



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATES (VOCATIONAL)

SUBJECT GUIDELINES

ECONOMIC ENVIRONMENT

NQF LEVEL 2

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INTRODUCTION

A. What is Economic Environment?

Economic Environment introduces students to the world of macro and micro-economics. Students are made aware of the workings of the South African economic system and the basics of international trade. By defining important concepts such as scarcity, choice, supply and demand, students develop an understanding of the world as set of interrelated systems.

Economic Environment develops students' skills of analysing, organising and critically evaluating information when they must assess the dynamics at play in the South African economy and business environment. In this subject, the role of government in the South African economy is identified and explained which will encourage students to be active citizens of our country and to contribute to the prosperity of the country.

B. Why is Economic Environment important in the Finance, Economics and Accounting programme?

When involved in any organisation, regardless the degree of involvement (as an employee, owner, etc.), a sound knowledge of economics and economic principles serves as a usable foundation for all role-players. Economic Environment prepares students for the world of work in general and for the execution of specific functions within a small business. The subject also demonstrates an understanding of broad economic principles as they apply to businesses in South Africa

C. The link between the Economic Environment Learning Outcomes and the Critical and Developmental Outcomes

In Economic Environment, students develop the skill to identify causes and provide possible solutions to problems by identifying events in the environment that could affect a business sector or industry. Students acquire the ability to meaningfully interpret economic information so that they can understand and adapt to the social environment in their future lives.

Students learn to communicate effectively by presenting information from the news on events in the physical, economic and social environments that could affect a business sector or industry. Students will eventually demonstrate an understanding of the world as a set of interrelated systems by recognising the impact that the different environments can have on a business sector or industry. Students can also explore educational and career opportunities in researching the business sector or industry and current events.

D. Factors that contribute to achieving the Economic Environment Learning Outcomes

A student interested in the field of commerce or the business world will benefit by doing Economic Environment. Furthermore, this subject can give a student insight in the economic environment in which an enterprise functions in order to make economically sound decisions.

Students who have developed specific characteristics such as creative thinking and analytical reasoning will enjoy Economic Environment. Students who have experience of being an entrepreneur can learn about the economic principles required to run an enterprise by considering current legislation.

ECONOMIC ENVIRONMENT – LEVEL 2

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1 DURATION AND TUITION TIME

This is a one-year instructional programme comprising 200 teaching and learning hours. The subject may be offered on a part-time basis provided the student meets all the assessment requirements.

Students with special education needs (LSEN) must be catered for in a way that eliminates barriers to learning.

2 SUBJECT LEVEL FOCUS

The student should be able to describe elementary economic principles.

3 ASSESSMENT REQUIREMENTS

3.1 Internal assessment (50 percent)

3.1.1 Theoretical component

The theoretical component forms 60 percent of the internal assessment mark.

Internal assessment of the theoretical component in Economic Environment Level 2 takes the form of observation, class questions, group work, informal group competitions with rewards, individual discussions with students, class, topic and semester tests and internal examinations. Lecturers can observe students when marking exercises from the previous day and asking class questions.

Assignments, case studies and tests can be completed at the end of a topic. Tests and internal examinations must form part of the internal assessment.

3.1.2 Practical component

The practical component forms 40 percent of the internal assessment mark.

Practical components include applications and exercises. All practical components must be indicated in a Portfolio of Evidence (PoE).

Internal assessment of the practical component in Economic Environment Level 2 takes the form of assignments, practical exercises, case studies and practical examinations in a simulated business environment.

Students may complete practical exercises daily. Assignments and case studies can be completed at the end of a topic. Practical examinations can form part of internal practical assessment.

- **Some examples of practical assessments include, but are not limited to:**

- A. Presentations (lectures, demonstrations, group discussions and activities, practical work, observation, role-play, independent activity, synthesis and evaluation)
- B. Exhibitions by students
- C. Visits undertaken by students based on a structured assignment task
- D. Research
- E. Task performance in a “Structured Environment”

- **Definition of the term “Structured Environment”**

For the purposes of assessment, “Structured Environment” refers to a simulated workplace or workshop environment. A practicum room should be available at each campus for students to do practical assessments.

