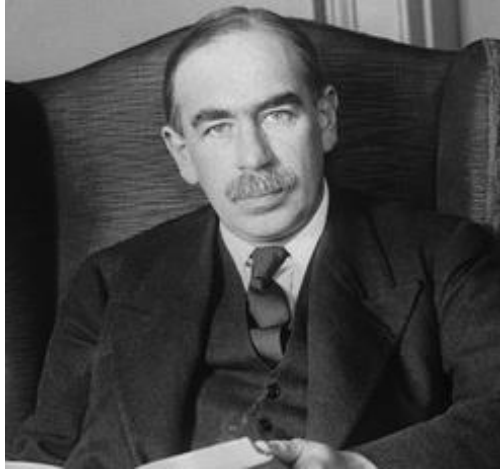




# Welcome to Economics

Mrs Auld & Mr Lamb



# AQA A Level Economics

**Welcome to Economics!**



We are really excited to welcome you into our new cohort of economists.

The aim of the tasks introduced in this document is to get you familiarised with the subject & set-up ready for the course start in September.

The tasks should take approximately five hours to complete in total & should be handed in to Mrs Auld on the Enrolment Day in September.

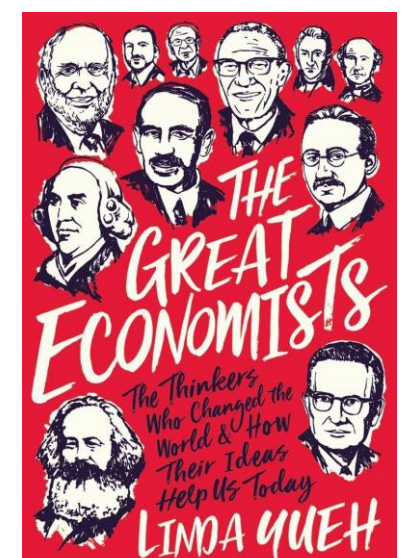
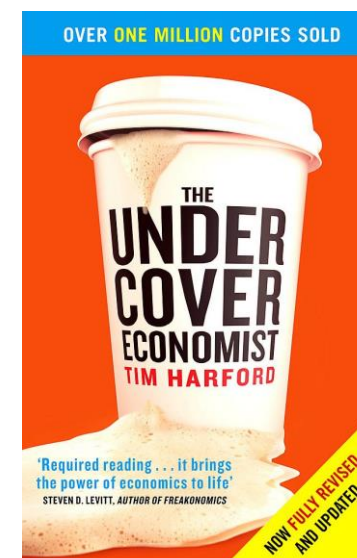
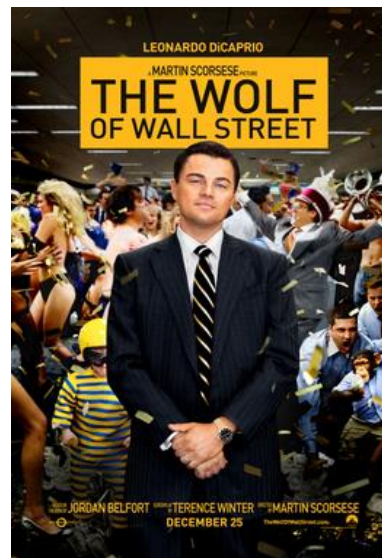
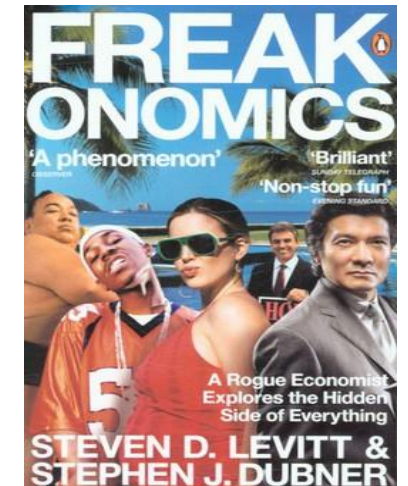
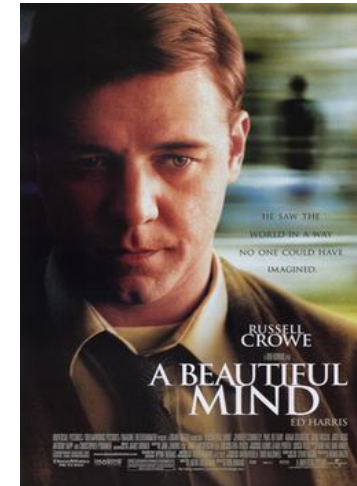


