lanka while recognizing them. | <ul style="list-style-type: none"> • Recent trends in Balance of Payments in Sri Lanka. <ul style="list-style-type: none"> • Deficit in current account balance . • Solutions for Balance of payment imbalances. <ul style="list-style-type: none"> • Short term • Long term | <ul style="list-style-type: none"> • Explains recent trends in Balance of Payment in Sri Lanka by with central bank annual report. • Explains the current account deficit in Balance of Payments. • Proposes short term solutions to correct imbalances of Balance of Payment. • Proposes long term solutions, to correct continuous deficit in Balance of Payments. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|--|----------------|
| | 10.3 Analyses the foreign resources gap and change of import possibility of foreign assets | <ul style="list-style-type: none"> • Foreign Resources Gap. <ul style="list-style-type: none"> • Definition and calculations • Recent trends • Way of financing and its consequences. • Measure the relative quantity of foreign resource gap. • Foreign Assets. <ul style="list-style-type: none"> • Definition • Composition • Importance • Measuring relative quantity • Import possibility of foreign assets. | <ul style="list-style-type: none"> • Defines Foreign Resource Gap. • Calculates a Foreign Resource Gap with hypothetical data. • Explains how the Foreign Resource Gap settled recently, with data of Central Bank report. • Defines Foreign Assets. • Presents composition of Foreign assets. • Explains the importance of maintaining foreign assets. • Explains the measuring of relative quantity of Foreign Assets and it's recent quantity by using the central bank annual report • Expresses for how long import possibility of foreign assets are sufficient. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|---|--|---------------------|
| | <p>10.4 Investigates how foreign investments affect a the economy of a country.</p> <p>10.5 Analyses the determination of Foreign Exchange Rate.</p> | <ul style="list-style-type: none"> • Types of Foreign investments • Direct Investments • Introduction • Trends • Portfolio investments <ul style="list-style-type: none"> • Introduction • Trends • Foreign Exchange Market <ul style="list-style-type: none"> • Definition • Foreign Exchange Rate <ul style="list-style-type: none"> • Definition <ul style="list-style-type: none"> • Price Quotation (Direct Quotation) • Quantity Quotation (Indirect Quotation) • Determination of Foreign Exchange Rate • Demand for Foreign Exchange Rate • Supply of Foreign Exchange Rate | <ul style="list-style-type: none"> • Defines Foreign Investments. • Classifies foreign investments. • Describes foreign direct investments and states recent trends. • Analyses favourable effects and unfavourable effects of foreign direct investments. • Identifies Portfolio investments and analyses it's recent trends. • Defines Foreign Exchange Market • Defines Foreign Exchange Rate. • Explains the determination of Foreign Exchange Rate systems. | <p>04</p> <p>04</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|---|----------------|
| | 10.6 Comparatively analyses of Foreign Exchange Rate Systems. | <ul style="list-style-type: none"> • Types of Foreign Exchange Rate Systems (Regimes). <ul style="list-style-type: none"> • Fixed Exchange Rate System <ul style="list-style-type: none"> • Introduction • Advantages / Disadvantages • Floating Exchange Rate System <ul style="list-style-type: none"> • Introduction • Advantages/Disadvantages • Managed Floating Exchange rate system <ul style="list-style-type: none"> • Introduction • Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate(REER). <ul style="list-style-type: none"> • Definition • Importance • Real Exchange Rate. <ul style="list-style-type: none"> • Definition and Formula • Purchasing Power Parity Exchange Rate. <ul style="list-style-type: none"> • Definition • Formula and Importance | <ul style="list-style-type: none"> • Introduces Fixed Exchange Rate Systems and states its advantages and disadvantages. • Introduces Floating Exchange Rate System and states its advantages and disadvantages. • Introduces Managed Floating Exchange Rate System. • Explains the difference between Nominal Effective Exchange Rate and Real Effective Exchange Rate. • Defines and compute Real Exchange Rate. • Defines Purchasing Power Parity Exchange Rate. • Explains the Purchasing Power Parity Exchange Rate with examples. • Explains the importance of Purchasing Power Parity Exchange Rate. | 06 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|---------------------|
