

## **Optional Course: Economic and Business Studies**

### **1. General Principles**

#### **1.1. Learning and Educational Objectives**

The optional course of economic and business studies strives to direct the students to:

- 1) know the most important economic concepts and principles and apply economic knowledge as individuals participating in family life and work;
- 2) know their rights and obligations as citizens, employees, consumers and entrepreneurs;
- 3) know economic principles applicable to individuals, companies, states and international structures and understand the importance of these principles in daily life and social development;
- 4) possess an overview and experience of different professions and be motivated to engage in lifelong learning;
- 5) understand entrepreneurship as a career choice and know their own possibilities to become entrepreneurs;
- 6) analyse how the economy at individual, company, national and global levels evolved and functions and understand the responsibility of private individuals, companies and the state in the context of solving global issues;
- 7) treat the human environment responsibly and value the principles of sustainable development;
- 8) develop creativity and systematic thinking, can set goals, assume responsibility when implementing ideas and apply teamwork methods; and
- 9) use different information sources and critically assess the information they contain, plan and conduct research, process collected data, interpret it and present the results.

#### **1.2. Description of optional course**

The optional course of economic and business studies is divided into two courses:

- 1) economic studies;
- 2) business studies.

The goal of economic and business studies is to understand the events and processes taking place in society and their relations at the individual, firm, national and international levels. Students are taught to develop an enterprising, environmentally friendly and economical attitude to life and problem-solving and research-performing skills.

All economic systems function using various resources. Limited resources force countries, companies and individuals to make very different choices and decisions. Economic and business studies improve understanding of relations between people and the environment and ensure fairer decision-making. As students learn to notice links between the environment, people and economic life, they also see the need for sustainable living.

Students receive information about different professions, corresponding requirements and learning opportunities, and also learn how to compile CVs and attend job interviews. Students learn to analyse labour market supply and demand and see as well assess their own wishes and possibilities. They understand how to make informed choice of profession, understanding not only the role of the employee, but also that of the employer (entrepreneur). Students understand the value of employees as one of the primary resources for employers as well as the necessity of equal treatment of all employees and promotion of gender equality.

In economic studies students acquire the skill of searching for and finding, using, analysing and assessing various statistical materials and applying information technology. The material studied is presented in as problem-based a manner as possible and should be connected with the students' daily lives and current events in the economy.

Economic and business studies are closely integrated with other subjects, relying on the knowledge gained in mathematics, geography and history and supporting civics and human studies.

The teacher must complete a special training course to be able to supervise the establishment of a student company.

### **1.3. Learning Outcomes at the Upper Secondary School Level**

Upper secondary school learning outcomes reflect students' satisfactory achievements.

The students who graduate from upper secondary school:

- 1) explain and use basic economic concepts and know the modern market economy principles;
- 2) can assess production factors and factor-related income, ascertain how market and price determine production and consumption and analyse the factors that affect supply and demand;
- 3) assess the importance of lifelong learning and skills improvement for particular professions and their own career planning, develop skills of communication and management, engage in cooperation and value the principles of business ethics;
- 4) know labour legislation and can select or find a job and calculate gross and net wages and employer's labour costs;
- 5) understand that consumption should be based on human needs, understand their rights and responsibility as consumers, economizing, plan and compile personal and family budgets and analyse budgetary constraints;
- 6) know that money is generally recognised as a medium of exchange, unit of account and store of value and compare the usefulness of loans with the accompanying combination of expenditure and risks;
- 7) know the obligations of individuals and companies before the state, analyse company's role in the market economy and explain differences between main types of business entity;

- 8) ascertain productivity, returns to scale and mass production and know how qualified labour force, modern technology and efficient and environmentally friendly application of resources directly affect productivity; and
- 9) assess the development trends and opportunities of the Estonian economy and know the goals and importance of the international economy in the globalisation process.

