

Transition work for Economics

The Economics course is split into two distinct areas, Micro Economics and Macro Economics. In Year 12 you will be taught by Mrs Hughes for Micro and Mr Draper for Macro – each area will be tested separately also. You will sit a Micro paper and Macro paper. To prepare yourself for studying Economics at A Level, I would ask you to first of all to take a look at the YouTube clip below:

<https://www.youtube.com/watch?v=rt4Eg7K7kIY>

Micro Economics

The first unit we will look at in Year 12 is 'Economic Methodology and The Economic Problem' some areas you may want to focus your research on and start reading up on is, maybe write a paragraph on each are to give yourself a quick summary of these ideas:

Why is Economics referred to as a social science?

Differentiate between positive and normative statements in the box below, together with an example of each.

Explain the nature and purpose of economic activity

Can you describe the key economic decisions?

Explain what is meant by the economic problem

Describe and give examples of the four 'Factors of production'

Describe what is meant by 'Scarcity' & 'Choice' in an economics sense

Explain using a diagram a Production Possibility Diagram in the area below

We will obviously go through these in a lot more detail once we start the course but as a head start it is always good to be prepared for what is to come and Economics has a LOT of content so the more you know now the better for you in the long run.

Also two very important concepts that govern the very foundations of Micro Economics is:

- The Law of Demand
- The Law of Supply

The website tutor2u is a resource that we use a lot in Economics and they have put together some online lessons for both Micro and Macro work, complete with video tutorials to help bridge the gap between Year 11 and 12. Also some really interesting and very topical lessons on the Corona Virus pandemic and how our economy may be affected, excellent stuff! Take a look.

Please click on the link below to access:

<https://www.tutor2u.net/economics/collections/head-start-for-alevel-economics-transition-resource-year-11-students>

Macro Economics

Research the following questions to give yourself some insight into Macroeconomics:

What is the difference between Macroeconomics and Microeconomics?

What are the 4 main macroeconomic indicators?

- 1.
- 2.
- 3.
- 4.

Economic Growth:

Using the following link <https://www.tutor2u.net/economics/reference/economic-growth-an-introduction>, can you explain what economic growth is and how it is measured?

What was the rate of economic growth in 2019 in the UK?

What impact do you think Covid-19 will have on the economic growth of the UK? Research the economic cycle here, do you think we're likely to be in boom, slowdown, recession or recovery?

Inflation:

Using the following link <https://www.tutor2u.net/economics/reference/inflation-measuring-inflation> can you explain the concept of inflation? What impact does it have on economy?

What was the last reported rate of inflation in March 2020?

What impact do you think Covid-19 will have on inflation? Do you think prices of goods will go up or down? Will some be impacted more than others?

Unemployment:

Using the following link <https://www.tutor2u.net/economics/reference/unemployment-measuring-unemployment> can you explain what unemployment is and how it is measured in the UK?

What was the last reported rate of unemployment between January to March 2020?

What impact do you think Covid-19 will have on unemployment levels? Are there some industries that might benefit from the current crisis? Can you give some examples? Which jobs are likely to be the most secure? Which will be most at danger of losing their jobs?

Balance of Payments:

Using the following link <https://www.tutor2u.net/economics/reference/balance-of-payments-1> can you explain what the balance of payments is? Does the UK have larger values of imports or exports?

What is the current UK to \$ exchange rate?

How do you think the exchange rate is likely to change due to Covid-19? Is it more beneficial to UK businesses to have a strong pound or weak pound if they mainly export to the US? Can you explain your answer?

Covid-19 & Government Policy Response

During your macroeconomic studies you will learn about numerous policies that the government can use to help stabilise the economy. The government has already put some packages in place to try and minimise the economic shock that Covid-19 will have on the UK, can you think about what they have done?

Clues: What has the Bank of England set the current interest rate to? Why might low interest rates help at a time like this? What other packages have the government put in place to help businesses affected by Covid-19? (Research at least 2 policies) Have other countries done something similar? (Helpful link: <https://tinyurl.com/y8heqxdz>)