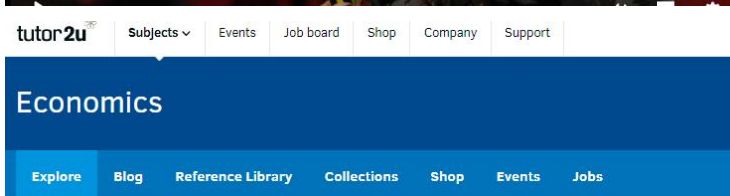
# Engaging with Economics

Engaging with Economics outside of the classroom is a great way to support your understanding & to grasp the real-world application of the topics we are covering. It will also help provide you with examples that can be used to support your analysis of topics.

In Sixth Form we have a 50:50 mantra, where we expect you to spend the same amount of time studying out of lessons as you do in lessons.

Slides 4-6 have some suggestions for websites, books, films & programmes featuring great economic content. Please pick a few that look of interest to explore.





# Engaging with Economics: Recommended Websites

Website	Link
<b>AQA:</b> Exam board webpage containing the specification, past papers and mark schemes & useful information regarding Economics.	<a href="https://www.aqa.org.uk/subjects/economics/as-and-a-level/economics-7135-7136">https://www.aqa.org.uk/subjects/economics/as-and-a-level/economics-7135-7136</a>
<b>Tutor2u:</b> Economics blog, free revision PowerPoints, study notes, quizzes, videos, & an online shop for revision resources.	<a href="https://www.tutor2u.net/economics">https://www.tutor2u.net/economics</a>
<b>Seneca:</b> Economic theory covering the whole course, with useful end of topic tests. Pick AQA Economics A Level.	<a href="https://app.senecalearning.com/courses?Price=Free&amp;text=economics">https://app.senecalearning.com/courses?Price=Free&amp;text=economics</a>
<b>BBC News:</b> The Business & Politics sections of BBC news website. Search 'BBC Economy Tracker' for information about macroeconomic objectives including; GDP, inflation, unemployment, interest rates, etc.	<a href="https://www.bbc.co.uk/news/business">https://www.bbc.co.uk/news/business</a> <a href="https://www.bbc.co.uk/news/politics">https://www.bbc.co.uk/news/politics</a>
<b>Bank of England:</b> Information about inflation, interest rates and quantitative easing. There are educational resources available including useful videos about money.	<a href="https://www.bankofengland.co.uk/">https://www.bankofengland.co.uk/</a>
<b>Office of National Statistics:</b> Macroeconomic data including; GDP, inflation, balance of payments, unemployment, etc.	<a href="https://www.ons.gov.uk/">https://www.ons.gov.uk/</a>
<b>Freakonomics:</b> Freakonomics radio.	<a href="http://freakonomics.com/">http://freakonomics.com/</a>
<b>The Economist:</b> You will be given the opportunity in class to purchase weekly editions of The Economist magazine at a discounted rate, which will give you free access to their online content. The Economist YouTube channel is free to all.	<a href="https://www.economist.com/">https://www.economist.com/</a> <a href="https://www.youtube.com/user/EconomistMagazine">https://www.youtube.com/user/EconomistMagazine</a>

# Engaging with Economics: Reading

You can really enhance your understanding of Economics & engage with the subject by further reading around the subject. Reading newspapers such as The Financial Times or The Guardian will be very useful to your studies, & reading books will spark your interest in the subject.

## Economics Textbook:

AQA Economics for A Level Year 1 and AS; Ray Powell & James Powell; Hodder Educational.

