



Exploring **Economics**

An Introduction to A Level

Economics is the branch of knowledge concerned with the production, consumption, and transfer of wealth.

Economics ultimately underpins everything we humans do and studies the way in which people, the markets and governments interact. It looks at the implementation of decisions which affect the stability of global economies.

As an economist you will be analytical, an avid researcher and critical thinker!

Economics can be subdivided into two different categories – Macroeconomics, and Microeconomics:

Macroeconomics

Looks at Economics from a broad point of view, analysing the economic output of entire countries, their position in the international marketplace and how they allocate their limited resources to maximise production and encourage growth for future generations.

Microeconomics

Focuses on the actions of individuals and industries within the economy; the interaction between buyer and seller, how people and companies respond to price changes and how this impacts demand, in essence analysing the parts which make up the economy.

It is essential that you familiarise yourself with economic terminology as you will be required to use this language during class debates, conversations and written examinations.

Quality of written communication, structure, use of connectives and planning are essential to demonstrate understanding, knowledge, analysis and evaluation.

Please use the PEEL structure when answering questions.

P.E.E.L LANGUAGE

POINT	EVIDENCE	EXPLANATION	LINK
It has been suggested that...	The evidence clearly shows...	The source clearly indicates...	With this in mind, it is evident that...
It is believed that...	This is supported by...	This shows us that...	Therefore, it is evident that...
Some people argue that...	This is demonstrated by...	It is clear from this that...	All this evidence demonstrates...
Many people believe that...	The source tells us that...	The evidence explains that...	
One argument is that...		This supports the argument by...	
One school of thought is that...		It appears that...	
		This demonstrates that...	

Deadline for all tasks will be the first lesson in September

Task 1 - Complete all the definitions in preparation for your first term.

Key Term	Definition
Allocative Efficiency	
Ceteris Paribus	
Choice	
Complements	
Cross Elasticity of Demand	
Demand	
Demerit Goods	
Direct Tax	
Division of Labour	
Economic Problem	
Efficiency	
Equilibrium	
Excess Demand	
Excess Supply	
Externality	
Factor of Production	
Free Rider	
Income Elasticity of Demand	
Inferior Goods	
Information Failure	
Market	
Market Failure	
Merit Goods	
Needs	
Non-excludability	
Non-rivalry	
Normal Goods	
Opportunity Cost	
Positive Externality	
Price Elasticity of Demand	
Price Elasticity of Supply	
Private Benefits	
Private Costs	
Producer Surplus	
Public Goods	
Scarcity	
Social Costs	
Substitute	
Supply	
Want	

Task 2

Explain the difference between the terms below, providing examples for each;

- Demand and Supply
- Wants and Needs
- Inferior, normal and luxury goods
- Positive and normative statements
- PED and YED
- Substitute and Complementary goods
- Interest rates and inflation
- GDP and GDP per capita

Task 3

What is the basic economic problem?

Name the goods or services that the UK is known for **importing?**

Name the goods or services that the UK is known for **exporting?**

Is the UK currently running of budget deficit or surplus? And, for your answer, what was the amount for 2019?

Task 4

Create a Powerpoint presentation about Adam Smith - The Father of Economics. This should be no more than 5 minutes.

An example of a good presentation:

- I. Delivery plan - introduction, key points and closing*
- II. You are confident to deliver the information researched.*
- III. Bullet points are used for each point you discuss (DO NOT copy and paste information and read from the powerpoint)*
- IV. Be creative and keep your audience engaged!*

Task 5

Read and **further research** the cause of the 2008 recession.

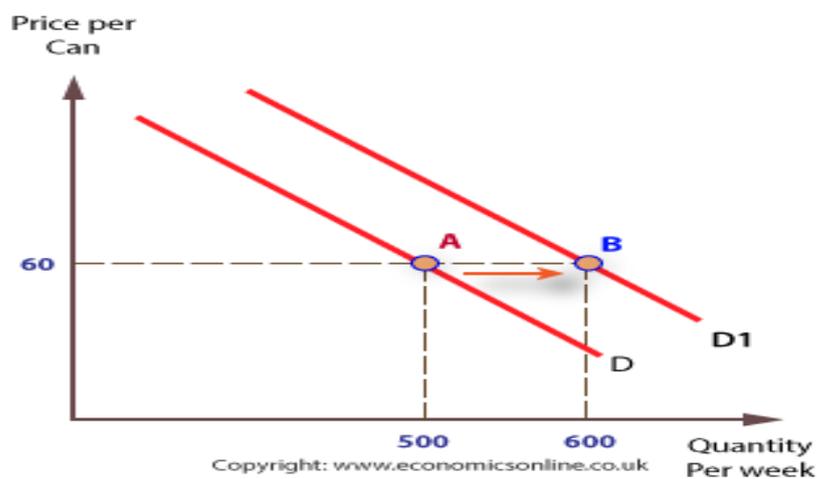
<https://www.economicshelp.org/blog/7501/economics/the-great-recession/>

Explain how the 2008 recession affected the UK economy's;

