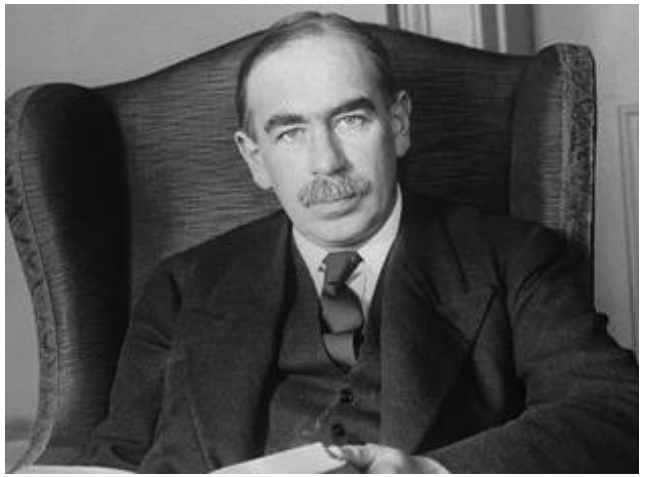
Welcome to Economics

Miss Wiltshire & Mrs Auld



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.

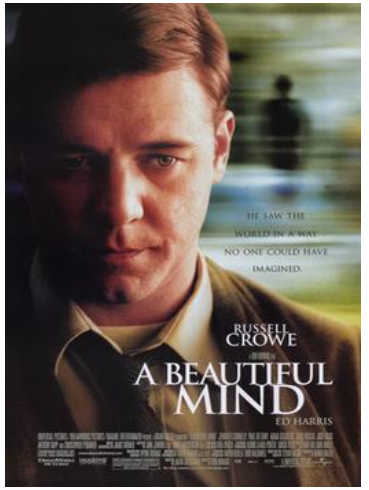
The tasks should take approximately five hours to complete in total & should be handed in to Mrs Auld on the Enrolment Day in September.

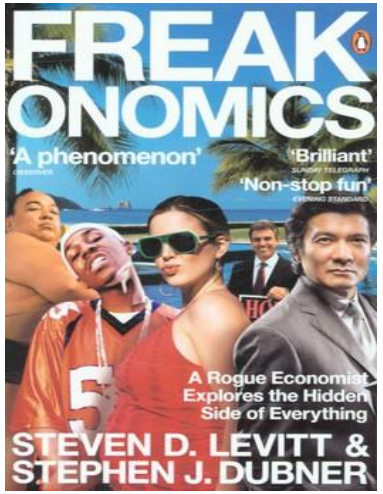
Engaging with Economics

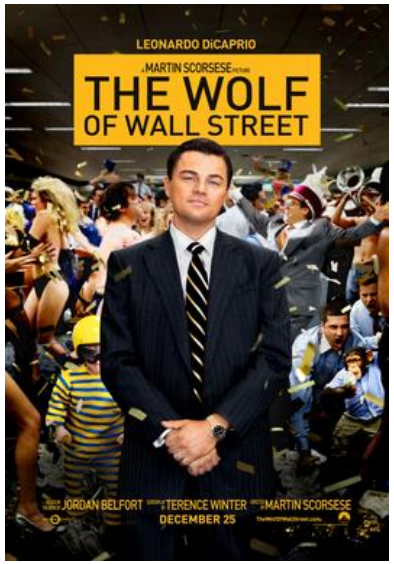
Engaging with Economics outside of the classroom is a great way to support your understanding & to grasp the real-world application of the topics we are covering. It will also help provide you with examples that can be used to support your analysis of topics.

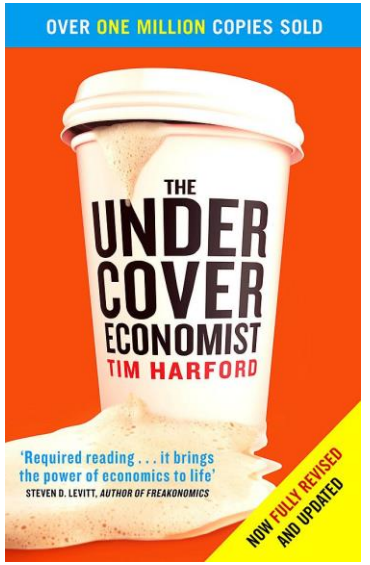
In Sixth Form we have a 50:50 mantra, where we expect you to spend the same amount of time studying out of lessons as you do in lessons.

