



Singapore Examinations and Assessment Board



Cambridge Assessment
International Education

**Singapore–Cambridge General Certificate of Education
Advanced Level Higher 3 (2025)**

Economics (Syllabus 9809)

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INTRODUCTION

Desired Outcomes of Education and Learning of Economics in Singapore

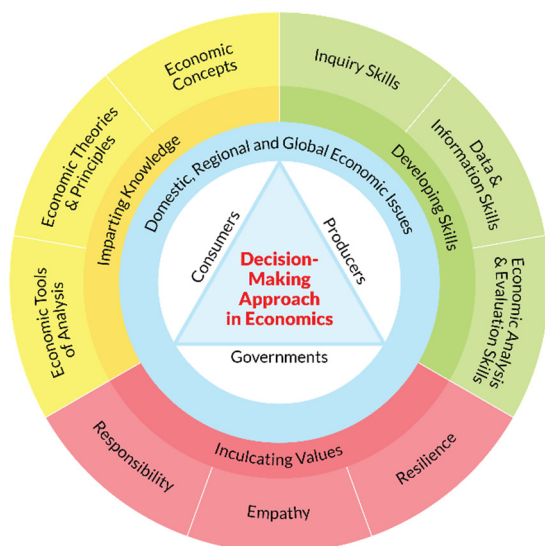
The Desired Outcomes of Education (DOE) are attributes that educators aspire for every Singaporean to have by the completion of his formal education. The person who is schooled in the Singapore Education system embodies the Desired Outcomes of Education. In sum, he is

- a **confident person** who has a strong sense of right and wrong, is adaptable and resilient, knows himself, is discerning in judgment, thinks independently and critically, and communicates effectively
- a **self-directed learner** who takes responsibility for his own learning, who questions, reflects and perseveres in the pursuit of learning
- an **active contributor** who is able to work effectively in teams, exercises initiative, takes calculated risks, is innovative and strives for excellence; and,
- a **concerned citizen** who is rooted to Singapore, has a strong civic consciousness, is informed, and takes an active role in bettering the lives of others around him.

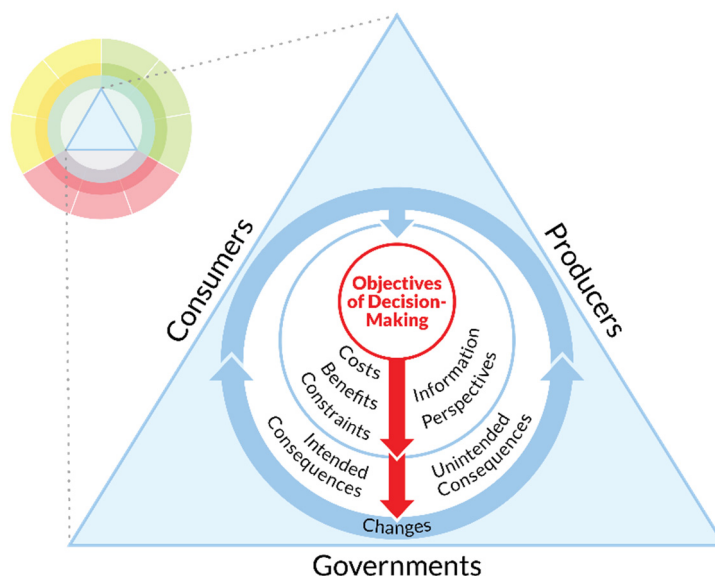
The value of learning Economics is aligned with the Desired Outcomes of Education and 21st Century Competencies (21CC). Through the inquiry of economic issues and application of concepts, theories and principles, students develop the capacity to analyse and evaluate the behaviour of economic agents in the allocation of scarce resources. In understanding domestic, regional and global economic issues, students adopt multiple perspectives, recognise trade-offs and consequences arising from decision-making and arrive at well-reasoned decisions. Students thus acquire knowledge and develop skills and values that will enable them to be active contributors and concerned citizens.

