

Introduction to

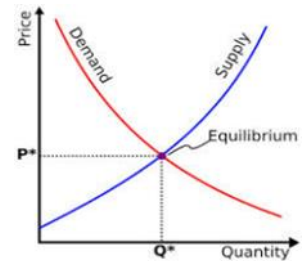
A-Level Economics

Summer 2021



Economics

A Level



What is the subject about?

The official definition is that economics is the study of “how resources are allocated”. The economy is the environment in which businesses, entrepreneurs, employees, governments and individuals operate. Economics examines choices made by all of these groups and what influences such decisions.

Questions that the course will look at are:

- What caused the global recession and what are the strategies for getting us out of it?
- Why do we have an inequality of wealth across the nation and globe?
- What determines house prices?
- How can governments influence the economy?
- What determines wage rates for different jobs?
- How do we measure a nation’s economic performance?

How is the course assessed?

The course is assessed purely by exams – 3 at the end of Year 13 for the A Level. These exams combine multiple choice theory questions, essay style questions and data response questions. The latter is where you are given a set of information (graphs, data etc.) and you have to use it to answer questions and draw conclusions.

What skills will I need and develop in this course?

You do not need prior knowledge of economics to take the course but you do need good numeracy and literacy skills (hence the entry requirement of 6 or above in GCSE Maths and English). You also need a strong work ethic and have a genuine interest in the news and current affairs. You will need learn key economic terms and concepts and be able to apply them to given situations.

What can the course lead to in terms of higher education and future careers?

Why is economics a useful subject to study?

Economics develops a range of generic skills such as research, data handling, applying theoretical concepts to real life scenarios, essay writing and problem solving. The subject itself gives students a good knowledge of current affairs and is very well respected by universities and employers as a solid academic course. The diagram below illustrates the many fields that the subject can lead to.

Careers that economics can lead to include:-



As with all A-Level courses it is important that all students pass a **probationary period** to ensure their suitability for the course. To ensure that you pass this probationary period you must:

- Gain the GCSE entry grades (5 or more Level 5's including a grade 6 or higher in Maths and English)
- Complete the 6 questions in the 'Summer Tasks' section of this booklet to an appropriate standard.
- Pass the Introductory test to be held in October.

Summer Tasks

Your task is to complete the following questions using the given sources or any other suitable ones that you find independently. Ensure that you don't copy and paste any text directly as all work must be in your own words to demonstrate understanding.

1. What is meant by the term economic indicator?
2. What is meant by the term Gross Domestic Product (GDP)?
3. Calculate the percentage change in UK GDP between 2008 and 2010.

2008 = \$2810.971 bn 2010 = \$2173.154 bn

4. Why do you think the UK figures above are expressed in US Dollars?
5. Use the following link to look at the UK figures for GDP Growth Rate.

<https://tradingeconomics.com/united-kingdom/gdp-growth>

Research and explain what happened and why GDP growth was negative for parts of 2020. Also find what happened to the following indicators:

Unemployment rate - <https://tradingeconomics.com/united-kingdom/unemployment-rate>

Inflation - <https://tradingeconomics.com/united-kingdom/consumer-price-index-cpi>

Business Confidence - <https://tradingeconomics.com/united-kingdom/business-confidence>

6. Explain what is meant by the term interest rates and say why you think interest rates have been at an all-time historic low since 2008?

Useful Sources

BBC News

<http://www.tradingeconomics.com/united-kingdom>

<http://www.bbc.co.uk/news/business-13200758>

Syllabus (AQA 7135/6)

Subject content

Individuals, firms, markets and market failure

- 1 Economic methodology and the economic problem
- 2 Individual economic decision making
- 3 Price determination in a competitive market
- 4 Production, costs and revenue
- 5 Perfect competition, imperfectly competitive markets and monopoly
- 6 The labour market
- 7 The distribution of income and wealth: poverty and inequality
- 8 The market mechanism, market failure and government intervention in markets

The national and international economy

- 9 The measurement of macroeconomic performance
- 10 How the macroeconomy works : the circular flow of income, AD/AS analysis, and related concepts
- 11 Economic performance
- 12 Financial markets and monetary policy
- 13 Fiscal policy and supply-side policies
- 14 The international economy

Assessments

Paper 1: Markets and market failure

What's assessed

Content 1–8 above

Assessed

written exam: 2 hours

80 marks

Paper 1: Markets and market failure

33.3% of A-level

Questions

Section A: data response questions requiring written answers, choice of one from two contexts worth 40 marks

Section B: essay questions requiring written answers, choice of one from three worth 40 marks



Paper 2: National and international economy

What's assessed

Content 9–14 above

Assessed

written exam 2 hours

80 marks

33.3% of A-level

Questions

Section A: data response questions requiring written answers, choice of one from two contexts worth 40 marks

Section B: essay questions requiring written answers, choice of one from three worth 40 marks



Paper 3: Economic principles and issues

What's assessed

All content 1–14 above

Paper 3: Economic principles and issues

Assessed

written exam: 2 hours

80 marks

33.3% of A-level

Questions

Section A: multiple choice questions worth 30 marks

Section B: case study questions requiring written answers, worth 50 marks