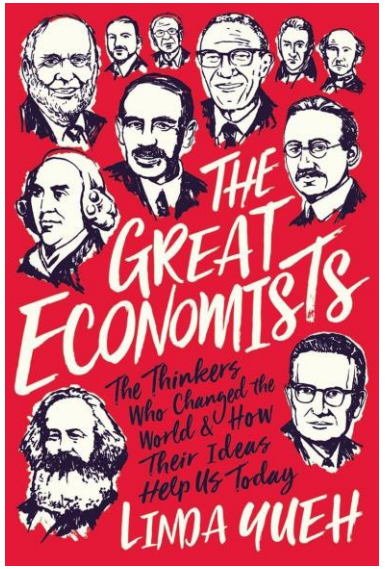
Slides 4-6 have some suggestions for websites, books, films & programmes featuring great economic content. Please pick a few that look of interest to explore.

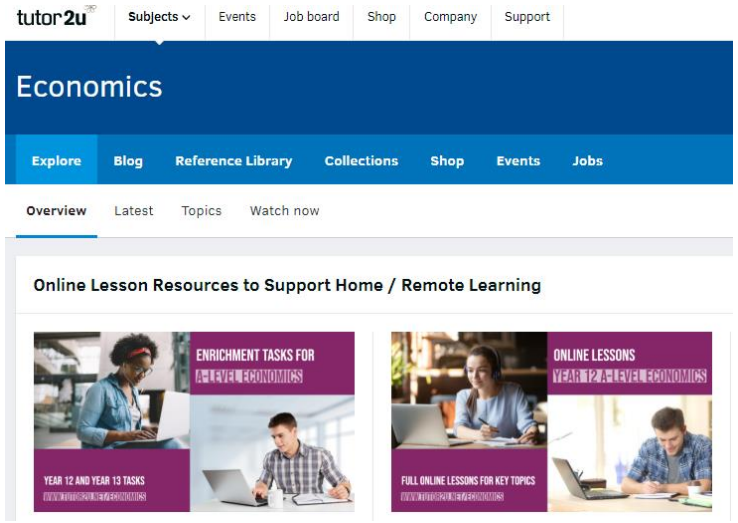












Engaging with Economics: Recommended Websites

Website	Link
AQA: Exam board webpage containing the specification, past papers and mark schemes & useful information regarding Economics.	AQA | Economics | AS Level | AS Economics
Tutor2u: Economics blog, free revision PowerPoints, study notes, quizzes, videos, & an online shop for revision resources.	https://www.tutor2u.net/economics
Seneca: Economic theory covering the whole course, with useful end of topic tests. Pick AQA Economics A Level.	https://app.senecalearning.com/courses?Price=Free&text=economics
BBC News: The Business & Politics sections of BBC news website. Search 'BBC Economy Tracker' for information about macroeconomic objectives including; GDP, inflation, unemployment, interest rates, etc.	https://www.bbc.co.uk/news/business https://www.bbc.co.uk/news/politics
Bank of England: Information about inflation, interest rates and quantitative easing. There are educational resources available including useful videos about money.	https://www.bankofengland.co.uk/
Office of National Statistics: Macroeconomic data including; GDP, inflation, balance of payments, unemployment, etc.	https://www.ons.gov.uk/
Wider listening and watching: Freakonomics radio and Gary's Economics.	http://freakonomics.com/ Welcome to GarysEconomics
The Economist: You can borrow editions of The Economist magazine in class and can view The Economist YouTube channel.	https://www.economist.com/ https://www.youtube.com/user/EconomistMagazine