| | <p>10.7 Analyses the changes of Foreign Exchange Rate and its consequences.</p> <p>10.8 Inquires the functions of Multilateral Financial Institutions.</p> | <ul style="list-style-type: none"> • Changes of Foreign Exchange Rate. • Devaluation and Depreciation <ul style="list-style-type: none"> • Definition • Consequences • Revaluation and Appreciation <ul style="list-style-type: none"> • Definition • Consequences • Conditions should be fulfilled to achieve the expected targets of devaluation or depreciation. • Multilateral Financial Institutions. <ul style="list-style-type: none"> • International Monetary Fund (I.M.F.) <ul style="list-style-type: none"> • Objectives • Functions • World Bank (IBRD) <ul style="list-style-type: none"> • Objectives • Functions | <ul style="list-style-type: none"> • Illustrates the ways of change of Exchange Rate. • Defines devaluation of Exchange Rate and depreciation. • Analyses the consequences of devaluation, using examples. • Defines Revaluation and appreciation of exchange rate. • Analyses the consequences of revaluation of exchange rate, using examples. • Explains the conditions should be fulfilled to achieve the expected targets of devaluation or depreciation • Names Multilateral Financial Institutions. • Illustrates objectives of International Monetary Fund. • Explains functions of International Monetary Fund. • Illustrates objectives of World Bank. • Explains the functions of World Bank. • Examines recent changes of the World Bank. | <p>06</p> <p>06</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|----------------|
| | 11.2 Analyses various concepts related to development. | <ul style="list-style-type: none"> • Economic development <ul style="list-style-type: none"> • Definition • Structural changes in the economy with economic development. • Development. <ul style="list-style-type: none"> • Definition • Development aspects • Human development <ul style="list-style-type: none"> • Definition • Aspects • Sustainable development <ul style="list-style-type: none"> • Definition • Aspects • New trends related to development | <ul style="list-style-type: none"> • Defines economic development. • Explains the changes in the economic structure with economic development process. • Defines concept of development. • Analyses aspects of development. • Distinguishes between economic growth and development. • Explains the aspects of human development. • Defines human development. • Defines sustainable development. • Analyses aspects of sustainable development. • Explains new trends related to development.. | |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|---|--|----------------|
| | 11.3 Investigates the composite indices by listing out the indices used to measure the development. | <ul style="list-style-type: none"> • The indices to measure the development <ul style="list-style-type: none"> • Per Capita Income • Marginal measures • World Bank economic classifications. • Composite Indices <ul style="list-style-type: none"> • Human Development Index • Happiness Index | <ul style="list-style-type: none"> • List out the economic indices to measure development. • Express the importance and weakness of economic indices to measure development. • Presents the World Bank classification of countries based on Per Capita Income. • Names the composite Indices to measure development. • Introduces the Human Development Index • Names the components used to construct Human Development Index. • Exhibits the classification of countries following to Human Development Index. • Shows strengths and weakness of Human Development Index. • Express progress obtained by Sri Lanka in Human Development. • Defines income distribution inequalities. • Introduces Happiness Index • Explains its the components of it. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|---|--|---|----------------|
| | 11.4Examines standard methods to measure income inequalities. | <ul style="list-style-type: none"> • Income inequalities <ul style="list-style-type: none"> • Definition • Nature of income distribution <ul style="list-style-type: none"> • Absolute income distribution • Relative income distribution • House hold income and expenditure distribution. • Measures of income inequalities <ul style="list-style-type: none"> • Lawrence Curve • Gini co Coefficient • Quintile Dispersion Ratio | <ul style="list-style-type: none"> • Define income distribution inequalities • Explains absolute and relative income distribution with definition. • Explains various measures using to measure income inequalities. • Constructs Lawrence Curve. • Computes Gini Coefficient. • Describes Quintile Dispersion Ratio. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|--|----------------|
| | 11.5 States the way of measuring Poverty by analyzing the concept of Poverty . | <ul style="list-style-type: none"> • Concept of Poverty <ul style="list-style-type: none"> • Definition • Poverty measures <ul style="list-style-type: none"> • National Poverty Line • Population Poverty Index • International Poverty Line • Other Poverty Indices. • Forms of Poverty <ul style="list-style-type: none"> • Absolute Poverty • Relative Poverty • Aspects <ul style="list-style-type: none"> • Consumption Poverty (Income Poverty) • Humans Poverty | <ul style="list-style-type: none"> • Defines concept. of poverty • Names different/various measures to measure poverty. • Explains National Poverty Line. • Explains Population Poverty Index. • Explains International Poverty Line. • Comparatively analyses Poverty among countries using measures of poverty. • Introduce two natures of poverty. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|-------------------|---|--|--|-----------------------|