## Recommended Books:

- Freakonomics by Steven Levitt & Stephen Dubner
- Superfreakonomics by Steven Levitt & Stephen Dubner
- The Undercover Economist by Tim Harford
- Predictably Irrational by Dan Ariely
- Thinking Fast & Slow by Daniel Kahneman
- Choice Factor by Richard Shotton
- Doughnut Economics by Kate Raworth
- 23 Things They Don't Tell You About Capitalism by Ha-Joon Chang
- Capital by Thomas Piketty
- Great Economists: How Their Ideas Can Help Us Today by Linda Yueh



## Top tips!

1. Freakonomics & The Undercover Economist are perfect for students about to embark on study in Economics. They are both very interesting & funny, & will make you look at the world a little differently - just like a good economist should!
2. Check out the 'Smart Thinking' section in Waterstones for more great economic reads!

# Engaging with Economics: Watching

You can further boost your understanding of, & interest in, Economics by further watching around the subject.

**The news:** Extend your understanding of economics by watching the news regularly. This could include watching the BBC news, current affairs programs like Question Time on iPlayer, or videos by The Economist available on their website or on their YouTube page.

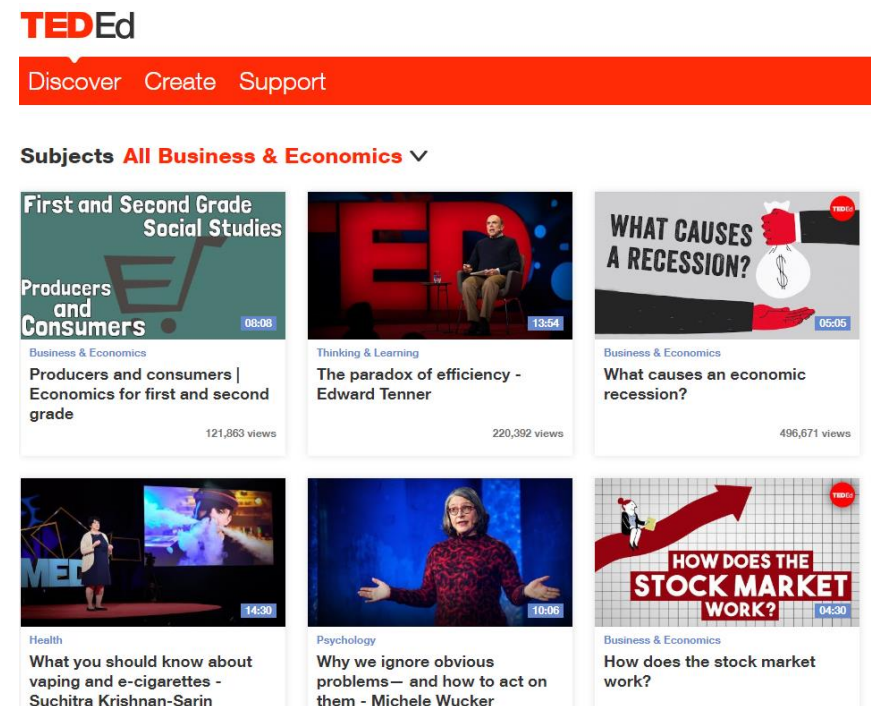
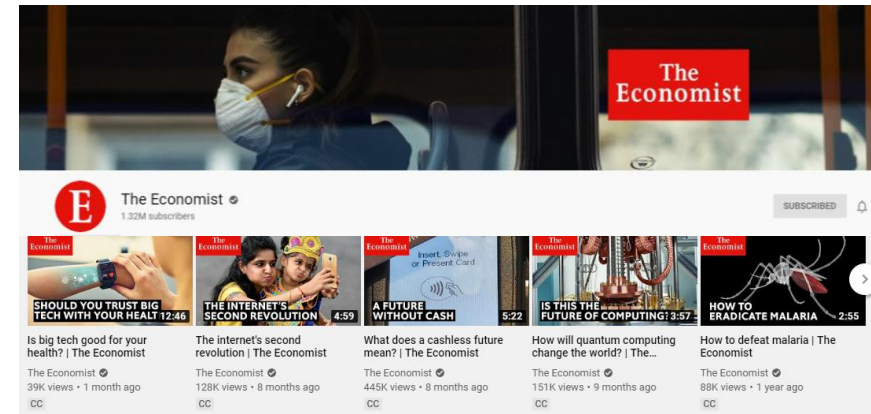
**TED Talks and TEDEd:** There are loads of brilliant TED talks about all sorts of different economic subjects like consumer behaviour, globalisation and the financial crash. There are some great TED talks by Steven Levitt, Dan Ariely, Laurie Santos, Tim Urban, and Paul Piff on the TED website: <https://www.ted.com/topics/economics>

