Strand 1 Chapter 3 Business and the economy (1.5 weeks)

Learning Outcomes

3.1 Explain how economic indicators can impact on business development and growth.

3.2 Outline the value of the business economy in Ireland.

Chapter Overview and Introduction

From the Specification (Pg of NCCA Doc):

*No reference to the chapter learning outcomes in the specification strand introduction**

Chapter starts on page 43

Hook for the chapter – content in chapter PowerPoint to go with each

Starter sheet is here
Video is here

- Use the Central Bank of Ireland Quarterly Bulletin video as the starter activity.
- Clip highlights: inflation below 2%, full employment, growth forecasts, and risks from US trade.
- Play 2–3 minutes at the start to set the scene.

Primer Questions

Primer Questions (core set)

1. Are interest rates currently higher or lower than the average for the last five years?

Data: As of June 2025, ECB rates are:

- Deposit Facility: **2.00%**
- Main Refinancing: **2.15%**
- Marginal Lending: **2.40%**

These are noticeably **lower than early-2024 peaks** (e.g. Deposit Facility was 3.00% in December 2024), though still elevated compared to the pre-2022 period near zero, where interest rates were very low for years.

2. Are there any industries in Ireland where businesses cannot find enough workers?

Data: Unemployment was **4.3% in 2024**, close to historic lows, suggesting tight labour markets. However, demand is moderating slightly in early 2025, and job vacancies remain elevated in certain sectors despite that.

3. Where does Ireland rank in terms of the value of our economy compared to other EU countries?

- **Ireland (2024/2025):** Around **€79,000 GDP per person** – **2nd highest in the EU**.
- **EU Average:** About **€37,600 GDP per person**.
- **Other Examples:**
- Germany: ~€49,000
- France: ~€44,000
- Italy: ~€34,000
- Spain: ~€31,000

Ireland appears extremely wealthy on a GDP per capita basis (2nd in the EU), but this is misleading because multinational profits distort the figures.

Useful business examples, stories, links, videos, resources…

Digital hub links (these will become hyperlinks as they get added over the summer):

PowerPoint

Class exams with solutions

Worksheet for the Introduction Hook

Flashcards

Suggested solutions to workbook

Suggested solutions to sample paper questions

Key information for the chapter:

Strand 1 Chapter 3	Business and the economy	1.5 weeks							
Learning Intention	Learning Outcome	Page	Time - mins	HL Qs	OL Qs	HL P1 Qs	HL P2 Qs	OL P1 Qs	OL P2 Qs
The relevance of specific economic indicators including inflation, employment rates, interest rates, economic growth and development, exchange rates, and consumer confidence for business development and growth.	3.1 Explain how economic indicators can impact on business development and growth.	44-51	140	Q1 - Q5	Q1 - Q5	HL1 Q2 (d)	HL1 Q2 (d)	OL1 Q5 (d)	OL2 Q2 (c)
The value of the business economy in Ireland including turnover and employment patterns.	3.2 Outline the value of the business economy in Ireland.	52	30	Q6					
		Total Time:	170	Hours:	2.8				

S1 Ch 3 Business and the economy (L.O. 3.1)

Textbook Pages: 44-51
Activity Book: HL Q1-Q5 | OL Q1-Q5
Time Allocation: 2 hours and 20 minutes

Learning Outcome	3.1 Explain how economic indicators can impact on business development and growth.
Students Learn About	the relevance of specific economic indicators including inflation, employment rates, interest rates, economic growth and development, exchange rates, and consumer confidence for business development and growth.
Sample Paper Q	**HL1 Q2 (d)** Explain the impact of three economic indicators on business growth. **HL2 Q5 (c)** (i) Explain the economic indicator most relevant to the infographic above. (Inflation) **OL1 Q5 (d)** Outline one impact inflation may have on Alice's business. **OL2 Q2 (c)** Choose one of these and explain how it may impact on business development and growth in Ireland: Inflation; Employment/ Unemployment Rates; Interest Rates
Create other potential Qs	

Specification Language Decoded

Explain: Provide a clear, detailed account with reasons or causes.

