Economics lesson 2 – Teacher notes

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Learning aim:

To be able to understand price stability and inflation and how it is measured; and analyse the causes and consequences of inflation.

Curriculum links and Skills Builder focus skills chart:

England The national curriculum	The role of government Students must know and understand price stability and inflation and how it is measured; causes and consequences of inflation.
Scotland The National 5 Economics	UK economic activity Government aims – inflation – definition and measurements; causes of inflation; effects of inflation on individuals, firms and the economy.
Wales WJEC	*Currently, there is no WJEC GCSE economics qualification available. WJEC only provides Economics at A-Level.*
Skills Builder Framework Focus Skills	
Problem solving – The ability to find a solution to a situation or challenge	Problem solving step 5 I explore problems by thinking about the pros and cons of possible solutions.
Staying positive – The ability to use tactics and strategies to overcome setbacks and achieve goals	Staying positive step 7 I look for opportunities in difficult situations.

Main skills developed and how:
- Calculations – Students will practise their calculation skills.
- Interpreting quantitative data – Students will be looking at quantitative data to interpret solutions.

Equipment required:
- PowerPoint
- Student worksheet
- Answer sheet

Suggested layout of the session:

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

2 minutes – Students should be given time to come up with the definition for inflation and consider the different types of inflation. (This is slide 3 of the PowerPoint.)

1 minute – Feedback session – ask students to feedback their ideas and ensure that there is a clear understanding of all definitions.

3 minutes – Talk through PowerPoint slides 4 and 5 with the class, which details the purpose and use of CPI. Students should have the opportunity to take some notes too.

2 minutes – Students should be given time to consider the consequences of inflation. (This is slide 6 of the PowerPoint.)

2 minutes – Facilitate a feedback session, ensuring students have a good foundation for the scenario activity. There are many examples on the PowerPoint to discuss. The teacher must emphasise that menu costs are not only the costs to restaurants of reprinting menus. They also include the reprinting of labels etc and the time required to do this. For example, someone may need to be paid to update prices on a website. This is an extra cost to the business.

10 minutes – Students should read through the scenario and complete the 3 questions related to it. Circulate the classroom and aid students where required. It might be helpful to model percentage formula for students before they begin.

For students that need extra support with question 1, give them a clue by sharing the percentage change formula with them, (new-old)/old x 100.

4 minutes – Go through the answers with students and ensure that there is clear understanding of the skills developed. Use the reflection at the end of the PowerPoint to end the session.

Ways to differentiate:
- Students could be put into mixed ability groups.
- Students could be asked to consider 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. In the case of this lesson, students should be asked to think about the UK's cost of living crisis. They could also be tasked to research the inflation rates of different countries and make a comparison.
- 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 work in small groups to discuss the following question:
- Between 2021 and 2023, the price level in the UK rose significantly. Evaluate the consequences of this inflation on consumers and savers.
- Groups could then present their findings to the group.