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

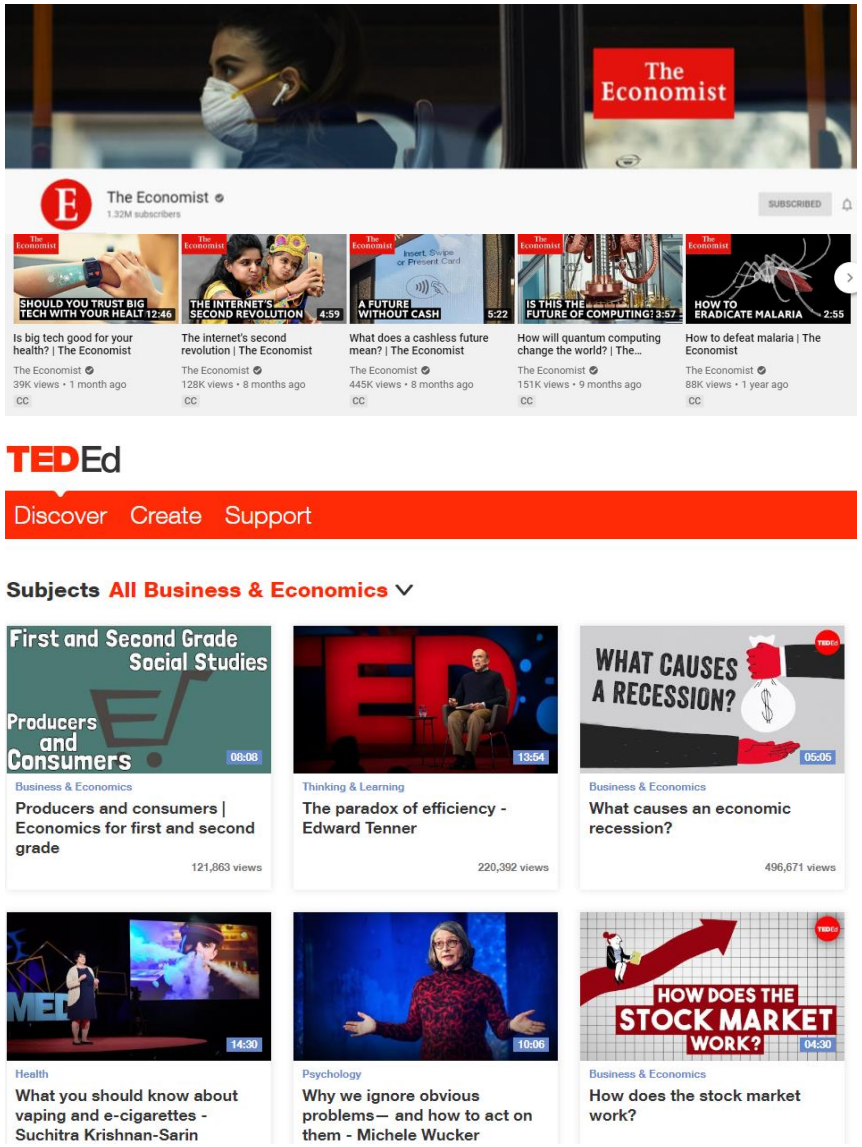
You can further boost your understanding of, & interest in, Economics by further watching around the subject.

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 Areily, 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

