Minimum Learning Competencies For Economics

Theme	Competencies for Grade 11	Competencies for Grade 12
I. Concepts of Economics	• Value the concept and nature of economics • Explain how resources are efficiently used in producing out put • Compare and contrast different Economic systems • Explain the role of decision-making units and interpret the circular flow.	• Explain the structure and significance of various resource endowments according to their geographical features. • Compare and contrast different economic systems since the Imperial regime
II. Basic Issues of Microeconomics	• Analyze demand and supply concepts with schedules, graphs and equations. • Interpret the demand and supply concepts with schedules, graphs and equations. • Identify the factors affecting demand and supply • Figure out the law governing demand and supply. • Evaluate the essence of different elasticity of demand and supply. • Compute elasticity of demand and supply. • Identify the basic principles of different theories of consumer Choice and Behavior. • Analyze different theories of consumer Choice and Behavior. • Comprehend and evaluate how firms combine economic resources so as to maximize out put. • Explain the meanings and behaviors of various types of costs • Integrate the relationship between production and cost. • Explain different market structures • Analyze how firms maximize their profit in different markets.	
III. Economic Sector	• Recognize fundamental concepts of National Income Account • Practice the method of measuring economic performance of a country.	• List the role of agricultural sector • Relate agriculture with economic development. • Describe the specific policies and strategies

Theme	Competencies for Grade 11	Competencies for Grade 12
		of agricultural sector of Ethiopia. • Evaluate the performance and problems of the agriculture sector in the Ethiopian Economy since 1950s. • List the role and size of industrial sector. • Describe specific policies and strategies of industrial sector of Ethiopia. • Assess problems of the industrial sector since 1950s. • Evaluate the performance and problems of the Industrial sector since 1950s. • List the roles of the service sector. • Describe the specific policies and strategies of the service sector. • Assess the problems of services sector. • Evaluate the performance and problems of services sector.
IV. Fundamental concepts of Macroeconomics	• Identify problems of macroeconomics • Analyze the Nature of trade • Recognize the nature of fiscal policy • Identify types of fiscal policy • Assess the impact of fiscal policy on unemployment and inflation. • Recognize the nature of monetary Policy. • Identify types of monetary policy • Assess the impact of monetary Policy on unemployment and inflation. • Recognize income policy • Assess the impact of income policy on inflation and unemployment.	• Identify the role of trade in the Ethiopian Economy. • Describe the specific policy and strategy of EPRDF and structure of foreign trade of Ethiopia. • Assess problems of trade in Ethiopia • Evaluate performance and problems of trade in Ethiopia respectively. • Identify the role of the government in trade. • Review the historical background of public finance in Ethiopia. • Evaluate the structure and performance of government revenue & expenditure. • Analyze government budget defect financing. • Explain decentralization and public sector in Ethiopia. • Explain the evolution and development of money and financial sector in Ethiopia. • Describe the roles and function of National Bank Of Ethiopia (NBE),Commercial Bank

Theme	Competencies for Grade 11	Competencies for Grade 12
		of Ethiopia (CBE) and Insurance. • Evaluate the performance, problems and prospects of the financial sector. • Examine the financial sector policies & reforms undertaken in Ethiopia.
V. Consumption, investment & saving, and recent reform program of the government	• Define concepts like consumption saving and investment. • Assess determinants of consumption, saving and investment. • Relate the role of investment to economic growth.	• Define the structural adjustment program. • Evaluate the performance of the economy after the reform program. • Explain current objective of restructuring the Ethiopian Economy.

Content Flow Chart for Grades 11 & 12 Economics

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
Concepts of economics	• Scope of Economics • Methodology • Resource allocation • Economic system • Decision making units and circular flow of economic activities • Main Sector of the Ethiopian Economy • Resource base of Ethiopia • Historical review of the national development objectives and strategies	• Definition and nature of economics • Branches of economics • Approaches of studying economics • Scarcity and choice production possibility frontier, opportunity cost and efficiency. • Basic economic questions • Pure capitalism • Command economy • Mixed economy • Decision making units • Circular flow of economic activities	• Population, land, livestock, fishery, forestry, energy, minerals and environment • National development plan under the monarchy • National development plan in the Derg • The current government national development plan
Basic Issues of Microeconomics	Theory of demand Theory of supply Market equilibrium Demand and supply elasticity Consumer behavior and Utility maximization Theories of Utility Theory of production and cost Market structures	• Law of demand • The demand schedule, curve and function • Individual and market demand • Determinants of demand • Change in demand and change in quantity demand • Law of supply • The supply schedule, curve and function • Individual and market supply • Determinants of supply • Change in supply and change in quantity supply • Equilibrium • Effects of changes in demand and supply on	