There are also lots of informative short videos on a range of economics topics on TedEd: <https://ed.ted.com/lessons?category=microeconomics&direction=desc&sort=featured-position>

<https://ed.ted.com/lessons?category=macroeconomics&direction=desc&sort=featured-position>

**Films:** There are lots of great films that help explain the economic history or theory, such as 'A Beautiful Mind' or 'The Big Short'.

**Tutor2U:** Tutor2u have made some videos just for year 11's about to start economics: <https://www.tutor2u.net/economics/reference/globalisation-head-start-to-a-level-economics>

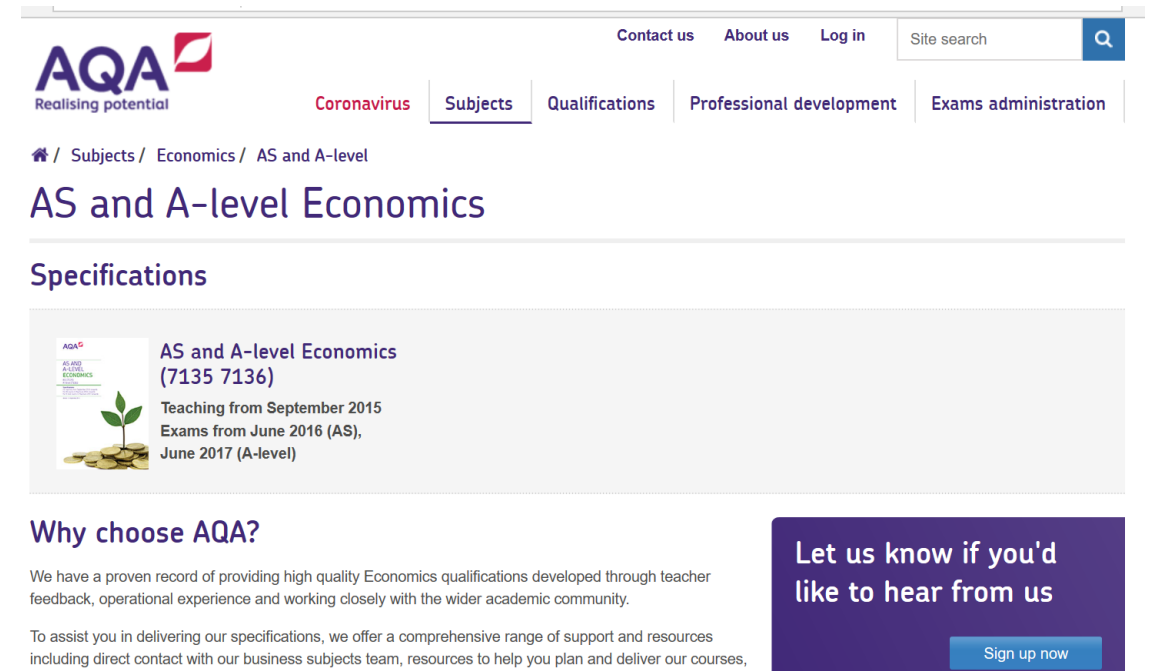


# Engaging with Economics: AQA Examination Board

If you want to gain an overview of A Level Economics, you can visit the AQA examination board website for further details:

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

You could check out the specification for details about the course content & have a look at the examination papers to see how the subject is assessed.



The screenshot shows the AQA website interface. At the top, there is a navigation bar with links for 'Contact us', 'About us', and 'Log in', along with a 'Site search' box. The AQA logo 'Realising potential' is on the left. Below the navigation bar, there are tabs for 'Coronavirus', 'Subjects', 'Qualifications', 'Professional development', and 'Exams administration'. The current page is 'Subjects / Economics / AS and A-level'. The main heading is 'AS and A-level Economics'. Below this, there is a section for 'Specifications' featuring a card for 'AS and A-level Economics (7135 7136)'. The card includes a small image of a plant growing from coins and text stating 'Teaching from September 2015' and 'Exams from June 2016 (AS), June 2017 (A-level)'. To the right of the card is a purple call-to-action box with the text 'Let us know if you'd like to hear from us' and a 'Sign up now' button. Below the card, there is a section titled 'Why choose AQA?' with two paragraphs of text.