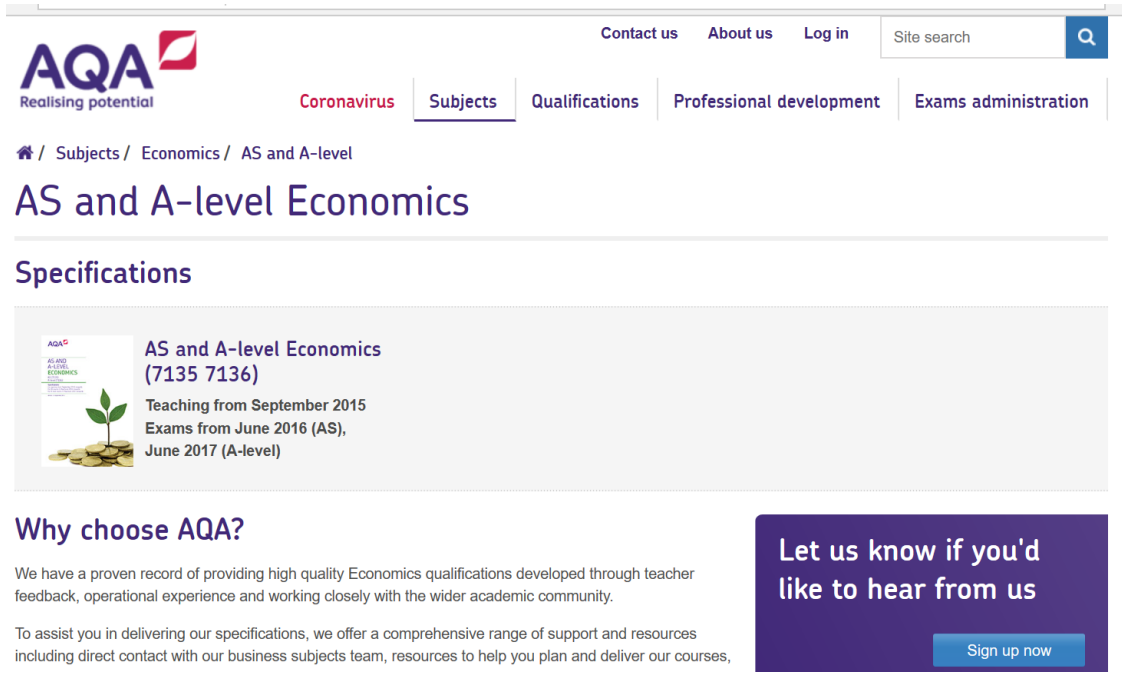


Engaging with Economics:
AQA Examination Board

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.



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 recourses & **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:

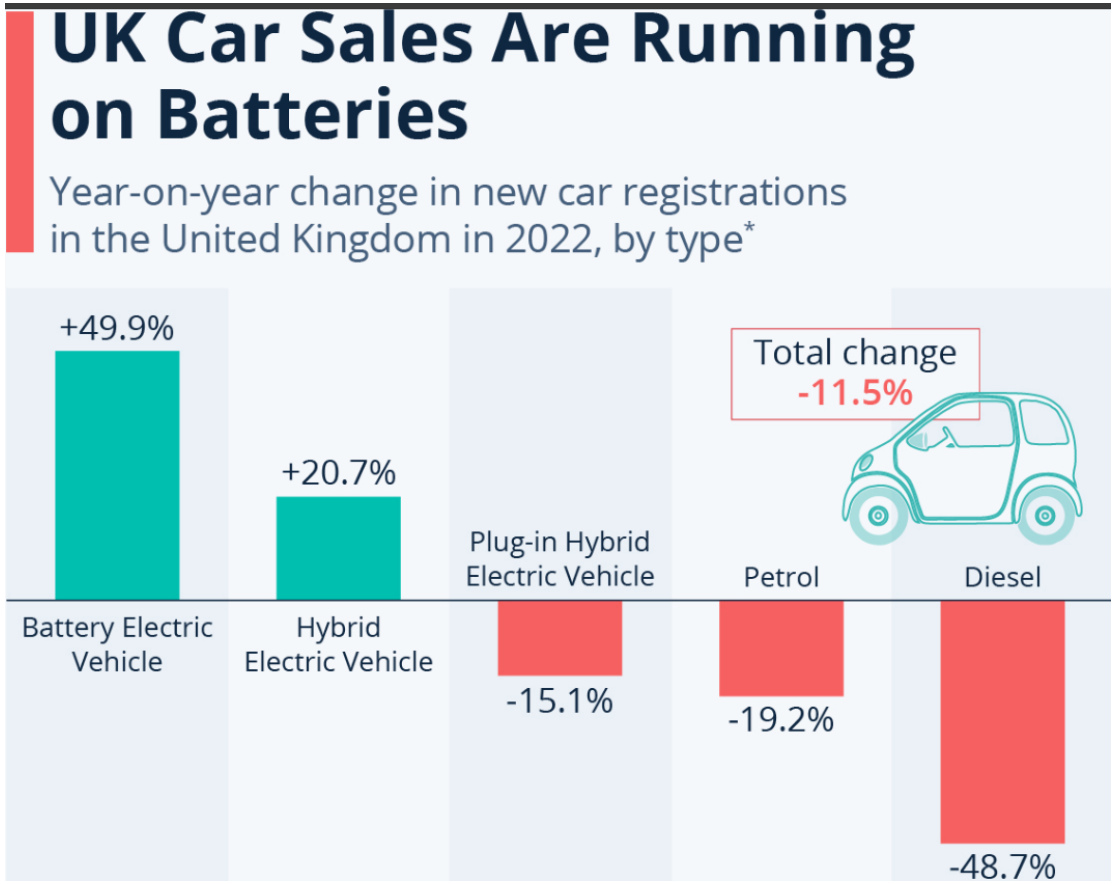
Introduction to Macroeconomics [Head Start in A-Level Economics) | Reference Library | Economics | tutor2u