R&R activity

Pg 45	Student led data research based on recent figures
Pg 46	Student led data research based on recent figures
Pg 50	**Trend 1 (2017–2018: Stability at high levels)** 1. **Describe the Trend (Data Analysis):** Around 2017 consumer confidence was steady at about **105–107**, staying relatively flat into early 2018. 2. **Context / Events:** o The Irish economy was in strong recovery after the financial crisis. o Employment was rising and GDP growth was among the highest in the EU. o Inflation was low and stable. → These factors supported consistently high consumer confidence. 3. **Connection to Another Indicator:** Compare with **employment rates**: Ireland's unemployment fell from ~7% in 2017 to ~5.7% in 2018, boosting optimism about job security and income. **Trend 2 (2020–2021: Sharp fall and partial rebound)** 1. **Describe the Trend (Data Analysis):** Confidence collapsed from about **105 in late 2019** to **around 45 by mid-2020**, a fall of more than 55%. It partially recovered to around **65–70 in 2021**. 2. **Context / Events:** o The COVID-19 pandemic caused lockdowns, uncertainty, and reduced spending. o Many businesses closed temporarily, unemployment spiked, and household caution rose.

	○ Government supports (e.g. PUP payments) helped confidence recover somewhat in 2021. 3. **Connection to Another Indicator:** Compare with **GDP**: Ireland's GDP still grew in 2020 due to multinational exports, but **domestic demand fell by over 5%**, mirroring the collapse in consumer confidence. **Trend 3 (2022–2023: Decline after rebound)** 1. **Describe the Trend (Data Analysis):** Confidence recovered to about **80 in early 2022**, then fell back to **around 60 by 2023**. 2. **Context / Events:** ○ Inflation surged in 2022 due to global energy price shocks after the Ukraine war. ○ ECB interest rate hikes raised borrowing costs for households. ○ Cost-of-living pressures hit consumer sentiment. 3. **Connection to Another Indicator:** Compare with **inflation**: Irish inflation peaked at over **9% in 2022**, directly linked to the fall in consumer confidence as households faced higher bills.

Know	Understand	Be able to do
• The definitions/explanations of the six main economic indicators: inflation, employment/unemployment rates, interest rates, economic growth & development, exchange rates, consumer confidence. • Impact of high or low levels of each indicator on business expansion. • Where data for each indicator can be sourced (CSO, Central Bank, ILCU, Eurostat).	• How changes in each indicator (high vs low) affect business costs, sales, and competitiveness. • That some indicators can have both positive and negative effects (e.g. high employment = more demand but also higher wage costs). • The interconnectedness between indicators (e.g. inflation → interest rates → consumer spending).	• Explain the impact of each indicator on business development and growth, using examples, or referring to increasing or decreasing trends.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Use simplified, real-world examples (e.g. café facing milk price increases under inflation). E.g. **Support Strategy – Coffee Shop Context** **Inflation** • *If inflation is high, the coffee shop's milk and coffee beans cost more, which reduces profits and makes expansion harder.* • *If inflation is low, costs are stable, so the shop can plan confidently and consider opening another outlet.* **Employment/Unemployment Rates**	• Debate/discussion: "Which indicator is the most important for business planning in Ireland today?" • Case study application: analyse recent Irish news (e.g. ECB rate cuts or CSO labour market data) and link to business expansion decisions.

• *If employment is high, more people have money to buy coffee, boosting sales, but the shop may struggle to hire baristas.* • *If unemployment is high, fewer customers buy coffee, but it's easier to find staff at lower wage rates.* **Interest Rates** • *If interest rates are high, the shop will face higher repayments on loans, so it may delay buying new equipment or opening a second branch.* • *If interest rates are low, borrowing is cheaper, so the shop can expand more easily.* **Economic Growth** • *If the economy is growing, incomes rise and more people spend on treats like coffee, helping the shop grow.* • *If the economy is shrinking, customers cut back on non-essentials, making it harder for the shop to expand.* **Exchange Rates** • *If the euro is strong, imported coffee beans are cheaper, reducing costs for the shop but making Irish exports (if any) less competitive.* • *If the euro is weak, imported coffee beans are more expensive, squeezing margins and limiting growth.* **Consumer Confidence** • *If consumer confidence is high, customers are more willing to spend on extras like pastries with their coffee, boosting sales and growth opportunities.* • *If confidence is low, customers cut back to save money, limiting the shop's chances of expanding.*	

Note

S1 Ch 3 Business and the economy (L.O. 3.2)

Textbook Pages: 52

Activity Book: HL Q6

Time Allocation: 30 minutes

Learning Outcome	3.2 Outline the value of the business economy in Ireland.
Students Learn About	The value of the business economy in Ireland including turnover and employment patterns.
Sample Paper Q	None
Create other potential Qs	

Specification Language Decoded

Outline: Give the main points; restrict to essential points of information

Know	Understand	Be able to do
• Definitions of turnover, employment patterns, Gross Value Added. • Headline figures for Irish business economy (turnover €1.29 trillion in 2022; 2.3 million employed).	• Why measuring turnover and employment helps assess economic health.	• Outline the value of the business economy in turnover and employment patterns.