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
		equilibrium price and quantity • Price ceiling and floor • Price elasticity of demand • Definition and measurement of price elasticity of demand • Mathematical and graphical analysis • The total – revenue test • Determinants of price elasticity of demand • Price elasticity of supply • Determinant of price elasticity of supply • Income elasticity of demand • Cross-price elasticity of demand • Meaning of utility • Theories of utility • Cardinal theory • Utility maximizing rule, algebrical • Restatement • Ordinal theory • Utility maximizing rule, In difference analysis • The law of diminishing marginal utility • Budget line • Effects of change in consumer's income or price of the product on satisfaction unit. • Production • Production period ▪ short run ▪ long run • Production function ▪ Production function with one variable input ▪ Production function with two variable input • Economic scales of production • Effects of technological change on production • Concepts of cost • Short run production of cost Fixed, variable, total, average, and marginal costs	

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
		• Long run production of cost • The relationship between cost and production • Pure competition ▪ Profit maximization in the short run Two Approaches Marginal cost and short-run Supply curve ▪ Profit maximization in the long run Zero Economic profit model	
		• Pure monopoly o Characteristics of pure monopoly o Profit maximization under pure monopoly • Monopolistically competition • Oligopoly	
Fundamental concerns of macroeconomics	• Concerns and problems of macroeconomics • Business cycle • Unemployment • Inflation • Budget deficit • National Income Account • Role of the agricultural sector • Structure of the Agricultural Sector of Ethiopia • Specific policies and strategies of the agricultural sector since 1950s • Performance of agricultural Sector • Major problems Impeding Agricultural development and its remedies	• Objectives of macroeconomics • Meaning and types of unemployment • Rate of unemployment • The impact of unemployment in Economic growth • Measuring inflation • Causes of inflation o Demand pull o Cast push • The impact of inflation on Economic growth • The effects of budget and trade deficit • Gross domestic product (GDP) and Gross National product (GNP) • Approaches of measuring GDP and GNP o Product o Income o Expenditure • Nominal and Real GDP • Other social accounts	• Contribution of macroeconomics to the supply of food and raw materials • Contribution of macroeconomics to market for industrial products • Contribution of macroeconomics to Gross domestic product (GDP) • Contribution of macroeconomics to Employment • Contribution of macroeconomics to foreign exchange earnings • The three major farming systems o Small holder farming system o Pastoral (Nomadic) farming system o Commercial farming system • Pre-1974 policies and strategies of the agricultural development • Post-1974 policies and strategies of the agricultural development • Post-1991 policies and strategies of

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	• Roles of service Sector • Education • Education sector, policies and		the agricultural development • The performance of crop-sector • The performance livestock production • Technology related problems • Input (raw material) related problems • Policy related problems • Historical review, policy and strategy, performance and the major problems of Ethiopian shipping line • Man-made problems affecting agricultural development of Ethiopia: o lack of institutional arrangement o lack of conducive agricultural land policy o land fragmentation o Uncontrolled population growth o lack of rural infrastructure • Natural problems like unpredictable weather condition • Output contribution of the sector of agriculture • Employment contribution agricultural sector • Output contribution • Employment contribution • Foreign Exchange earning • Historical review of Ethiopian education development • Education polices and strategies pre-1974 • Education polices and strategies Post – 1974 • Education policies and strategies Post-1991 o Primary Education

