

St. Paul's College
Department of Economics

New Senior Secondary Curriculum - Economics

The Economics curriculum aims at equipping students with basic economic concepts and skills to develop an interest in exploring human behaviour and social issues and to understand the world from an economic perspective. It also aims at enhancing students' intellectual capacity for life-long learning, enabling them to make rational choices and informed decisions.



The curriculum comprises two parts: the compulsory part and the elective part. The compulsory part covers basic concepts in Microeconomics and Macroeconomics. The elective part offered extends students' understanding of the topic on monopoly and broadens students' knowledge about competitive policy.

The Compulsory Part

Microeconomics

	Topics	Key Points
A	Basic Economic Concepts	<ul style="list-style-type: none">◆ Economics as a social science◆ Scarcity, choice and opportunity cost◆ The three basic economic problems◆ Specialization and exchange◆ Circular flow of economic activities◆ Positive and normative statements
B	Firms and Production	<ul style="list-style-type: none">◆ Ownership of firms◆ Types/stages of production◆ Types of goods and services produced◆ Division of labour◆ Factors of production◆ Production and costs in the short run and long run◆ The objectives of firms
C	Market and Price	<ul style="list-style-type: none">◆ Law of Demand◆ Individual demand◆ Market demand◆ Individual supply◆ Market supply◆ Interaction between demand, supply and price◆ Consumer and producer surplus◆ Functions of prices◆ Price elasticity of demand◆ Price elasticity of supply◆ Market intervention

D	Competition and Market Structure	<ul style="list-style-type: none"> ◆ Perfect competition and imperfect competition (monopolistic competition, oligopoly and monopoly)
E	Efficiency, Equity and the Role of Government	<ul style="list-style-type: none"> ◆ Efficiency ◆ Equity ◆ Policy concerns

Macroeconomics

	Topics	
F	Measurement of Economic Performance	<ul style="list-style-type: none"> ◆ National income ◆ General price level as measured by Consumer Price Index and implicit price deflator of GDP ◆ Unemployment and underemployment rates as measured in terms of the percentage of unemployed and underemployed persons in the labour force ◆ Recent trends of national income, general price level and unemployment in Hong Kong
G	National Income Determination and Price Level	<ul style="list-style-type: none"> ◆ Aggregate demand (AD) ◆ Aggregate supply (AS) ◆ The determination of level of output and price
H	Money and Banking	<ul style="list-style-type: none"> ◆ Money ◆ Banks: functions and services ◆ Money supply ◆ Money demand ◆ Determination of interest rate in the money market ◆ Hong Kong as a financial centre
I	Macroeconomic Problems and Policies	<ul style="list-style-type: none"> ◆ Business cycles: a description of the short run fluctuations in real GDP around the long run trend ◆ Inflation and deflation ◆ Unemployment ◆ Fiscal policy ◆ Monetary policy
J	International Trade and Finance	<ul style="list-style-type: none"> ◆ Free trade and trade barriers ◆ Brief introduction to the balance of payments account ◆ Exchange rate



The Elective Part

Topics	
Monopoly Pricing	<ul style="list-style-type: none">(i) Simple monopoly pricing<ul style="list-style-type: none">◆ Determination of price and output◆ Efficiency implications(ii) Price discrimination<ul style="list-style-type: none">◆ Meaning of price discrimination◆ Types: First, second and third degree price discrimination◆ Conditions for different types of price discrimination
Anti-competitive Behaviours and Competition Policy	<ul style="list-style-type: none">(i) Major forms of anti-competitive practices<ul style="list-style-type: none">◆ Horizontal agreements among competitors: agreements to restrict prices and output◆ Vertical agreements between buyers and sellers◆ Mergers: horizontal mergers, vertical mergers and potential competition mergers(ii) The impact of anti-competitive practices(iii) Justifications and concerns for competition policy

School-based Assessment (SBA)

SBA for Economics will be implemented in the 2014 public examination.