| | <p>11.6 Investigates poverty in Sri Lanka.</p> <p>11.7Analyses changes of population distribution and its effects in Sri Lanka.</p> | <ul style="list-style-type: none"> • Poverty in Sri Lanka. <ul style="list-style-type: none"> • National Poverty Level. • Sectorial and Regional changes. • Reasons for poverty • Steps taken to reduce poverty. • Population. • Population growth and determinants of it. <ul style="list-style-type: none"> • Natural growth. • Net migration. • Changes of population distribution and its effects. | <ul style="list-style-type: none"> • Introduces poverty level in Sri Lanka. • Presents the reasons for regional changes of the poverty in Sri Lanka. • Presents reasons for poverty in Sri Lanka. • Proposes steps to minimize poverty in Sri Lanka. • Introduces population growth and its determinants. • Computes natural growth rate of population and net migration ratio. • Analyses changes of population distribution and its economic consequences. • Examines the changes of age structure and it's consequences. • Explains sectorial distribution of population in Sri Lanka. • Explains the demographic transition with definition . • Defines dependency ratios in Sri Lanka. • Calculates dependency ratios in Sri Lanka. | <p>06</p> <p>08</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|---------------------|
| | <p>11.8 Analyses Labour Force in Sri Lanka and the ways of computing.</p> <p>11.9 Inquires structural changes of employment and unemployment in Sri Lanka.</p> | <ul style="list-style-type: none"> • Labour Force. <ul style="list-style-type: none"> • Definition • Calculations • Working age population • Labour Force Participations Rate • Characteristics of Labour Force in Sri Lanka • Employment. <ul style="list-style-type: none"> • Definition • Structure • Employment rate • Under employment. <ul style="list-style-type: none"> • Definition • Reasons • Consequences • Un employment <ul style="list-style-type: none"> • Definition • Reasons • Consequences | <ul style="list-style-type: none"> • Defines Labour Force. • Computes Labour Force using hypothetical statistical data. • Explains the difference between working age population and Labour Force. • Calculates Labour Force Participation Rate. • Explains characteristics of Labour Force in Sri Lanka. • Defines employment. • States characteristics of employment in Sri Lanka. • Calculates employment rate. • Investigates employment rate and its changes in Sri Lanka. • Defines under employment. • Illustrates reasons and consequences of under employment in Sri Lanka. • Defines unemployment. • Explains unemployment rate in Sri Lanka and its changes. • Presents reasons for unemployment in Sri Lanka. • Explains socio-economic consequences of unemployment | <p>08</p> <p>08</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|---|---|--|--|---------------------|
| <p>12. Comparatively investigates economic structure and the economic policies of Sri Lanka.</p> | <p>12.1 Investigates the changes after the independence of Sri Lanka.</p> | <ul style="list-style-type: none"> • The changes after the independence of Sri Lanka <ul style="list-style-type: none"> • Economic policy changes • Import substitution and industrial policies <ul style="list-style-type: none"> • Introduction • Characteristics • Effects • Export oriented industrial policy and liberalization policy <ul style="list-style-type: none"> • Introduction • Characteristics • Effects | <ul style="list-style-type: none"> • Explain the changes after the independence of Sri Lanka. • Names out the basic characteristics of import substitution industrial policies. • Explains the basic characteristics of industrial policies. • Explains the effects of the import substitution policies over the economy. • Explains the effects of industrial policies over the economy. • Defines the export oriented industrial policy and liberalization policy. • Explain the basic characteristics of export oriented industrial policies and liberalization policies. • Investigates the effects of export oriented industrial policies and liberalization policies to the economy. | <p>20</p> <p>08</p> |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|---|----------------|
| | 12.2 Explores the new trends of Sri Lanka economy. | <ul style="list-style-type: none"> • New trends of Sri Lankan economy • Changes arisen in economic structure <ul style="list-style-type: none"> • Production • Employment <ul style="list-style-type: none"> • Foreign employment and remittance • Infrastructure development • Tourism industry • Knowledge economy • Regional development | <ul style="list-style-type: none"> • Explains the structural changes of Sri Lankan economy by using recent data. • Analyses employment, foreign employment remittances, infrastructure development, tourism industry and rural development with recent data. • Explains the factors affecting to increase or decrease the employment. • Analyses the new trends in tourism industry. • Explains the importance of regional development. • Describes factors affecting regional development disparities. | 08 |