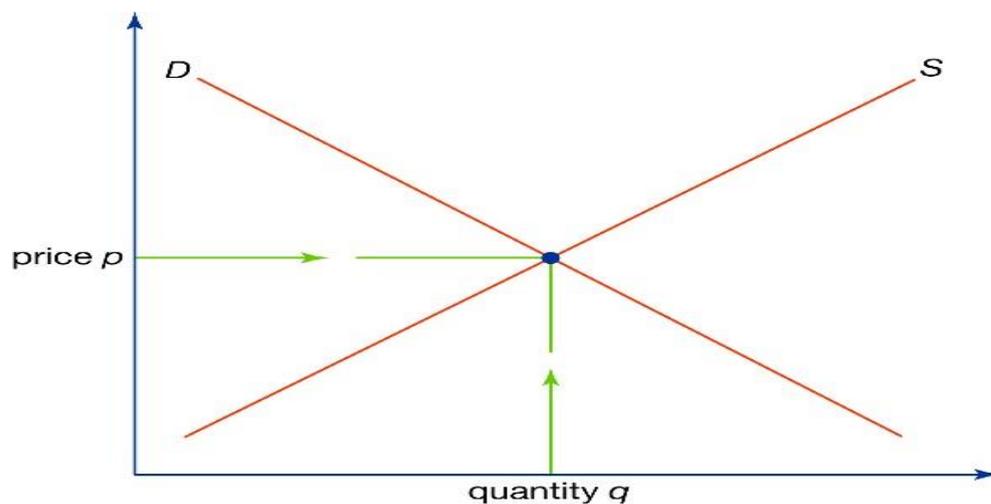
- Unemployment
- Public Services (NHS, Education etc)
- Taxes
- Interest Rates
- Inflation
- Businesses
- UK Currency

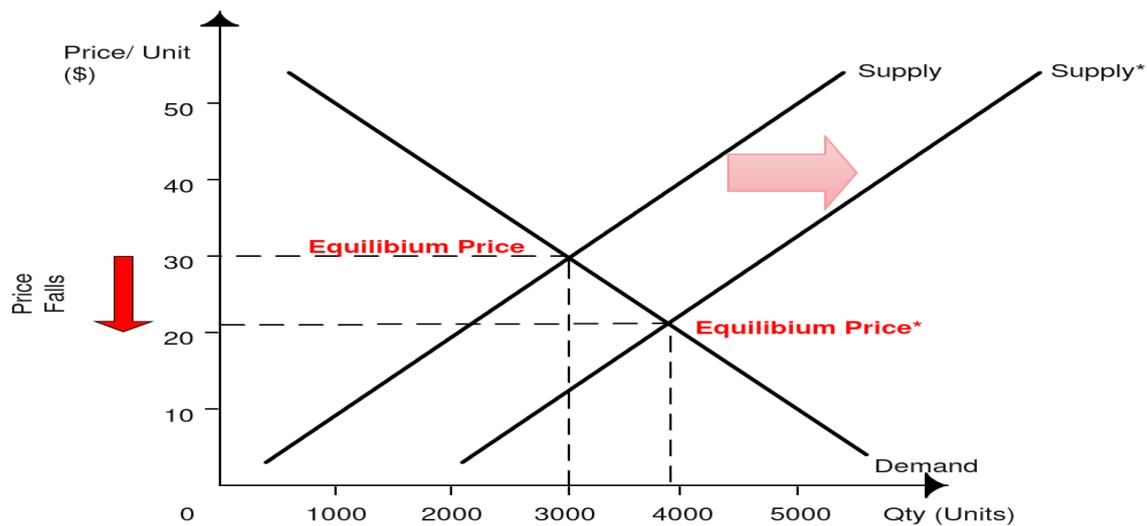
Task 6

Interpret the following diagrams.



Supply and demand





Task 7

Describe the difference between price inelastic and price elastic goods? Give two examples for each.

Task 8

Name the goods or services that these countries specialise in:

- Germany
- Australia
- China
- Columbia
- India
- Iceland,
- New Zealand
- Saudi Arabia
- South Africa

Task 9

Brexit or Remain? Justify your answer (20 marks)

<https://www.independent.co.uk/news/uk/politics/eu-referendum-brexit-remain-polls-how-should-i-vote-a7082836.html>

<https://ig.ft.com/sites/how-should-i-vote-in-the-eu-referendum/>

Task 10

“The Covid-19 Pandemic is going to send the UK economy into a depression”

Do you agree with this statement? Justify your answer (20 Marks)

To help you answer this question factually, research and then comment on the impact that the Covid 19 pandemic has had on:

- Consumer spending
- Investment
- Government Spending
- Exports
- Imports
- Interest Rates
- Employment

Remember your argument must be balanced!

Further research will be required!

<https://www.tutor2u.net/economics/reference/economic-cycle>

<https://blogs.lse.ac.uk/europpblog/2020/04/06/the-economic-consequences-of-covid-19/>

“Capitalism does not permit an even flow of economic resources. With this system, a small privileged few are rich beyond conscience, and almost all others are doomed to be poor at some level. That's the way the system works. And since we know that the system will not change the rules, we are going to have to change the system”.

Martin Luther King Jr.

Career Pathways: *Economist, Financial risk analyst, Investment Banker, Data analyst, Financial planner, Accountant, Economic researcher, Financial consultant.*