

A-level Economics

Everything is changing in the economy. What is relevant today may not be relevant next week.

Task 1 Read – Talking to my daughter by Yanis Varoufakis

Task 2 Write a book review

Task 3 Watch

<http://www.bbc.co.uk/news/av/uk-politics-34250135/how-china-fooled-the-world-with-robert-peston>

Consider the question?

What are the consequences of china economic behaviour?

Induction Pack

Contents

Introduction	2
Exams and assessments	3
Quantitative skills	4
Learning	5
Revision check list	6
Beyond the classroom	9

Introduction to the course

The Economics A-level is a two-year linear course that covers the following topics:

Theme 1: Introduction to markets and market failure

This theme focuses on microeconomic concepts. Students will develop an understanding of:

- nature of economics
- how markets work
- market failure
- government intervention.

Theme 2: The UK economy – performance and policies

This theme focuses on macroeconomic concepts. Students will develop an understanding of:

- measures of economic performance
- aggregate demand
- aggregate supply
- national income
- economic growth
- macroeconomic objectives and policy.

Theme 3: Business behaviour and the labour market

This theme develops the microeconomic concepts introduced in Theme 1 and focuses on business economics.

Students will develop an understanding of:

- business growth
- business objectives
- revenues, costs and profits
- market structures
- labour market
- government intervention.

Theme 4: A global perspective

This theme develops the macroeconomic concepts introduced in Theme 2 and applies these concepts in a global context. Students will develop an understanding of:

- international economics
- poverty and inequality
- emerging and developing economies
- the financial sector
- role of the state in the macroeconomy.

You will get a good understanding both Micro and Macro Economics.

You are encouraged to relate the topics you are learning in class to the ‘real world’ as much as possible, and it is important that you are reading the news on a weekly basis to build your awareness of current affairs.

Organising your folders

You must keep your folders in order: regular checks will be carried out.

Every piece of work should be labelled with the date and the syllabus number (as instructed by your teacher), and then carefully filed in the appropriate file divider.

This is particularly important as the teaching programme follows a logical order, rather than syllabus order: if your notes are incorrectly filed you will find it very difficult to revise effectively.

Exams and assessment styles

External exams - three exams, all taken at the end of Year 13. Each exam paper is worth 33.3% of the overall marks, and **each paper may cover any topics** from the syllabus. You will not be able to 'cram' for these exams, so developing a good body of knowledge is essential for success.

Paper 1 (2 hours; 100 marks)

- Theme 1 and 3
- Short-answer questions (worth between 4 and 9 marks each)
- 2 essays (worth 25 marks each; each one from a choice of two titles)

Paper 2 (2 hours; 100 marks)

- Theme 2 and 4

Paper 3 (2 hours; 100 marks)

- Synoptic
- All 4 themes

Assessment Point tests are held throughout the year, taken during lessons, to monitor progress.

Remember: any topic can be assessed using any style of question! We will reflect this in Data Collection Points (DCPs) and the Year 12 PPE exam, so expect different sorts of questions each time.

We will cover these skills in lessons, but you must be pro-active about asking for help if you are struggling.

- Preparation for the course:
- An A4 folder
- Lined paper
- Dividers

- Hole punch (we won't provide this)!!
- Calculator
- Pens (plural) black and green
- **Most importantly**
- Pencils
- Ruler

The importance of learning

On-going learning is essential for success.

Every week, you are expected to make revision notes/cards of the work covered that week, and then learn them – **this is part of your weekly Economics prep work.**

All progress tests (every half-term throughout the course) will be cumulative: they will assess all of the work covered in the course with both teachers to date. Use this as an opportunity to build learning into your academic routine.

1.1 Nature of Economics				
1.1.1 Economics as a social science				
I can use the <i>ceteris paribus</i> assumption in building models				
I understand the inability in economics to make scientific experiments				
I can describe the distinction between positive and normative economic statements				
I can explain the role of value judgements in influencing economic decision making and policy				
I can explain the problem of scarcity – where there are unlimited wants and finite resources				
I can assess the distinction between renewable and non-renewable resources				