**AQA**  
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Home / Subjects / Economics / AS and A-level

## AS and A-level Economics

### Specifications

 **AS and A-level Economics (7135 7136)**  
Teaching from September 2015  
Exams from June 2016 (AS), June 2017 (A-level)

#### Why choose AQA?

We have a proven record of providing high quality Economics qualifications developed through teacher feedback, operational experience and working closely with the wider academic community.

To assist you in delivering our specifications, we offer a comprehensive range of support and resources including direct contact with our business subjects team, resources to help you plan and deliver our courses,

Let us know if you'd like to hear from us

Sign up now

# What is Economics?

You made a great choice to start studying such an exciting & dynamic subject, & actually economics is all about choices...

**Economics** is a social science which means it studies the relationships of individuals within a society. There are two branches of economics, **microeconomics**: the study of how individuals, households & firms chose to allocate scarce resources & **macroeconomics**: the study of how governments chose to allocate scarce resources.

- In year 1, you will study two units: 3.1 The operation of markets and market failure (microeconomics) & 3.2 The national economy in a global context (macroeconomics).
- In year 2, you will study two units: 4.1 Individuals, firms, markets & market failure (microeconomics) & 4.2 The national & international economy (macroeconomics).





# Task 1: A Microeconomic Investigation

**Microeconomics** studies the behaviour and decisions of individuals and businesses. To start with you will be researching some microeconomic issues currently impacting on a UK market – the supermarket industry & answering some questions.

1. Watch this video explaining microeconomics & macroeconomics:

[Introduction to Macroeconomics \[Head Start in A-Level Economics\] | Economics | tutor2u](#)

2. Read this article about microeconomic issues currently impacting on supermarkets:

<https://www.which.co.uk/reviews/supermarkets/article/whats-happening-to-supermarket-food-prices-aU2oV0A46tu3>

Figure 1.

## Share of the UK grocery market

Percentage of total grocery sales during 12 weeks to 17 April 2022

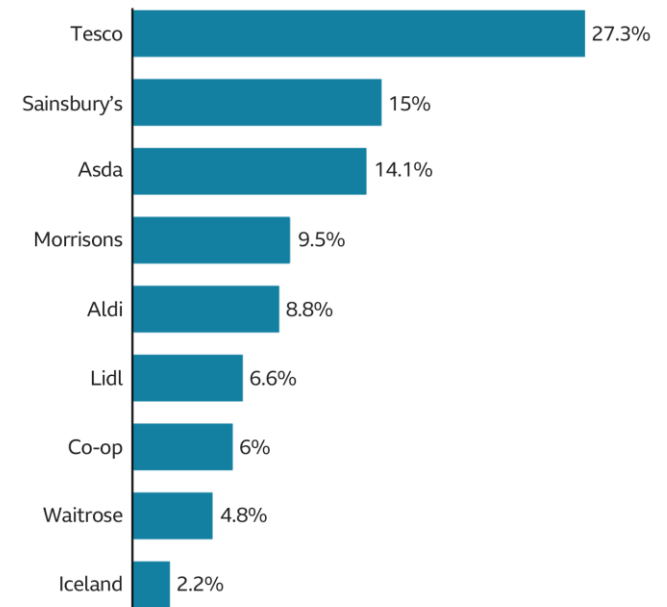


Figure 2.

Source: Kantar

BBC



# Task 1:

## A Microeconomic Investigation

Answer these questions on a word document and bring to the September induction day:

1. Define the following key microeconomic key terms. Economic Problem, demand, supply, goods, and services. Hint! Tutor2u is a great website to discover economic terminology, concepts & theories.
2. Explain how the economic problem is occurring with regards to goods such as sunflower oil.
3. Unilever raised the prices of products such as Ben and Jerry's ice cream. Write an explanation of the likely impact on demand for Ben and Jerry's ice cream, when their price rises. Explain whether you think that price rises will have the same impact on the products shown in figure 2.
4. Figure 1 shows the market share in the UK supermarket industry. Explain how price rises of grocery products will affect the market share in the industry.

