

How is Economics different from Business Studies ?

Because business makes up such an important part of our economy people often ask how the two subjects differ. After all, there are common areas such as the labour market, consumer demand, inflation, unemployment, taxes, government policy. What makes Economics and Business Studies different from one another is their different approaches, even on the same issue. The example of the labour market below shows this and also illustrates how different the two subjects are.

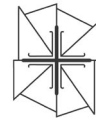
The Labour Market

In Economics students investigate why workers are paid different rates because of differences in their skills, the value they bring to the firm, scarcity and so on. They would understand how and why we can have high unemployment at the same time as wage inflation; whether higher taxes; make people work more or less; how the trade union movement has changed in the last decade; and how recent Government policy has attempted to put people back to work.

In Business Studies students investigate the labour market and how wages affect business in terms of costs, competitiveness and profits. The course has an important section on personnel which includes recruitment, training, motivation, trade union activity and so on. Production and personnel are closely linked in many businesses particularly those who have adopted the 'Japanese way' of organising production and the course looks at how these changes have transformed many UK firms.

If you are thinking about either Economics or Business Studies A level, here are some questions to which you may want answers.

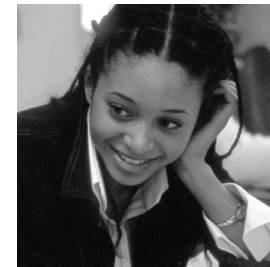
- What are the college entry requirements for Economics / Business Studies ?
- Does the course have a coursework / portfolio option ? If so what sorts of topics are there to choose from ?
- Is it run as a modular course ? If so, what's in each module and when is each module taken ?
- Are there opportunities for developing computer skills during the course ?
- What are the assessment / exam arrangements ?
What proportion of the questions are essays ?
What proportion of the questions are based on some given numerical and / or written information ?
Are there any multiple choice questions ?
- Remember, it is possible to study both Economics **and** Business Studies.



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What's the difference between Economics and Business Studies A Level ?



SUBJECT CONTENT

Economics teaches students to think logically and to use theories to understand how economies operate. At the centre of the subject is the question of how we divide up our scarce resources and how decisions resulting from this affect us all - in other words who gets what and why? It therefore studies all of society and the activities of various groups and institutions within it. This means studying the private sector and the effects of competition and comparing this with the public sector provision. The macroeconomic part of the course is what most people associate with economics. This includes economic growth, inflation, unemployment and international trade and the difficulties that UK Governments face when they attempt to steer the economy in their chosen direction.

SKILLS

A level Economics requires a reasonable level of numeracy, but it is not mathematical. The main skill that a good economist needs is the ability to analyse economic data, to interpret graphs and tables, identify trends and explain these using economic theory. The ability to see how one economic policy (e.g. low inflation) may affect other parts (e.g. employment) is paramount. This requires a clear mind and an ability to think and analyse logically and to write good English. During the course, students will be expected to collect and use information from many sources, including textbooks, quality newspapers, visits to business and government organisations, the world wide web and their own experience.

A LEVEL COMBINATIONS

Economics will combine well with most other A level subjects, including other social sciences, humanities and maths. An increasing number of natural scientists take Economics and do well in it. Economics also combines well with most Advanced GNVQ courses.

CAREER PROGRESSION

Economics gives opportunities for careers in both the public and private sectors, in the UK and abroad. Jobs include working in the civil service, local government, banking, accountancy and management. Economists are also found in many other areas including manufacturing, systems analysis and computer science.

Business Studies

SUBJECT CONTENT

Business Studies literally does what it says. It studies business and how it operates within its environment. The approach in the course is less theoretical than Economics and involves studying in some detail how today's businesses carry out their various functions including marketing, finance, operations management (production), and people (personnel). The course also looks at how outside activities affect businesses and in turn how businesses react to these - for example, the effect of changes in Government policy, competition, demand, pressure groups and ethics. In addition the A level draws together the business functions and the external environment to study the objectives and strategies that businesses adopt, for example recent merger activities and globalisation.

SKILLS

Business Studies requires a reasonable level of numeracy and involves more number work than Economics. However, the course is testing Business Studies and not mathematics, and the important skill is to understand and apply the figures to the business being studied. The ability to analyse, evaluate and write good English is very important. Sources of information for Business Studies include textbooks, reference materials, government and business data, the world wide web and students' own experience.

A LEVEL COMBINATIONS

Business Studies combines well with most other A level subjects and Advanced GNVQs though, obviously, the overlap with Business GNVQ is too great to make that a suitable combination.

CAREER PROGRESSION

Business Studies can also lead to opportunities in both the public and private sectors. There are now many degrees and sandwich courses which combine Business Studies or Management Studies with languages. There are career opportunities both inside and outside the UK.