



Economics lesson 1

- Teacher notes

Lesson 1 – Teacher notes

Learning aim:

To be able to understand the different rates of interest in an economy and their impact on saving, borrowing and investment.

Curriculum links and Skills Builder focus skills chart:

England The national curriculum (England)	The role of money and financial markets Students must know and understand the different rates of interest in an economy and their impact on saving, borrowing and investment.
Scotland The National 5 Economics	Personal economics Money choices – to spend, to save and to borrow; types of savings and interest rates.
Wales WJEC	<i>Currently, there is no WJEC GCSE economics qualification available. WJEC only provides Economics at A-Level.</i>
Skills Builder Framework Focus Skills	
Problem solving – The ability to find a solution to a situation or challenge	Problem solving step 6 I explore complex problems by identifying when there are no simple technical solutions.
Aiming high – The ability to set clear, tangible goals and devise a robust route to achieving them	Aiming high step 4 I work with a positive approach to new challenges.

Main skills developed and how:

- Interpretation – Students will interpret data to inform and justify their decisions.
- Group work – Students will work together in groups to investigate solutions.

Equipment required:

- PowerPoint
- Student worksheet
- Answer sheet

Suggested layout of the session:

1 minute – Go over the session aims and main skills covered.

3 minutes – Students should be given time to come up with a definition for interest rates (slide 3).

3 minutes – Feedback session – ask students to feedback their ideas and go through any ideas that have not been discussed. Then, run through slide 4 of the PowerPoint.

3 minutes – Students should spend some time working in pairs considering the impact of high interest rates on savings, borrowing and investment (slide 5). Students should be encouraged to write down their ideas, as this will provide a good foundation for the scenario activity. It might be useful to start this slot by providing students with a real-life example, to help stimulate deeper thinking – for example, the impact that high interest rates have on borrowing. In 2023, for example, aggregate new mortgage lending fell as interest rates increased. Many borrowers who had mortgages agreed had to borrow over a longer term.

3 minutes – Feedback session – ask students to feedback their ideas and go through any ideas that have not been discussed. Then, run through slide 6 of the PowerPoint.

7 minutes – Students should then read through the scenario and work through the activity. The teacher should circulate the classroom, ensuring students are on task and aiding students that need extra help.

5 minutes – Go through the scenario with the class and ensure students have relevant points written down from slide 9 of the PowerPoint. End with the reflection on slides 10 and 11 of the PowerPoint.

Ways to differentiate:

- Students could be put into mixed ability groups.
- Students could come up with some real-life examples that are relevant to the task/question – as in GCSE Economics, there are quite a few marks allocated to real-life application.
- Students could be asked to focus on knowledge, so they are able to understand key definitions.

How to extend the session – if required:

- The activity could be extended by asking students to consider and discuss the following question: Evaluate the impact of a fall in interest rates on households. Students could then present their findings.

