

Economics



Welcome

This transition pack will provide you with a brief outline of the course structure and a reading list of sources and videos. It is recommended that you use these sources before and throughout the course to improve your wider understanding. This pack also contains some interesting activities to get you thinking ready for the first few weeks of the course.

If you have never studied Economics before, you probably don't know too much about Economics at this stage. The 2008/09 global recession, Eurozone crisis, BREXIT, COVID-19 and the Russia Invasion of Ukraine means that there are always interesting economics articles appearing in the news for you to follow, apply, analyse and evaluate the economic impact these stories are having to individuals, households, firms and governments.

Economics is a challenging, technical and theoretical subject. To be successful, you will need to have a thorough grasp of the theory covered at A-Level. However, the more you can place economic theory into real world scenarios, the better you will be able to analyse and evaluate economic concepts/ideas thus maximise your potential to obtain top grades. You will also get more out of the course if you have a good understanding of the prevailing economic climate in the UK, across Europe and in a global context. This pack gives you some ideas of how you can keep up to date.

You have activities to complete from now on and over the summer. These tasks should hopefully get you thinking about many Economics issues that are going on in the UK right now. As you think about the questions, always think about the reasons that justify an opinion.

Basic course overview:

You will study the AQA A Level Economics course over 2 years which is assessed at the end of this time by three examinations, 2 hours per examination. The basic overview of the course content can be seen below:

A-level			
Component	Maximum raw mark	Scaling factor	Maximum scaled mark
Paper 1: Markets and market failure	80	x1	80
Paper 2: National and international economy	80	x1	80
Paper 3: Economic principles and issues	80	x1	80
Total scaled mark:			240

<http://filestore.aqa.org.uk/resources/economics/specifications/AQA-7135-7136-SP-2015.PDF>

Activity 1

- a) Create a Folder on your home computer or memory stick called 'Economics Transition work'. Save all your work (activities) in this folder for printing when in school in September 2022.
- b) Using the link on page 1, download, save and browse the specification for AQA A level Economics.

Alternatively, if the link does not work, you can find the specification on the AQA website, click subjects in the top left-hand corner, Economics, scroll down to AS and A level Economics and then download and save the specification.

Activity 2

Watch the following videos on scarcity, choice and the economic problem.

- a) Scarcity and Choice by mjmfoodie 4min.35 secs | https://www.youtube.com/watch?v=yoVc_S_gd_0
- b) Scarcity, The Basic Economic Problem by Jason Welker mins secs | https://www.youtube.com/watch?v=1cYMW5d_bn4

Using your own words, can you briefly explain the terms; **economics**, **scarcity**, **choice** and the phrase '**the economic problem**' giving clear examples.

Activity 3

- a) Watch the following video on Opportunity cost.
Scarcity, Opportunity Cost, Trade-Offs & the Production Possibilities Curve | Flipped Teacher Training <https://www.youtube.com/watch?v=IY8Lk2hB0qY>

In your own words, briefly explain examples of opportunity cost situations facing: an individual, households (families), a firm (a business) and the government.

- b) Find out about specialisation and the division of labour by watching the following two videos.
<https://www.youtube.com/watch?v=Meo0s54s1sw> | Division of Labor: Burgers and Ships
<https://www.youtube.com/watch?v=ATPxQih6Uag> Tutor2u

Using your understanding from the videos and supported by examples, write a brief paragraph explaining the benefits of specialization and the division of labour.

Activity 4

The Bank of England Research Activity

Look on the Bank of England's website (education page) to find out the following information:

<http://www.bankofengland.co.uk/education/Documents/resources/postcards/historycomp.pdf>

- When was the Bank of England founded?
- The nickname of the Bank of England.
- The main function and roles of the Bank of England.
- The present governor of the Bank of England.
- What happened to the Bank of England in 1997?
- The number of gold bars currently held in the vaults at the Bank of England.