Opportunities to differentiate for this Learning Outcome

Support Strategies	Extension Opportunities
Use charts/graphs/visuals to show breakdown of turnover and employment patterns.	Analyse how reliance on multinationals skews Irish GDP figures; introduce GNI* as a critical measure.

Note

Links to cross-cutting themes:

Entrepreneurial Thinking:	New businesses must track indicators like inflation or consumer confidence to decide *when* and *how* to expand (links forward to **Chapter 8: Business Planning**). High interest rates or low confidence may force entrepreneurs to innovate with new products or pricing strategies.
Ethics and Sustainability:	High inflation or labour shortages can tempt firms to cut corners on sustainability or ethical sourcing (links to **Chapter 17: Consumer Rights** and **Chapter 19: Being an Informed Employee**).
Digital Transformation:	-
Business and Financial Literacy:	Understanding interest rates prepares both entrepreneurs and consumers for borrowing and investment decisions. Understanding the importance of forecasts about the economy and their use in planning for a household or business.

Assessments

Formative	Summative	AAC (Investigative Study)
Think–Pair–Share: After the CPI slide, ask "How might rising inflation affect a local business?" *Starter Worksheet (True/False)*: Quick misconceptions check on all six indicators. *Exit Ticket*: "Name one indicator that is currently high/low and explain its impact on Irish business growth."	Class Exam Data analysis Q: Interpret a graph showing trends in unemployment or inflation and explain business impacts.	Students can practise **data analysis** by researching trends in inflation, interest rates, or consumer confidence and presenting a short write-up.

What examples/resources have we used before that we can adapt for this chapter?

E.g. Think-Pair-Share, Roleplays, Debates, Inquiry tasks, Digital tools

Think-Pair-Share	
Roleplays / Simulations	
Inquiry Tasks	
Debates	

Teacher and Department Review

1. Teaching and Learning Effectiveness	2. Differentiation and Inclusion
Were students able to clearly explain the six economic indicators and their impact on business growth? Did the combination of video hook, PowerPoint slides, and worksheet activities help students connect real Irish data to textbook theory?	Did the support strategies (sentence starters, coffee shop examples, use of visuals/charts) help weaker students access the material? Did group tasks (debates, roleplays) allow all students to contribute meaningfully regardless of ability or confidence level?
3. Resource Use and Gaps	**4. Connections and Continuity**
Which resources worked best (Central Bank video, R&R tasks, starter worksheet, class exam)? Were digital tools (Kahoot, CSO graphs, Padlet) used effectively? Is there a need for additional short video clips on indicators such as interest rates or consumer confidence with an Irish SME focus?	Were links made to cross-cutting themes (ethics, sustainability, entrepreneurial thinking, digital transformation, financial literacy)? Did students connect this chapter to earlier topics (stakeholders, enterprise) and forward chapters (business planning, marketing, finance)? Are there opportunities to revisit these indicators later (e.g. when studying finance, global business, or the Investigative Study) to reinforce continuity?

How this chapter can link to the key competencies at Senior Cycle

Thinking and solving problems	Students analyse data trends from the CSO and Central Bank in the PowerPoint and R&R tasks, explaining how indicators like inflation or interest rates affect business growth. The class exam and worksheet questions further develop problem-solving by asking them to apply theory to real examples.
Being creative	The plan includes activities where students design responses for a café or SME under high inflation or weak consumer confidence. Creating short presentations or infographics on the CPI basket in the PowerPoint also encourages creative expression.
Communicating	Debates in groups on the TRUE / FALSE starter activity sheet on motions such as *"Economic growth always benefits Irish businesses"*. Students also explain indicator impacts clearly in exam-style answers guided by the PowerPoint slides.
Working with others	Group inquiry tasks linked to R&R activities ensure students co-construct knowledge rather than working alone.
Participating in society	Discussion prompts in the plan invite students to consider ethical trade-offs businesses face during high inflation, linking decisions to wider society.
Cultivating wellbeing	Activities highlight how consumer confidence, employment, and inflation affect household security and stress. PowerPoint case examples encourage reflection on how stable economic conditions benefit both businesses and communities.
Managing learning and self	The plan encourages independent inquiry with real Irish data, helping students manage their own research process and prepare for the Investigative Study.