Chapter 15

This Unit covers the following parts of the SEC 10 syllabus (2010):
9.2. The main functions of the major financial institutions in an economy

Candidates should be able to

- discuss the main functions of the Malta Financial Services Authority, …, Central Bank of Malta and commercial banks.

9.1 also states that:

Candidates should be able to

- understand the general nature of monetary policy.

5.1. The determination of price in market economies

Candidates should be able to

- show understanding of the application of price mechanism on different issues such as exchange rate market.

13.3. Exchange Rates

Candidates should be able to

- compare different exchange rates mechanisms;
- identify and give reasons for an appreciation or depreciation of a currency;
- analyse the effects of an appreciation or depreciation on the economy e.g. Balance of payments, employment, inflation

Chapter 16

This Unit covers the following parts of the SEC 10 syllabus (2010):
10. The structure of and the reasons for government’s revenue and expenditure

Candidates should be able to

- outline and assess the different sources of government revenue;
- understand the different types and rates of taxation in Malta;
- identify the main principles and effects of taxation;
- understand the reasons for a budget deficit or surplus;
- explain what is meant by national debt and what are its implications.

11. Inflation and Unemployment

Candidates should be able to

- explain different methods intended to control inflation and different types of unemployment.

13.2 Balance of Payments

Candidates should be able to suggest ways of correcting a deficit / surplus.
Chapter 17

This Unit covers the following parts of the SEC 10 syllabus (2010):
12. Economic Development and Growth

Candidates should be able to

- understand what is meant by economic development and growth;
- distinguish between developing and developed countries;
- identify the factors that influence economic growth;
- describe the benefits and costs of economic growth.

Chapter 18

This Unit covers the following parts of the SEC 10 syllabus (2010):
13.4 European Union

Candidates should be able to

- explain objectives of the European Union;
- explain European Monetary Union (EMU) and what member countries must do to achieve it;
- understand the role of the European Central Bank (ECB);
- assess the arguments for and against a single European currency.

Chapter 19

This Unit covers the following parts of the SEC 10 syllabus (2010):
2.2. Specialisation and division of labour.

Candidates should be able to:

- assess the advantages and disadvantages of specialisation of human resources.

9.1 The nature, functions and importance of money

Candidates should be able to:

- explain the weakness of the barter system and the role of money;
- distinguish between the characteristics and functions of money;
- know the different forms of money in today’s world and consider the advantages and disadvantages of each form;