



**ENTREPRENEUR'S
SKILLS CERTIFICATE**

MODULE B

Syllabus

MODULE B

Basic Economics

Module B is aligned to the geography and economics curriculum of upper compulsory education in Austria. It examines “*basic interconnections between businesses, national economies, and the global economy and promotes the understanding of general economic principles, structures, and challenges*”.

The module focuses on basic economic themes as listed below and can serve as course content for the following subjects of the curriculum:

Themes	Content-Related Competencies	Fields of Topics - GWK Oberstufe Upper Compulsory Education
1. National economic indicators	1. 1. Economic systems	<ul style="list-style-type: none"> ■ Social, economic and ecological limits - <i>humans and their needs</i> (9th + 10th years) ■ Diversity and unity - the new Europe (9th + 10th years) ■ Austria - space - society - economy - national economic performance and problems - economic and social policy (11th year) ■ The local, regional, and global levels: interconnections - perceptions - conflicts - globalization - <i>opportunities and risks; a comparison of political and economic systems; money and currency</i> (12th year)
	1. 2. Economic cycles	
	1. 3. National accounts (NAS)	
	1. 4. Gross Domestic Product (GDP)	
	1. 5. Economic growth	
	1. 6. Business cycle / economic activity	
2. Money	2. 1. Money	
	2. 2. Internal and external value of the currency	
	2. 3. Mismatches between available money and goods	
3. State and budget	3. 1. The state and its budget	
	3. 2. Taxes	
	3. 3. The budget	
	3. 4. Economic and business cycle policy	
4. Foreign trade	4. 1. Foreign trade and international economic policy	
	4. 2. Trade restrictions	
	4. 3. Globalization	
	4. 4. International cooperation and organizations	
5. The European Union	5. 1. What is the European Union?	
	5. 2. European integration	
	5. 3. Currency policy	

What skills are required to pass the exam of Module B?

⇒ Remember, understand, apply, and analyze content

The tasks of the electronic exam are designed for two groups of students that should have the following skills:

Group I	Remember: Memorize economic knowledge (basic economic knowledge) Understand: Demonstrate the ability to understand and interpret the acquired economic knowledge
Group II	Apply: Apply laws and theories to given tasks Analyze: Investigate, differentiate, and analyze acquired knowledge

Hint: The learning targets for group II also include the required skills listed under group I.

1 National Economic Indicators

		Required skills		
Content	Descriptors The student can ...	Remember Understand	Apply Analyze	
Content-related competencies	1. 1. Economic systems	1.1.1. ... explain the various economic systems (free market economy, social market economy, planned economy) as well as their advantages and disadvantages.	●	
		1.1.2. ... recognize the characteristics and particularities of individual economic systems on the basis of given examples.		●
	1. 2. Business cycle (of the market economy)	1.2.1. ... describe the business cycle.	●	
		1.2.2. ... list the players involved in the business cycle and describe the various interconnections of business streams.	●	
		1.2.3. ... list the various economic sectors and match them with given examples.		●
	1. 3. National accounts (NAS)	1.3.1. ... explain the meaning of national accounts.	●	
	1. 4. Gross Domestic Product (GDP)	1.4.1 ... explain the terms Gross Domestic Product (GDP) and Gross National Income (GNI) and explain the differences.	●	
		1.4.3 ... explain what GDP is for and what it measures.	●	
		1.4.4. ... explain the economic value chain.	●	
		1.4.5. ... explain what GDP is composed of and explain the term “intermediate inputs” on the basis of given examples.		●
		1.4.6. ... explain the terms “nominal” and “real” GDP and the differences in what these say about economic growth.	●	
		1.4.7. ... explain what is neglected when calculating GDP and why GDP is only a vague indicator of economic growth and welfare.	●	
	1. 5. Economic growth	1.5.1. ... describe the term “economic growth” and its meaning for a national economy.	●	
		1.5.2. ... explain the terms quantitative and qualitative economic growth and explain their differences.	●	
	1. 6. Business cycle/economic activity	1.6.1. ... explain the term business cycle.	●	
		1.6.2. ... explain what types of fluctuations exist in economic activity and why they occur and describe their differences on the basis of given examples.		●
		1.6.3. ... describe the four stages of the business cycle.	●	
		1.6.4. ... describe the various indicators of economic activity and describe their differences on the basis of given examples.		●

2 Money

		Required skills		
		Remember Understand	Apply Analyze	
Content	Descriptors The student can ...			
Content-related competencies	2.1 Money	2.1.1. ... give an overview of the history of money (from former barter economy to modern money economy).	●	
		2.1.2. ... explain and describe the various forms of money.	●	
		2.1.3. ... explain the various functions of money and their role in the national economy on the basis of given examples.		●
		2.1.4. ... explain the real value versus nominal value of money and the term “purchasing power of money”.	●	
		2.1.5. ... explain the terms “money creation“ and “money destruction”.	●	
	2.2 Internal and external value of the currency	2.2.1. ... explain “internal value“ of money against “external value“ of money and describe the difference.	●	
		2.2.2. ... explain the terms “nominal“ versus “real“ value of money and describe the difference.	●	
		2.2.3. ... explain consumer price index (CPI) and harmonized index of consumer prices (HICP).	●	
		2.2.4. ... explain the terms foreign currency and foreign exchange.	●	
		2.2.5. ... explain what exchange rates banks use and what effect this has when buying or selling foreign currency.	●	
		2.2.6. ... explain the various exchange rate systems (flexible and fixed exchange rate).	●	
	2.3 Mismatches between available money and goods	2.3.1. ... explain the term inflation, its causes, and the various types of inflation (demand-influenced inflation, cost-push inflation, imported inflation, and profit-push inflation) using given examples.		●
		2.3.2. ... explain the wage-price spiral.	●	
		2.3.3. ... explain the measures and tools central banks and the state use to counteract inflation.	●	
		2.3.4. ... explain the concepts inflation, deflation, and stagflation as well as the differences between them and the potentially harmful impact of the individual scenarios on a country’s economic development.	●	