- **Evidence in practical assessments**

All evidence pertaining to evaluation of practical work must be reflected in the students’ Portfolio of Evidence (PoE). The tools and instruments constructed and used to conduct these assessments must be clear from the evidence contained in the Portfolio of Evidence (PoE).

3.1.3 Processing of internal assessment mark for the year

A year mark out of 100 is calculated by adding the marks of the theoretical component (60 percent) and the practical component (40 percent) of the internal continuous assessment (ICASS).

3.1.4 Moderation of internal assessment mark

Internal assessment is subjected to internal and external moderation procedures as set out in the *National Examinations Policy for FET College Programmes*.

3.2 External assessment (50 percent)

A National Examination is conducted annually in October or November by means of a paper(s) set and moderated externally. A practical component will also be assessed.

External assessment details and procedures are set out in the *Assessment Guidelines: Economic Environment (Level 2)*.

4 WEIGHTED VALUES OF TOPICS

TOPICS	WEIGHTED VALUE
1. Basic Economic Principles	25
2. Current Affairs Related to a Business Sector or Industry (Physical and Social)	50
3. The International Trading Environment	25
TOTAL	100

5 CALCULATION OF FINAL MARK

Internal assessment mark: Student's mark/100 x 50 = a mark out of 50 (a)

Examination mark: Student's mark/100 x 50 = a mark out of 50 (b)

Final mark: (a) + (b) = a mark out of 100

All marks are systematically processed and accurately recorded to be available as hard copy evidence for, amongst others, reporting, moderation and verification purposes.

6 PASS REQUIREMENTS

The student must obtain at least fifty (50) percent in ICASS and fifty (50) percent in the examination.

7 SUBJECT AND LEARNING OUTCOMES

On the completion of Economic Environment Level 2, the student should have covered the following topics:

Topic 1: Basic Economic Principles

Topic 2: Current Affairs Related to a Business Sector or Industry (Physical and Social)

Topic 3: The International Trading Environment

7.1 Topic 1: Basic Economic Principles

Subject Outcome 1: Define the term economics.

Learning Outcomes:

The student should be able to:

- Define the term economics as part of Social Sciences.
- Define micro-economics.
- Define macro-economics.
- Explain the importance of economics for the individual, business and government.

Subject Outcome 2: Explain the role of consumers in the economy.

Learning Outcomes:

The student should be able to:

- Explain the different needs of consumers.
- Explain the characteristics of needs.
- Explain the concepts of consumption and savings.
- Explain the concepts of demand and supply.

Subject Outcome 3: Explain the production of economic goods and services.

Learning Outcomes:

The student should be able to:

- Explain the concept of production.
- Explain production factors in terms of natural resources, capital, labour and the entrepreneur.
- Identify the concept of adding economic value during the production process (form, time, place and possession).
- Classify enterprises into different sectors (primary, secondary and tertiary).
- Explain different economic systems.

Subject Outcome 4: Explain monetary policy in the South African context.

Learning Outcomes:

The student should be able to:

- Explain the concept of monetary policy.
- Explain the role of money in the economy.
- Explain the role of credit in the economy.
- Explain the role of banks in the economy.
- Explain the role of the Reserve Bank in the economy.
- Demonstrate the influence of changes in interest rates on the economy.

Subject Outcome 5: Explain fiscal policy in the South African context.

Learning Outcomes:

The student should be able to:

- Explain the concept of fiscal policy.
- Demonstrate the influence of changes in taxes on the economy.
- Demonstrate the impact the current situation in a country has on fiscal policy (e.g. war or depression).

7.2 Topic 2: Current Affairs Related to a Business Sector or Industry (Physical and Social)

Subject Outcome 1: Identify events in the physical environment that could potentially impact on a business sector or industry.

Learning Outcomes:

The student should be able to:

- Explain the term physical environment.
- List possible events related to the physical environment in terms of their potential impact on a business sector or industry.
- Collect and organise information relating to current events in the physical environment.
- Name the ways in which a business sector or industry could be affected by such events.

Subject Outcome 2: Identify events in the social environment that could potentially impact on a business sector or industry.

Learning Outcomes:

The student should be able to:

- Explain the term social environment.
- List possible events related to the social environment in terms of their potential impact on a business sector or industry.
- Collect and organise information relating to current events in the social environment and briefly indicate how such events could impact on a business sector or industry or a sub-sector of the industry.