Economics curriculum shape and decision-making approach in Economics

Economics Curriculum Shape



Decision-making Approach in Economics



Economics Curriculum Shape

The Economics Curriculum Shape sets the direction for and encapsulates the concept of learning A-Level Economics in Singapore. At the core of the curriculum shape is the Decision-Making Approach in Economics which guides disciplinary thinking in A-Level Economics. This approach emphasises Sound Reasoning and Decision-Making, which are components under the 21CC domain of Critical and Inventive Thinking. It enables students to better analyse and evaluate how different economic agents make decisions based on the fundamental disciplinary concepts of scarcity, choice and opportunity costs.

The middle ring of the curriculum shape highlights that students learn knowledge, skills and values through inquiry of domestic, regional and global economic issues. By applying the Decision-Making Approach in Economics, students will be able to better analyse and understand the implications of policy decisions arising from these issues.

The outer ring shows the Knowledge, Skills and Values learnt through the curriculum. The Knowledge segment signifies that students will learn economic concepts, theories and principles, as well as tools of economic analysis. The Skills segment represents inquiry, data and information, and economic analysis and evaluation skills that students will develop. The Values segment highlights the values of responsibility, resilience and empathy that students will develop through the learning of Economics. Focusing on these skills and values will allow the Economics Curriculum to support the development of MOE's 21CC.

Decision-Making Approach in Economics

In the light of the Central Economic Problem of scarcity, decision-making is fundamental. Scarcity leads to the inevitability of choice and trade-offs. In the context of A-Level Economics, decision-making is framed as a process where students analyse how decisions are made from the perspectives of different economic agents (consumers, producers, governments), adjusting for dynamic changes where relevant. Students will consider the benefits, costs, constraints, perspectives and other necessary information, while recognising the impact of the intended and unintended consequences arising from the decisions made and the corresponding trade-offs. Students will also recognise that decision-making by economic agents can have multifaceted implications, where decisions made by an economic agent can have an impact on other economic agents.

AIMS

The syllabus aims to develop in candidates the ability to:

1. apply appropriate tools of economic reasoning to analyse real-world economic issues
2. critically and independently evaluate information, arguments, perspectives and decisions of economic agents
3. critically evaluate economic concepts, theories and principles
4. formulate and present well-reasoned arguments and strategies to address economic issues

ASSESSMENT OBJECTIVES

Candidates are expected to:

AO1: Interpretation and Evaluation of Information

- Understand and interpret economic information presented in textual, numerical or graphical form.
- Make interpretations and valid inferences based on the information presented and its limitations.

AO2: Application, Analysis and Evaluation

- Apply appropriate tools of economic reasoning to analyse real-world economic issues.
- Analyse and evaluate critically economic information, arguments, strategies and policies using economic concepts, theories and principles.
- Evaluate critically and independently perspectives and decisions made by economic agents.
- Synthesise and construct coherent arguments synoptically, and propose strategies to address economic issues.

SCHEME OF ASSESSMENT

The assessment comprises one compulsory written examination paper with two Sections: Section A (Case Study) and Section B (Essays).

Specification grid

H3 Economics	Description	Overall Marks (Weighting)	Duration
Paper 1 Case Study and Essays	<p>Section A: Case Study (30 marks, 30%)</p> <p>Candidates are required to answer four compulsory part-questions based on a case study.</p> <p>The case study carries a total of 30 marks.</p> <p>Candidates should spend approximately 1 hour and 15 minutes on Section A (inclusive of reading time).</p> <p>Section B: Essays (70 marks, 70%)</p> <p>Candidates answer two questions from a choice of five. Each essay carries 35 marks.</p> <p>Candidates should spend approximately 2 hours on Section B.</p>	100 marks (100%)	3 hours 15 minutes
Questions in Section A will test AO1 and AO2 while questions in Section B will test AO2.			

DESCRIPTION OF COMPONENTS

Section A (Case Study)

The case study will focus on real-world multifaceted economic issues or policies, which may be from one or more themes in the syllabus. It will consist of resource materials from a range of sources. The information may be presented in textual, numerical or graphical form. Resources in textual form will not total more than four pages. There will be four compulsory questions based on the case study.

Candidates may be expected to examine the quality of data and relevance for use in their responses. They are required to analyse and synthesise underlying economic issues presented in the data, critically evaluate arguments, perspectives and decisions of economic agents, and to construct coherent arguments using supporting data. Candidates may be required to propose strategies to address the issues, where appropriate.

