

Summary

2.12 The market's inability to achieve equity (HL)

Subject	Year	Start date	Duration
Economics	IB1	Week 4, May	2 weeks 7 hours

Course Part

2. Microeconomics

Description

2.12 The market's inability to achieve equity, you should be able to:

- Be familiar with the following terms: equity, capitalism, income inequality, income, wealth, Kuznets curve, wages, rent, profit, interest, income distribution, industrialisation, service sector, factors of production, land, labour, capital, entrepreneurship, factor payments, financial investment, feudalism, monarch, lords.
- Explain the concept of equity.
- Explain why the workings of the free market economy may result in an unequal distribution of income and wealth.
- Construct a circular flow of income model to illustrate why the free market results in inequalities.

Inquiry & Purpose

? Inquiry / Higher Order Questions

Type

Inquiry Questions

Skills-based

Examples of government intervention in response to abuse of market power.

Curriculum

◇ Objectives

Application and analysis (AO2)

Analyse how economic information is used effectively in particular contexts

HL only: demonstrate application and analysis of the extension topics

Use and application of appropriate skills (AO4)

Use quantitative techniques to identify, explain and analyse economic relationships

📖 Syllabus Content

Unit 2: Microeconomics

Real-world issue 2 - When are markets unable to satisfy important economic objectives—and does government intervention help?

IB DP 12 EC 1 Group 3 (IB1)

2.12 The market's inability to achieve equity (HL only)

Workings of free market economy may result in an unequal distribution of income and wealth

Diagram: showing the circular flow model to illustrate why the free market results in inequalities

Concepts

Equality

ATL Skills

Approaches to Learning

Thinking

- In this unit, we will

set students a task which required higher-order thinking skills (such as analysis or evaluation)

Developing IB Learners

Learner Profile



Knowledgeable