Subject Outcome 3: Identify events in the economic environment that could potentially impact on a business sector or industry.

Learning Outcomes:

The student should be able to:

- Explain the term economic environment.
- Collect and organise information relating to current events in the economic environment and briefly indicate how such events could impact on a business sector or industry or sub-sector of the industry.
- Identify two groups of people and two kinds of work most likely to be affected by each event.

Subject Outcome 4: Identify people and organisations currently in the news.

Learning Outcomes:

The student should be able to:

- Identify achievements of people and companies from a chosen sector or industry currently in the news and express an opinion as to why they are newsworthy.
- Identify problems in the chosen sector or industry and identify possible causes for the problems.
- Discuss new developments that could impact on the chosen business sector or industry.
- Gather information about what average citizens are saying about a specific business sector or industry or sub-sector of the industry.

7.3 Topic 3: The International Trading Environment

Subject Outcome 1: Demonstrate knowledge and understanding of the South African trading environment in the context of international trade.

Learning Outcomes:

The student should be able to:

- Explain the meaning of the term trade with examples.
- Display a basic understanding of the South African trading environment.
- Explain the concepts and principles of international trade, borders and trade cycle with examples from the South African context.
- Explain the international trade cycle together with the role of the various processes in the cycle with examples.
- Supply the main features of importing and exporting in a table to clearly illustrate the similarities and differences.

(focus on the South African trading environment)

Subject Outcome 2: Recognise the different phases and elements of the trade cycle as they impact on international trading operations.

Learning Outcomes:

The student should be able to:

- Explain the meaning of the term trade with examples.
- Display a basic understanding of the South African trading environment.
- Explain the concepts and principles of international trade, borders and trade cycle with examples from the South African context.
- Explain the international trade cycle together with the role of the various processes in the cycle with examples.
- Supply the main features of importing and exporting in a table to clearly illustrate the similarities and differences.

(focus on the phases and elements of the trade cycle)

Subject Outcome 3: Display an understanding of the concepts importing and exporting as part of the international trade cycle.

Learning Outcomes:

The student should be able to:

- Explain the meaning of the term trade with examples.

- Display a basic understanding of the South African trading environment.
- Explain the concepts and principles of international trade, borders and trade cycle with examples from the South African context.
- Explain the international trade cycle together with the role of the various processes in the cycle with examples.
- Supply the main features of importing and exporting in a table to clearly illustrate the similarities and differences.

(focus on export and import)

8 RESOURCE NEEDS FOR THE TEACHING OF ECONOMIC ENVIRONMENT LEVEL 2

8.1 Physical resources

The following teaching aids should be made available, if possible:

8.1.1 Practicum room

- A simulated office environment with basic office furniture and equipment
- The necessary electronic equipment, for example an adding machine, cash register, calculators, filing cabinet, computer and printer.
- Internet access

8.1.2 Media centre

- Availability of computers and printers for students to complete assignments or case studies and do research
- Research software, for example Encarta
- Subject-related magazines (e.g. Finance & Technique), daily newspapers and subject-related reference books
- Subject-related DVDs or videos
- List of stakeholders prepared to be involved in the learning process through presentations or providing opportunities for students to gain practical experience
- Applicable legislation and acts for use by lecturers during lessons and students for research purposes
- Stock room to store video or DVD machines, televisions, etc.
- Security for stock room, media centre and practicum room

8.1.3 Class room

- Computer and data projector or latest technology to electronically project data
- Flash disk to store information
- Presentation program on computer to be used by lecturer to provide students with visual information on Learning Outcomes
- White board, black board and pull down screen
- Desks for students big enough to work on

8.2 Human resources

The lecturer should have an applicable subject-related qualification on NQF Level 5. It would be an advantage if the lecturer has already been declared competent as an assessor and/or moderator. The lecturer must also be trained in outcome-based education.

8.3 Other resources

- Text books
- Answer books, with examples which students must complete for practical assignments
- Calculator for each student
- Lever arch file for each student to serve as Portfolio of Evidence (PoE)
- Subscription fees for internet, subject-related magazines, newspapers, etc.