#### **1.4. Learning Activities**

Learning activities are planned and conducted in the following manner:

- 1) the basis consists of the fundamental values and general competences stipulated in the curriculum, the general goals of the optional course, the content of studies and the expected learning outcomes, with support given to integration with other subjects and cross-curriculum dimensions;
- 2) the students' workload (including homework) should be moderate and evenly distributed throughout the school year, leaving them sufficient time for rest and recreational activities;
- 3) the students can study individually or with others (independent and pair or group work) as this supports their development as active and independent learners and creative and critically thinking individuals;
- 4) differentiated learning tasks are given and their content and levels of difficulty support an individual approach and enhance motivation to learn;
- 5) learning environments, teaching materials and resources are used which are based on modern information and communication technology;
- 6) the learning environment is expanded: companies, computer classes etc.; and
- 7) important in the study process are research activities, discussions, debates and brainstorming sessions, compilation and analysis of tables and diagrams, role-play, group work, participation in projects, practical tasks, fieldwork, educational outings to companies and institutions, meetings with people of different professions at the school and observation of them at workplaces, critical analysis of source materials, information and cases, compilation of abstracts, brief research papers, etc. During such exploratory learning the students acquire the skills of searching for and finding information, data processing, problem-setting, hypothesis formulation, work planning, observation and processing, interpretation and presentation of results. One form of economic studies is the performance of economy simulation tasks, allowing the students to grasp the connections between basic economic principles. The students can put themselves to the test by participating in a student company and thus discern their enterprising ability, skills and chances of being entrepreneurs.

#### **1.5. Physical Learning Environment**

The school:

- 1) organises the majority of the studies in a classroom where the furniture can be rearranged for work in groups, there is Internet access and audio-visual materials can be demonstrated.
- 2) striving to ensure a proper connection between studies and daily life, organises educational outings and other study activities outside of the classroom (at companies) at least twice per academic year.

## **1.6. Assessment**

Assessment of learning outcomes in the elective subject of 'Economic and Business Studies' is based on the principles of assessment specified in the general part of the national curriculum for upper secondary schools and in other regulatory documents that govern assessment. The learning outcomes in the optional course are checked and assessed with the aim of obtaining an overview of the learning outcomes attained and individual student development and using the information obtained to plan more effective studies. Assessed are the students' knowledge, their skills in implementing this knowledge and their acquisition of general competences, including learning skills on the basis of oral answers (presentations), written and/or practical work and practical activities, taking into account how the knowledge and skills of the students comply with the learning outcomes stipulated in the optional course syllabus.

Checked and assessed are the students' theoretical knowledge and the skills of working with economic texts and statistical data, searching for and finding information and situation-solving. Assessed are the skills of performing practical work, solving creative tasks and analysing management. This assessment is based on creation of causal connections with relevant argumentation. Checked and assessed are the skill of discussing, formulating argumentation and creating connections, as well as independent student work (research and essays) and participation in group activities and discussions.

The learning outcomes are assessed using oral appraisal and numerical grades. The students must know what is being assessed and when, what means are being used for assessment and what the assessment criteria are.

The course grade is derived from grades for tests, practical work and research papers/independent work/reports presented.

Assessment is based on independent work performance, creativity and proper formalisation. Practical work is dedicated to a particular topic, material, etc. Independent work consists of home assignments, classroom work and computer lesson work, with selective assessment. During the course the teacher can also assess homework results, oral answers, task-solving, participation in group work, etc.

The economic studies course is completed with a summarising assessment that covers all of the course material. The business studies course ends, depending on the selected teaching method, with a final test or presentation and defence of the management report or business plan of the students' company.

## **2. Course plans**

### **2.1. Course "Economic studies"**

#### **2.1.1. Learning Outcomes and Learning Content**

##### **Nature of the economy**

##### **Learning Outcomes**

At the end of the course the students:

- 1) understand how people make decisions to allocate limited resources and consider opportunity costs; and

- 2) analyse how different economic systems solve key economic problems.