Section B (Essays)

Each essay question may assess knowledge from one or more themes in the syllabus.

Candidates are expected to apply tools of economic reasoning to analyse economic issues, and to critically and independently evaluate the arguments, perspectives and decisions of economic agents. They should synthesise and construct coherent economic arguments to arrive at well-reasoned judgements and decisions. Each question will comprise no more than two parts. Questions may be set on real-world context.

Candidates may be required to critically analyse and evaluate economic concepts, theories and principles, and propose strategies to address the issues, where appropriate.

Candidates may be required to integrate knowledge from the different themes.

USE OF CALCULATORS

The use of a calculator as approved by the Singapore Examinations and Assessment Board is allowed.

SYLLABUS CONTENT

The H3 Economics syllabus content is built on the content of the H2 Economics syllabus. Candidates are expected to be familiar with the H2 Economics content.

The syllabus content comprises three core themes:

- **Theme 1: Rationality in Decision-Making**
- **Theme 2: Firms' Strategies and Market Failure**
- **Theme 3: Issues and Strategies for Sustainable Development**

The syllabus content provides a thematic approach to the understanding of Economics. The concepts and issues specified in the syllabus should be taught in the context of Singapore and the global economy, where appropriate. Theme 1 encourages a more thorough study of decision-making by economic agents, through examining in greater depth the idea of rationality and how behavioural economics affects decision-making. Theme 2 looks at firms' strategies and market failure with a **microeconomic** focus. Theme 3 examines sustainable development and its issues with a **macroeconomic** emphasis.

Candidates should have an awareness of the nature and significance of Economics as a social science (as compared to the natural sciences) and the foundations of economic analysis (models, evidence and statistical analysis). Using the disciplinary thinking framework in A-Level Economics which focuses on decision-making, candidates will have the opportunity to explain, analyse and apply economic concepts and theories through the core themes. Candidates will also evaluate economic issues and policy choices in a real-world context. Candidates are expected to demonstrate a broad conceptual overview and deep understanding of Economics as a discipline. Candidates should also have a good knowledge of recent economic trends and development.

Candidates should have an awareness of statistical limitations (misleading comparisons and selection bias), the plausibility of the ceteris paribus assumption and common logical fallacies (fallacy of composition, post hoc fallacy and conjunction fallacy) to critically evaluate the relevance and validity of information given; economic principles, concepts and theories; and perspectives and decisions made by economic agents.

Theme 1: Rationality in Decision-Making	
<p>Theme 1 engages candidates in a more in-depth study of the decision-making process learnt at the H2 level. Candidates will examine how economic agents make decisions in a conventional economic model and how behavioural economics provides additional insights to the real-world decision-making process of economic agents. Through this, candidates will be able to provide the analysis and evaluation of consumers' behaviour, firms' strategies and microeconomic policies.</p>	
Theme 1.1 Rational Decision-Making	
Economics Content	
<p>1.1.1 Rational Decision-Making</p> <p>a. Maximisation of self-interest by economic agents</p> <p>b. Weighing of marginal costs and benefits</p>	<p>Additional information</p> <p>A broad understanding of discounting and shadow-pricing will suffice. Detailed technical analysis of the above concepts is not required.</p>
Theme 1.2 Behavioural Economics	
Economics Content	
<p>1.2.1 How decision-making by economic agents is affected by bounded rationality</p> <p>a. Loss aversion</p> <ul style="list-style-type: none"> – Endowment effect – Sunk cost fallacy – Status quo bias <p>b. Salience bias</p>	<p>Additional information</p> <p>Detailed technical analyses of behavioural theories and models are not required.</p>
<p>1.2.2 How decision-making by economic agents is affected by bounded will-power</p> <p>a. Time-inconsistent preferences and procrastination</p>	
<p>1.2.3 How decision-making by economic agents is affected by bounded self-interest</p> <p>a. Giving behaviour</p>	<p>Additional information</p> <p>An awareness of altruistic and non-altruistic reasons behind giving behaviour will suffice.</p>
<p>1.2.4 How economic agents can apply the knowledge of bounded rationality, bounded will-power and bounded self-interest to influence behaviour and achieve their objectives</p> <p>a. How nudges can influence the decisions of economic agents (Nudge Theory)</p>	