3 State and budget

			Required skills	
Content		Descriptors The student can ...	Remember Understand	Apply Analyze
Content-related competencies	3.1 The state and its budget	3.1.1. ... describe and differentiate between the three functions of the state (allocation, distribution and stabilization) using given examples.		●
		3.1.2. ... give an overview of a state's sources of income and expenditure (government spending).	●	
	3.2 Taxes	3.2.1. ... explain the term "expenditure" and the various forms and functions of spending using given examples.		●
		3.2.2. ... differentiate between direct and indirect taxes using given examples.		●
		3.2.3. ... describe the meaning of income tax and list the various basic income tax types.	●	
		3.2.4. ... explain the difference between marginal tax rate and average tax rate in income tax.	●	
		3.2.5. ... explain progressive tax and the term "cold progression" as well as the difference between them.	●	
		3.2.6. ... explain the term value added tax (VAT).	●	
	3.3 The budget	3.3.1. ... explain the terms "budget" and budget cycle.	●	
		3.3.2. ... explain the terms budget deficit, budget surplus, and balanced budget.	●	
		3.3.3. ... explain the terms "public sector share of GNP", and "national debt".	●	
		3.3.4. ... explain the terms cyclical and structural deficit using given examples.		●
	3.4 Economic and business cycle policy	3.4.1. ... describe the different targets of economic policy and the resulting "magical polygon".	●	
		3.4.2. ... describe fiscal and monetary policy and their impact on economic development.	●	
		3.4.3. ... explain countercyclical policies and their advantages and disadvantages.	●	

4 International economic policy

		Required skills		
		Remember Understand	Apply Analyze	
Content	Descriptors The student can ...			
Content-related competencies	4.1 Foreign trade and international economic policy	4.1.1. ... explain the terms foreign trade and domestic trade.	●	
		4.1.2. ... explain and interpret the meaning of foreign trade for the domestic economy.	●	
		4.1.3. ... correctly define the reasons for foreign trade on the basis of given examples - lack of goods, cost benefits, specialization, and political reasons.		●
		4.1.4. ... explain the terms import, export, transit trade, and outward processing arrangements.	●	
		4.1.5. ... explain the balance of payments, its structure, and individual categories.	●	
	4.2 Trade restrictions	4.2.1 ... explain tariffs and trade barriers and their goals.		●
		4.2.2. ... explain the advantages and disadvantages of tariffs and trade barriers using given examples.		●
		4.2.3. ... describe GATT (General Agreement on Tariffs and Trade) and GATS (General Agreement on Trade in Services).	●	
	4.3 Globalization	4.3.1. ... explain the phenomenon of globalization and describe what factors promote market integration.	●	
		4.3.2. ... explain the impact of globalization on businesses, the labor, market and the welfare state.	●	
		4.3.3. ... explain the advantages and disadvantages of globalization using given examples.		●
	4.4 International cooperation and organizations	4.4.1. ... list the most important economic powers and economic blocs inside and outside the European Union.	●	
		4.4.2. ... list the most important international organizations - OECD, WTO, OPEC, IMF, World Bank - and describe their goals and tasks.	●	
		4.4.3. ... explain the G8, G20 and the BRIC states.	●	

5 The European Union

			Required skills	
Content			Remember Understand	Apply Analyze
Descriptors The student can ...				
Content-related competencies	5.1 What is the European Union?	5.1.1. ... explain what the European Union is, the position it has with regard to world trading powers, and the goals it pursues.	●	
		5.1.2. ... list the EU member states.	●	
		5.1.3. ... explain the term “supranational organization“ in relation to the EU.	●	
		5.1.4. ... explain the principles of the European Union.	●	
		5.1.5. ... explain the bodies and institutions of the European Union and their specific tasks and distribution of tasks by giving examples.		●
	5.2 European integration	5.2.1. ... explain the four fundamental freedoms (Treaty of Maastricht) in the EU internal market.	●	
		5.2.2. ... explain the impact of the four fundamental freedoms.	●	
		5.2.3. ... give an overview of the Schengen Agreement.	●	
		5.2.4. ... describe the European Stability and Growth Pact.	●	
	5.3 Currency policy	5.3.1. ... explain how monetary policies can promote national economic goals and describe the tasks of central banks.	●	
		5.3.2. ... describe the European Monetary Union and its accession criteria (EU convergence criteria).	●	
		5.3.3. ... explain the correlation between a “strong” and a “weak” euro exchange rate and foreign trade activities from the point of view of a member state of the European Monetary Union.	●	