### **Learning Content**

Limited resources and budget constraints, trade-offs and opportunity costs. Basic economic choices: what? how? for whom? Production factors: natural resources, human resources and capital. Micro- and macroeconomics. Market economy basics: private property, pricing system, market competition and enterprising ability. Motive. Profit. Economic systems: command economy, traditional economy, market economy and mixed economy.

### **Supply, demand and price**

#### **Learning Outcomes**

At the end of the course the students:

- 1) characterise the joint effect of supply and demand in shaping the equilibrium price, understand how supply and demand are illustrated in figures and assess the influence of demand elasticity on the required amount of goods; and
- 2) ascertain the economic and social consequences of deficit and oversupply.

### **Learning Content**

Supply, demand, equilibrium price, demand elasticity and price influence. Supply and demand tables and charts. Factors affecting supply and demand. Deficit and oversupply.

### **Person as owner, manufacturer, employee and consumer**

#### **Learning Outcomes**

At the end of the course the students:

- 1) know the importance of household resources and personal skills as prerequisites for coping;
- 2) analyse labour force peculiarities depending on the field of activity and job position; and
- 3) can formalise their CVs and job applications as required.

### **Learning Content**

Households. Personal and family budgets and budgetary limitations. Skills and abilities. Consumer, economizing and consumer protection. Labour force and employment. Labour market. Wages. Taxes and payments. Employee, manager and subordinate roles. Job interview and CV compilation. Legislation that regulates labour relations. Business. Legal forms of companies in Estonia.

### **Money and the financial economy**

#### **Learning Outcomes**

At the end of the course the students:

- 1) know the peculiarities of the Estonian monetary system and discuss Estonian financial policy;
- 2) analyse the role of commercial banks as payment performers and intermediaries in money circulation and the importance of deposits and loans in the bank balance sheet;
- 3) know the tasks of the central bank as the organiser of money circulation, the currency reserve keeper and the supervisor of commercial banks;
- 4) understand the nature of insurance and range of insurance services;
- 5) know the causes of inflation and deflation and discuss their consequences;

- 6) analyse consumer price index development and its fluctuations due to changing prices and wages; and
- 7) understand the nature of and the differences between the most important securities (bonds and shares) and ascertain how the securities market functions and its importance for the national economy.

### **Learning Content**

Functions of money. Financial intermediation. Banking system, central bank and commercial banks, their tasks and roles in money circulation and offered services. Deposits, loans and risks. Estonian monetary system, currency board and financial policy. Euro and its use in Europe. Insurance and insurance services. Securities: bonds and shares, their nature and differences. Securities market and its effect on economy. Inflation and deflation. Consumer price index.

### **Role of the government in the economy**

#### **Learning Outcomes**

At the end of the course the students:

- 1) provide examples of government supplied goods and transfers;
- 2) know the regulating and directing role of the government in economic circulation and redistribution of income;
- 3) analyse the economic policy of the government in the context of ensuring economic stability, national defence and social security; and
- 4) discuss state budget drafting, taxation policy and redistribution of income.

### **Learning Content**

Role of the government in the economy. Economic circulation. State budget drafting, income and expenditure. Estonian state budget. Different taxation systems and their advantages and drawbacks. Direct and indirect taxes in Estonia. Fiscal and monetary policies. Estonian taxation policy. Cyclical nature of the economy.

### **International economy**

#### **Learning Outcomes**

At the end of the course the students:

- 1) analyse the role of trade in both the national and international economy;
- 2) ascertain comparative and absolute advantages;
- 3) know how exchange rate affects national exports and imports;
- 4) know the peculiarities and differences in the economic development of various regions of the world;
- 5) understand the likely negative changes in society caused by the economic growth achieved through progress and by improved living standards: increasing contrast between urban and rural areas, rising unemployment, unequal distribution of income, social stratification and depletion of resources;
- 6) know the concepts of specialisation and globalisation and provide relevant examples from the global economy; and

- 7) know various trade restrictions: customs duties, quotas, non-tariff trade barriers and dumping and analyse how trade restrictions affect individual consumers and companies in home and other countries.