Theme 2: Firms' Strategies and Market Failure	
Theme 2 examines strategies and decisions made by firms to achieve their objectives. These strategies include game theory strategies and other strategies to develop competitive advantage, counter risk, uncertainty and asymmetric information. With reference to quasi-public goods and asymmetric information, candidates will be able to examine market failure and evaluate strategies and policies.	
Theme 2.1 Firms' Strategies	
Economics Content	
<p>2.1.1 How firms make decisions and develop strategies to achieve their objectives</p> <p>a. Strategies to develop competitive advantage in consideration of the nature and competitive intensity of the market through analysis of competitive rivalry within an industry, bargaining power of suppliers, bargaining power of customers, threat of new entrants and threat of substitute products</p> <p>b. Strategies with respect to other firms' decisions (including strategies arising from game theory and the economics of cooperation: prisoner's dilemma, Nash equilibrium)</p>	<p>Additional information</p> <p>Only analysis of equilibrium in pure strategies for Game Theory is required. Detailed technical analyses of Game Theory are not required.</p>
Theme 2.2 Market Failure	
Economic Content	
<p>2.2.1 Quasi-public goods</p> <p>a. Issue of common resources (the tragedy of the commons) and significance of clearly-defined property rights – Coase Theorem and tradeable permits</p> <p>b. Club goods</p>	
<p>2.2.2 Uncertainty and asymmetric information</p> <p>a. Uncertainty and attitudes to risk (risk-averse, risk neutral and risk-inclined)</p> <p>b. Asymmetric information in relation to problems of adverse selection, moral hazard and principal-agent problem in product, insurance and labour markets</p> <p>c. Effects of uncertainty and asymmetric information on the decisions made by economic agents</p> <p>d. Strategies and policy measures to address problems of risk and uncertainty, and asymmetric information including insurance, monitoring, co-payment, signalling, screening and efficiency wages</p>	<p>Additional information</p> <p>Detailed technical analyses of risk, uncertainty, and asymmetric information are not required.</p>

Theme 3: Issues and Strategies for Sustainable Development

Theme 3 examines how global economies can promote sustainable development through strategies and policies. Candidates will have knowledge of fundamental growth theories and the role of institutions. Candidates will be able to evaluate various sustainable development strategies and policies in real-world economies. In addition, candidates will examine various issues in sustainable development such as inclusive economic growth and environmental protection.

Theme 3.1 Issues and Strategies for Inclusive Economic Growth

Economics Content

<p>3.1.1 Sustainable development includes</p> <p>a. Inclusive economic growth</p>	<p>Additional information</p> <p>A broad understanding of the role of economic institutions in promoting sustainable development is useful.</p> <p>An awareness of the Capital Approach (financial, produced, natural, human and social capital) as a framework in measuring sustainable development will suffice.</p>
<p>3.1.2 Issues in inclusive economic growth</p> <p>a. Slow or inequitable growth</p>	<p>Additional information</p> <p>A broad understanding of the neo-classical growth model (Solow-Swan) and the endogenous growth model (Romer), including the usefulness and limitations in explaining recent economic growth trends, is sufficient.</p> <p>Mathematical analysis of the economic growth models is not required.</p>
<p>3.1.3 Strategies and policies for inclusive economic growth</p> <p>a. Role of Multinational Enterprises (MNEs), and integration (vertical, horizontal and conglomerate) in inclusive economic growth</p> <p>b. Strategies to gain dynamic comparative advantage in terms of rapid growth in productivity and value added per unit of labour</p>	

Theme 3.2 Issues and Strategies for Environmental Protection	
Economics Content	
<p>3.2.1 Sustainable development includes</p> <p>a. Environmental Protection</p>	
<p>3.2.2 Issues in environmental protection</p> <p>a. Exploitation of emerging economies, resource curse, renewable vs non-renewable resources, and climate change</p>	
<p>3.2.3 Strategies and policies for environmental protection</p> <p>a. Role of Multinational Enterprises (MNEs), and integration (vertical, horizontal and conglomerate) in environmental protection</p> <p>b. Environmental protection through sustainable consumption and production patterns and through the circular economy approach to reduce waste</p>	