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	strategies since 1950s • Performance of the Education Sector • Major problems impending the development of Ethiopian education • Historical review of the health sector • Policies and strategies of the health sector • Performance of the health sector • Major problems of the health sector and the impact of HIV/AIDS • Transportation and communication historical review • Road transport • Rail way transport • Ethiopian shipping line • Air-transport • Development of the communication sector • Policy and strategy in the communication sector • Performance of the communication sector • Problems of communication sector • The role of the industrial sector • Specific polices and strategies of the industrial sector since 1950s • Structure of the industrial sector of Ethiopia		○ Secondary Education ○ Higher Education • Historical review, policy and strategy, performance and the major problems of Ethiopian road transport • Historical review, policy and strategy, performance and the major problems of Ethiopian rail way transport • Historical review, policy and strategy, performance and major problems of Ethiopian Air-transport • Pre-1974 Industrial development • Post-1974 Industrial development • Post-1991 Industrial development ○ Cottage (handicraft) ○ Small-scale industry ○ Large and Medium industry • Gross value output of the manufacturing sector • Gross value output of the large and medium manufacturing sector • Value added of large and medium manufacturing sub-sector • Finance related problems • Market related problems • Trend in the flow of tourists • Trends in foreign exchange earnings form tourism

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	• Performance of the industrial sector • Major constraints of the industrial sector in Ethiopia • The role of tourism • Historical development of Ethiopian tourism • Performance of tourism • Major obstacles for the development of Ethiopian tourism		
Trade and balance of payment	• The Economic basis of trade • Export and import • Trade barriers • The impact of international trade on GDP • Balance of payment • Exchange rate • Historical development of trade in Ethiopia • The role and importance of trade in Economic development of Ethiopia • Restrictions and mode of payments in international trade • Trade policies and strategies of Ethiopia • The structure and performance of trade • Major trading partners of Ethiopia	• Comparative advantage • Absolute advantage • Quota • Tariff • Exchange control • Current Account • Capital Account • Fixed Exchange rate • Floating Exchange rate	• Absolute advantage • Comparative advantage • Quota, tariff, and exchange control • Letter of credit, Bill of exchange and Banker's transfer • Domestic policy and strategy o Ownership, price, Distribution and licensing policy • Foreign trade policy and strategy • Domestic trade o Whole sale trade under public enterprises o Whole sale trade in manufactured products o Whole sale trade in Agricultural products o Whole sale trade under private enterprises o Retail trade • Foreign trade performance and structure

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	• Balance of payments (BOP) • Problems of trade in Ethiopia • Historical development of trade in Ethiopia • The role & importance of trade in economic development • Restrictions & modes of payments in international trade • Trade policies and strategies of Ethiopia • The structure & performance of trade in Ethiopia		○ Export ○ Import • Foreign Exchange Earning • Trade Balance • Current Account Balance • National debt service performance
Macroeconomics Policy Instruments	• Macro economics policy instrument • The role of the government in public finance in Ethiopia • Historical background of public finance in Ethiopia • Structure and performance of the revenue and Expenditure • Analysis of Government budget and deficit financing • Fiscal decentralization and public sector reform in Ethiopia • Financial sector policies and reforms in Ethiopia • The performance and problems of the financial sector of Ethiopia	• Fiscal policy • Monetary policy • Income policy	• Objectives of the government • Functions of fiscal policy • Government Revenue • Government Expenditure • The structure of government budget • Government expenditure budget • Budgetary deficit financing • Personal income tax • Business income tax • Indirect taxes • Foreign trade taxes • National Bank of Ethiopia • Commercial Banks • Development bank • Financial sector policies and strategies since 1950s • The performance of the financial sector in Ethiopia
Consumption, investment & saving	• Consumption and saving • Investment • The new economic policy & the need to reform • Introduction to structural adjustment program • Structural adjustment policy	• Definition, (Meaning) of consumption and saving • Determinants of consumption and saving • Average propensity to consume and save • Propensity to consume and save (Marginal) • Investment • Determinants of Investment	• Exchange rate policy • Monetary policy • Interest policy • Fiscal policy • Trade liberalization • Price deregulation • Privatization

Topic	Sub-topic	Contents of Grade 11	Content of Grade 12
	measures undertaken in Ethiopia • Performance of the economy after the new Economic reform program • Investment policy and climate in Ethiopia during the post 1991	• The Role of Investment in Economic Growth	• Transport deregulation • Investment law • The private sector response • Sector level and regional distribution of investment • The structure of domestic & foreign direct investment in Ethiopia