### **Learning Content**

Comparison and grouping of countries by different economic indicators: GDP, HDI, CPI, etc. International economy. Comparative and absolute advantages and specialisation. Exports and imports. Globalisation. Fair trade. Currency, currency market, currency exchange rate and purchasing power parity. International economic organisations. European Union and free trade. Trade restrictions: customs duties, quotas, non-tariff trade barriers and dumping. Estonian domestic and foreign trade and development trends. Global economy: modern development trends. Economic development of various regions: peculiarities and differences. Rising unemployment, unequal distribution of income, social stratification and depletion of resources.

## **2.2. Course “Business studies”**

### **2.2.1. Learning Outcomes and Learning Content**

#### **Market economy**

##### **Learning Outcomes**

At the end of the course the students:

- 1) know that in the market economy it is the market that determines the output while profits motivate companies; and
- 2) understand the need for utilisation of different resources for the functioning of a company and the importance of capital and investments.

#### **Learning Content**

Limited resources, economic behaviour, opportunity costs and compromises.

Three basic economic problems. Four pillars of free enterprise. Pricing system, private property, competition, enterprising ability and profit. Demand. Supply. Role of prices. Supply and demand changes. Equilibrium price. How changes in production affect prices.

#### **Business.**

##### **Learning Outcomes**

At the end of the course the students:

- 1) know the obligations, risks and fees of entrepreneurs;
- 2) analyse the main obligations of a company before its employees, clients, shareholders and the local community; and
- 3) comprehend business as an opportunity to earn a living.

#### **Learning Content**

Enterprising ability and role of entrepreneurs in the economy. Entrepreneur and company. Entrepreneur's obligations, risks and profit. Strategies of entrepreneurs. Types of business entity. Sole proprietorship, private company limited by shares and limited company. Entrepreneur's career. Commercial Code.

## **Starting a company**

### **Learning Outcomes**

At the end of the course the students can compile a simple business plan aimed at implementing their business idea.

### **Learning Content**

Starting one's own company. Business idea and business plan. Product and service. Start-up capital and investment. Securities. Productivity and quality. Fixed and variable costs. Influence of modern technology and efficient and environmentally friendly utilisation of resources on productivity.

## **Company accounting**

### **Learning Outcomes**

At the end of the course students know basics of accounting and can do simple business accounting, differentiate between fixed and variable costs.

### **Learning Content**

Balance sheet. Profit and loss statement. Assets, liabilities, profit, loss and depreciation. Fixed assets, current assets and liabilities. Individual/business income tax, social tax, VAT and unemployment insurance.

## **Management**

### **Learning Outcomes**

At the end of the course students can use the brainstorming technique to offer solutions to management problems.

### **Learning Content**

Goal-setting and planning. Teamwork, work distribution, motivation and controlling. Time management.

## **Labour force**

### **Learning Outcomes**

At the end of the course students:

- 1) can assess their own abilities and responsibility while occupying job positions in the student company; and
- 2) can formalise their CVs and job applications as required.

### **Learning Content**

Labour force and employment. Labour market. Wages. Employee, manager and subordinate roles. Job interview and CV compilation. Labour law.

## **Business competition**

### **Learning Outcomes**

At the end of the course students know different forms of competition and both positive and negative effects of competition.

### **Learning Content**



Forms of competition. Positive and negative effects of competition on production and consumers. Licence, patent, utility model, industrial design solution and copyright.

## **Marketing**

### **Learning Outcomes**

At the end of the course the students:

- 1) can set goals for production and sales;
- 2) understand the concept of marketing and its role in company activities; and
- 3) can assess and compare market structures and strategies, create advertising and sell products.

### **Learning Content**

Main tasks. Product and price. Pricing. Sales strategies. Marketing communication and distribution. Advertisements and their creation. Roles of buyer and seller.

## **Business ethics**

### **Learning Outcomes**

At the end of the course the students:

- 1) can provide examples of ethical business decisions that influence our society; and
- 2) assess relations between values and behaviour.

### **Learning Content**

Responsibility before consumers, society and company owners. Social business.