**Optional Extension Task:** Some shoppers have started stockpiling food products that are non-perishable like Marmite to avoid future price rises. A lot of economic theory is based around the concept of Homo economicus (Economic man) who is deemed to be rational and self-interested when making decisions. Explain whether you think consumers are being rational and self-interested when stockpiling goods.



# Task 2: A Macroeconomic Investigation

**Macroeconomics** studies the choices made by governments & the consequences of those decisions. The UK government has four main macroeconomic objectives:

- Sustainable economic growth at 2%.
- Low unemployment at 3%
- Inflation at 2%.
- An improving balance of payments (selling more exports).

The UK is currently experiencing a cost-of-living crisis. Study these graphs showing the UK's current macroeconomic performance.

To find out more, you could read these articles & watch this video:

- <https://www.bbc.co.uk/news/business-12196322>
- <https://www.theguardian.com/business/2022/may/12/a-uk-recession-seems-certain-the-only-question-is-how-deep>
- [https://www.youtube.com/watch?v=JST-nJ-KI\\_o](https://www.youtube.com/watch?v=JST-nJ-KI_o)

Figure 3.

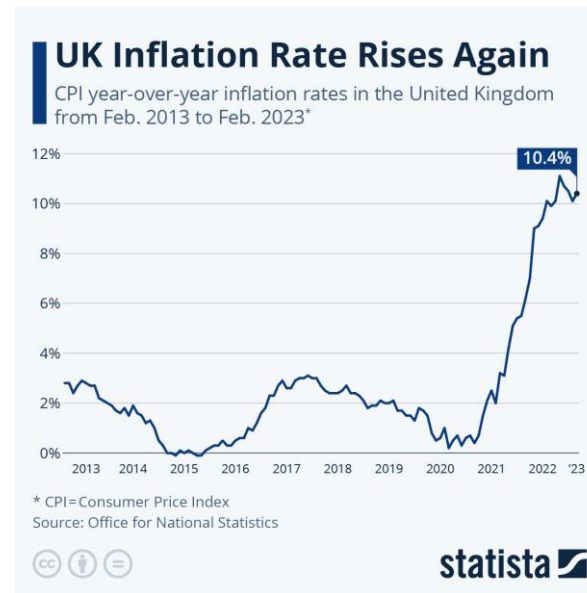
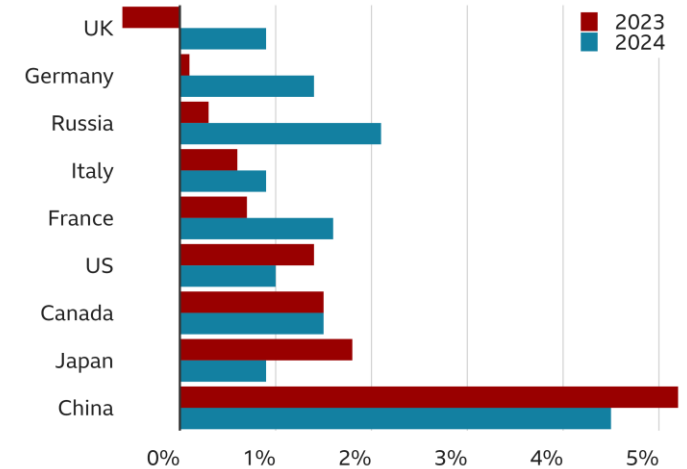


Figure 4.

## UK economy forecast to shrink this year

Growth forecasts for 2023 and 2024



Source: International Monetary Fund



Figure 5.

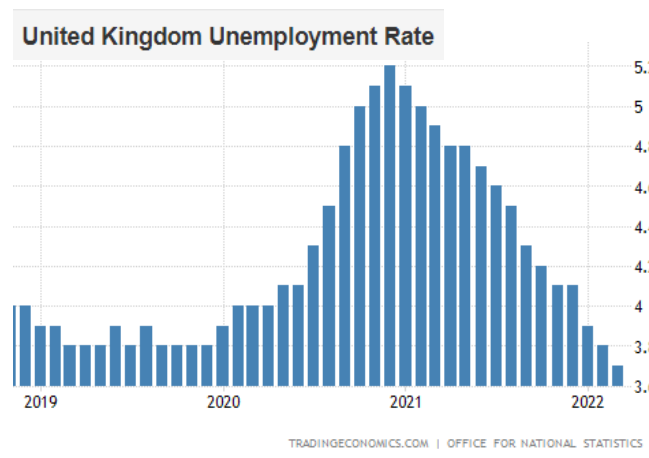


Figure 6.