Activity 5

Exchange Rate Research Activity

Mix and match exchange rates for the countries listed below:

Countries

China	Russia	Mexico	South Africa	India
Japan	Saudi Arabia	Thailand	Denmark	Sweden

Currencies

Baht	Krona	Riyal	Rand	Yen
Krone	Ruble	Rupee	Yuan	Peso

Watch the following clip on exchange rates:

Exchange rate - <https://www.youtube.com/watch?v=uWlm4-iF7W4>

- Briefly explain what you understand by the term 'exchange rate'.
- Find out the exchange rate for the UK £:€ (pound to euro) and the exchange rate for UK £:\$ (pound to US dollar).

Activity 6

Inflation Research Activity Watch the following clip:

Exploring inflation - <http://www.bankofengland.co.uk/education/Pages/resources/films/default.aspx>

Now find out the following (you may need to look at other websites as well):

- a. The current government target for inflation
- b. How inflation is measured in the UK
- c. What has been put into this year's basket of goods and what has been taken out?
- d. The difference between CPI and RPI
- e. Reasons for inflation

Activity 7

GDP Research Activity Watch the following clips regarding GDP:

https://www.youtube.com/watch?v=FXWBS_sx-us

<http://www.bbc.co.uk/news/10613201>-Dec Curry

Now find out the following:

- a. What GDP stands for
- b. What GDP measures
- c. What is meant by GDP per capita?
- d. The total value of GDP for the UK last year
- e. The UK's current GDP per capita

Activity 8

Interest Rate (Monetary Policy) Research Watch the following clip:

What are interest rates? - <https://www.bankofengland.co.uk/monetary-policy/the-interest-ratebank-rate>

Now find out the following:

- a. What are interest rates?
- b. What is the bank rate?
- c. What is the purpose of the bank rate?

d. How interest rates influence spending and saving

e. Why do high street banks such as Barclays charge different rates of interest on savings accounts and loans?

Activity 9

Unemployment Research Activity

Use the link below to help you:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics#unemployment>

Now find out the following:

- a. What is meant by unemployment?
- b. What is the claimant count?
- c. What is the labour force survey?

Activity 10

Taxation and Government Spending (Fiscal Policy) Research Activity

Use the links below to find out the following (you may need to use other websites too):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183408/A_guide_to_UK_taxation.pdf

<https://www.gov.uk/government/organisations/hm-revenue-customs>

- A. What is income tax?
- B. The four different income tax bands in the UK
- C. What is corporation tax?
- D. Current rate of corporation tax in the UK
- E. What is national insurance?

Reading List & Recommendations

Recommended reading and watching for the summer:

Websites:

Great for A level Economics theory:

- Tutor2u - <http://www.tutor2u.net/economics>
- Economics Help – <http://www.economicshelp.org>
- EconplusDal – <http://www.econplusdal.com>
- Economics Online - <http://www.economicsonline.co.uk/>
- Investopedia – <http://www.investopedia.com>
- YouTube – there are a wide range of YouTube revision videos available on all A Level Economics topics, popular channels include EconplusDal and Khan Academy

Great for economics in the news:

- BBC News (economy section) - <http://www.bbc.co.uk/news/business/economy>
- The Guardian (economics section) – <https://www.theguardian.com/business/economics>
- The Telegraph (economy section) – <http://www.telegraph.co.uk/business/economy/>
- The Independent (money section) – <http://www.independent.co.uk/money>
- This is money – <http://www.thisismoney.co.uk>

Great for economics data:

- Office for National Statistics - <https://www.ons.gov.uk/>
- Trading Economics – <http://www.tradingeconomics.com>

Books: Class Textbook

AQA A-level Economics 4th edition (Powell and Powell) ISBN 978-1510451957

Magazines:

- Economic Review
- The Economist

Films:

- The Big Short (2015) – biographical drama-comedy film
- Margin Call (2011) – drama film
- Rogue Trader (1999) – biographical drama film
- Boiler Room (2000) – crime, drama film
- Wall Street (1987) – drama film
- Enron: The Smartest Guys in the Room (2005) - documentary
- Inside Job (2010) – documentary Online