| Competency | Competency Level | Subject content | Learning outcomes | No. of Periods |
|------------|--|--|--|----------------|
| | 12.3 . Inquires the contemporary economic issues and policies. | <ul style="list-style-type: none"> • Contemporary economic issues <ul style="list-style-type: none"> • Domestic <ul style="list-style-type: none"> • Economic challenges and problems • Global • Contemporary economic policies | <ul style="list-style-type: none"> • Explains the ways of affecting the domestic and global issues over the economy. • States the examples for domestic and global issues. • Explains the factors affecting domestic and global issues. • Explains the contemporary economic policies. | 04 |
| | | | | 300 |

7.0 School Policies and Programmes

The Economics syllabus comprises 12 competencies and 83 competency levels. It is expected to provide all these competency levels to the student through a student centered learning - teaching process. The learning outcomes that should be achieved by the student, under each competency level, are given separately.

Normally, 420 periods are assigned for this subject, in the school time-table, but the present syllabus is planned only for 300 periods a year. Accordingly, the syllabus has been prepared so as to provide 60 experiences. 0 periods per year, for Grade 12 and 13. However this syllabus has been planned with a fewer number of periods than the expected number of periods, for a year. These extra periods can be utilized for the purposes of school based assessment related activities. Hence it is expected that the students would be given opportunities to enrich their learning

In approaching the learning outcomes under each competency level, it is expected that the learning-teaching process will be well planned to ensure that students achieve concepts based on practical experiences. For this purpose the student should be facilitated in highlighting inborn talent through co-curricular programmes.

The policy and programmes implemented in the school contribute much in the successful implementation of this syllabus. Several school policies and programmes that can be easily implemented in the school are given below

- Make student thinking in an economics way.
- Study the role of market forces by organizing a market.
- Organize discussions and seminars to bring social experience related to the subject to the class room.
- Carry out a simple project appropriate to the subject of economics and prepare a report.
- Set up economics associations
- Conduct an economics day.

- Organize field trips to observe and study the places such as economics centers, share market etc.
- Making of relevant dramas to display a person's economic behaviour.
- Maintain a collection of subject related articles published in magazines and newspapers.
- Directing the students to maintain school canteen, co-op society and the school's bank.
- Guide students to maintain a wall paper and a magazine related to global economics trends.
- Conduct competitions debates discussions and conferences.
- Collect information related to words economic trends using internet.
- Make students aware of contemporary economic issues.

It is proposed, that for the purpose of equipping students with experience in Economics and the school community through programmes of a specific nature for the purpose of preparation and implementation of programmes and policy, committees comprising students, teachers, sectional heads and school principals, and if necessary, parents, should be set up. It is better to decide on the future programs and policies which are expected to be implemented parallel to A/L economics and amalgamate them to the school annual plan. In these events, it is necessary to incorporate the needs of stakeholders of education, parents and students and government polices. It is necessary to implement a proper study of the relationship among resources, funds, school and the community.

8.0 Assessment and Evaluation

Under the School Based Assessment and Evaluation procedure, it is expected that assessment instrument should be prepared creatively to cover competencies levels prescribed for each them.

This syllabus is prescribed for the G. C. E.(A/L) examination which is the National Level evaluation at the end of Grade 13. The National Level examination based on this syllabus conducted by the Examinations Department of Sri Lanka, based on the syllabus, will be held for the first time in 2019. The structure and the nature of the questions paper of this examination will be provided by the Department of Examination.