# Task 2: A Macroeconomic Investigation

Answer these questions on a word document and bring to the September induction day:

5. Define the following macroeconomic key terms: Economic growth, Gross Domestic Product (GDP), unemployment, inflation, recession, & exchange rate.
6. Figure 3 shows that UK inflation is at a 40-year high & was 10.4% in February 2023. Explain why inflation is currently so high in the UK.
7. Figure 4 shows that UK is expected to experience negative economic growth (a recession) in 2023. Explain why high inflation might cause the UK to enter into a recession.
8. Figure 5 shows that the UK unemployment rate is low, and it is currently 3.8%. Explain what you expect will happen to the unemployment rate in the next six months if the UK enters a recession.
9. Figure 6 shows that the pound has recently depreciated (fallen in value) when compared to the dollar, which will make products imported into the UK more expensive. As the UK is a net importer that imports more goods than it exports, explain how this will affect UK inflation.

## Optional Extension Task:

The government uses fiscal policy to either improve or dampen an economy. Fiscal policy includes raising or lowering taxation e.g., income tax or VAT, or raising or lowering government spending, e.g., on healthcare or business grants. You are the Chancellor of the Exchequer & are presented with the data on slide 11. Explain what you would do with taxation and government spending, & why.



# Engaging with Economics: Discovering More

If you want to find out more about the current macroeconomic state of the economy, take a look at some of these websites:

<https://www.bankofengland.co.uk/>

[Economy - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Or search for the factor you are interested in e.g. UK economic growth Trading Economics for a graph and current data. E.g. <https://tradingeconomics.com/united-kingdom/gdp-growth>

Bank of England Explore ▾ About ▾

Promoting the good of the people of the United Kingdom by maintaining monetary and financial stability.

Search the Bank of England

<b>1%</b> Current Bank Rate Next due: 16 June 2022	<b>9%</b> Current inflation rate Target 2%
----------------------------------------------------------	--------------------------------------------------



<b>Economic output and productivity</b> Manufacturing, production and services indices (measuring total economic output) and productivity (measuring efficiency, expressed as a ratio of output to input over a given period of time, for ...	<b>Environmental accounts</b> Environmental accounts show how the environment contributes to the economy (for example, through the extraction of raw materials), the impacts that the economy has on the environment (for ...	<b>Government, public sector and taxes</b> How the relationship between UK public sector income (including taxes) and expenditure (both on investment and on the day-to-day running of government) lead to changes in deficit and debt.
<b>Gross Domestic Product (GDP)</b> Estimates of GDP are released on a monthly and quarterly basis. Monthly estimates are released alongside other short-term economic indicators. The two quarterly estimates contain data from all ...	<b>Gross Value Added (GVA)</b> Regional gross value added using production (GVA(P)) and income (GVA(I)) approaches. Regional gross value added is the value generated by any unit engaged in the production of goods and ...	<b>Inflation and price indices</b> The rate of inflation is the change in prices for goods and services over time. Measures of inflation and prices include consumer price inflation, producer price inflation and the House Price Index.
<b>Investments, pensions and trusts</b> Net flows of investment into the UK, the number of people who hold pensions of different types, and investments made by various types of trusts.	<b>National accounts</b> Core accounts for the UK economy as a whole; individual sectors (sector accounts); accounts for the regions, subregions and local areas of the UK; and satellite accounts that cover activities ...	<b>Regional accounts</b> Accounts for regions, sub-regions and local areas of the UK. These accounts allow comparisons between regions and against a UK average. Statistics include regional gross value added (GVA) and ...



We hope these tasks have given you an introduction to economics & the tools to find out more about the subject. If you have any queries about the course, please email Mrs Auld or Mr Lamb.

We really look forward to seeing you in September!