I can evaluate the importance of opportunity costs to economic agents (consumers, producers and government)				
I can explain the use of production possibility frontiers to depict: <ul style="list-style-type: none"> o the maximum productive potential of an economy o opportunity cost (through marginal analysis) o economic growth or decline o efficient or inefficient allocation of resources o possible and unobtainable production 				
I can assess the distinction between movements along and shifts in production possibility curves, considering the possible causes for such changes				
I can explain specialisation and the division of labour: reference to Adam Smith				
I can assess the advantages and disadvantages of specialisation and the division of labour in organising production				
I can explain the functions of money (as a medium of exchange, a measure of value, a store of value, a method of deferred payment)				
I can explain the distinction between free market, mixed and command economies: reference to Adam Smith, Friedrich Hayek and Karl Marx				
I can assess the advantages and disadvantages of a free market economy and a command economy				
I can evaluate the role of the state in a mixed economy				
1.1.2 How markets works				
I can explain the underlying assumptions of rational economic decision making: <ul style="list-style-type: none"> o consumers aim to maximise utility o firms aim to maximise profits 				
I can explain the distinction between movements along a demand curve and shifts of a demand curve				
I can give examples of the factors that may cause a shift in the demand curve (the conditions of demand)				

I understand the concept of diminishing marginal utility and how this influences the shape of the demand curve				
I have an understanding of price, income and cross elasticities of demand				
I can interpret numerical values of: <ul style="list-style-type: none"> o price elasticity of demand: unitary elastic, perfectly and relatively elastic, and perfectly and relatively inelastic o income elasticity of demand: inferior, normal and luxury goods; relatively elastic and relatively inelastic o cross elasticity of demand: substitutes, complementary and unrelated goods 				
I can give examples of the factors influencing elasticities of demand				
I can explain the significance of elasticities of demand to firms and government in terms of: <ul style="list-style-type: none"> o the imposition of indirect taxes and subsidies o changes in real income o changes in the prices of substitute and complementary goods 				
I can explain the relationship between price elasticity of demand and total revenue (including calculation)				
I can explain the distinction between movements along a supply curve and shifts of a supply curve				
I can give examples of the factors that may cause a shift in the supply curve (the conditions of supply)				
I can explain price elasticity of supply				
I can use formula to calculate price elasticity of supply				
I can interpret numerical values of price elasticity of supply: <ul style="list-style-type: none"> o perfectly and relatively elastic, and perfectly and relatively inelastic 				
I can give factors that influence price elasticity of supply				

I can assess distinction between short run and long run in economics and its significance for elasticity of supply				
I can give functions of the price mechanism to allocate resources: <ul style="list-style-type: none"> o rationing o incentive o signalling 				
I understand the price mechanism in the context of different types of markets, including local, national and global markets				
I can explain the distinction between consumer and producer surplus				
I can use supply and demand diagrams to illustrate consumer and producer surplus				
I understand how changes in supply and demand might affect consumer and producer surplus				
I can complete supply and demand analysis, elasticities, and: <ul style="list-style-type: none"> o the impact of indirect taxes on consumers, producers and government o the incidence of indirect taxes on consumers and producers o the impact of subsidies on consumers, producers and government o the area that represents the producer subsidy and consumer subsidy 				
I can explain the reasons why consumers may not behave rationally: <ul style="list-style-type: none"> o consideration of the influence of other people's behaviour o the importance of habitual behaviour o consumer weakness at computation 				
1.1.3 Market Failure				
I can explain the concept of market failure				

I can give examples of the types of market failure o externalities o under-provision of public goods o information gaps				
I can explain the distinction between private costs, external costs and social costs				
I can explain the distinction between private benefits, external benefits and social benefits				
I can use a diagram to illustrate: o the external costs of production using marginal analysis o the distinction between market equilibrium and social optimum position o identification of welfare loss area				
I can use a diagram to illustrate: o the external benefits of consumption using marginal analysis o the distinction between market equilibrium and social optimum position o identification of welfare gain area				
I can explain the impact on economic agents of externalities and government intervention in various markets				
I understand the distinction between public and private goods using the concepts of non-rivalry and non-excludability				
I can explain why public goods may not be provided by the private sector: the free rider problem				
I can explain the distinction between symmetric and asymmetric information				
I understand how imperfect market information may lead to a misallocation of resources				
1.1.4 Government intervention				
I can explain the purpose of intervention with reference to market failure				

<p>and using diagrams in various contexts:</p> <ul style="list-style-type: none"> o indirect taxation (<i>ad valorem</i> and specific) o subsidies o maximum and minimum prices <p>I can give examples of other methods of government intervention:</p> <ul style="list-style-type: none"> o trade pollution permits o state provision of public goods o provision of information o regulation 				
<p>a) Understanding of government failure as intervention that results in a net welfare loss</p>				
<p>I can give examples of causes of government failure:</p> <ul style="list-style-type: none"> o distortion of price signals o unintended consequences o excessive administrative costs o information gaps 				
<p>I can give examples of government failure in various markets</p>				

Wider reading and Twitter

www.bbc.co.uk/news/
www.tutor2u.net
www.theguardian.com/

www.telegraph.co.uk/
[@tutor2u](https://twitter.com/tutor2u)