2. Read these articles about the electric car market:

Electric cars are the future, but is the UK ready? - BBC News

MINI Plant Oxford goes Electric: £600m investment for all-electric MINI production in the UK

Figure 1



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, services, and opportunity cost. Hint! Tutor2u is a great website to discover economic terminology, concepts & theories.
2. Explain how the economic problem is occurring with regards to oil.
3. With reference to figure 1, explain what has happened to demand for electric and hybrid vehicles in the UK in 2022 and describe two reasons for this increase in demand.
4. With reference to figure 1, explain what happened to the supply of electric and hybrid vehicles in the UK in 2022 and describe the likely impact of this on the price of these vehicles.
5. Around 800 Minicars are produced in the Oxford factory every day. The factory is now building brand-new all-electric mini models, and by 2030, it will exclusively produce electric vehicles. Explain how the concept of opportunity cost applies to a car producer such as Mini.

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

Study these graphs showing the UK's current macroeconomic performance.

To find out more, read these articles:

[United Kingdom Economic Snapshot | OECD]

[UK growth forecast upgraded by IMF but 'risks' remain - BBC News]

[Tata confirms Somerset will host £4bn battery factory - BBC News]

Figure 2

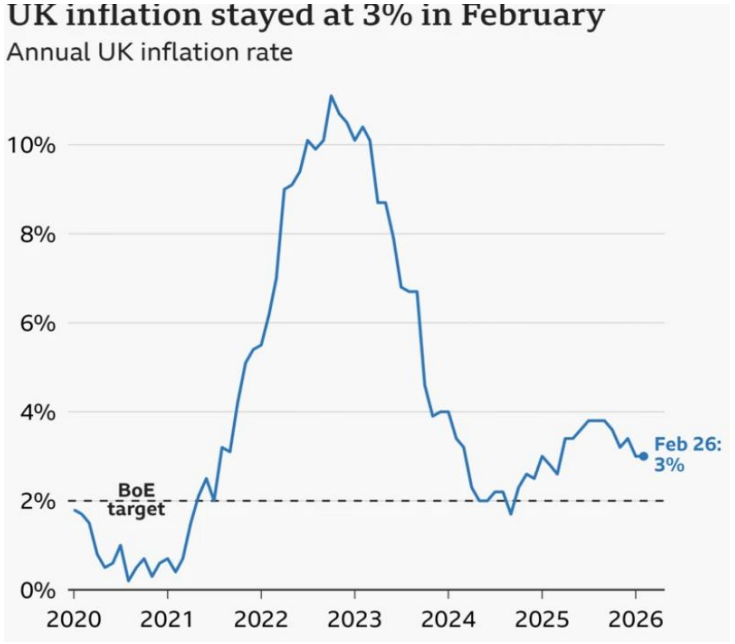


Figure 3

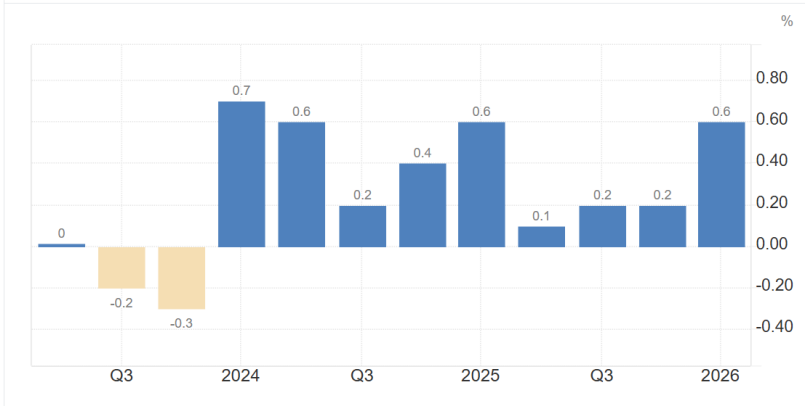
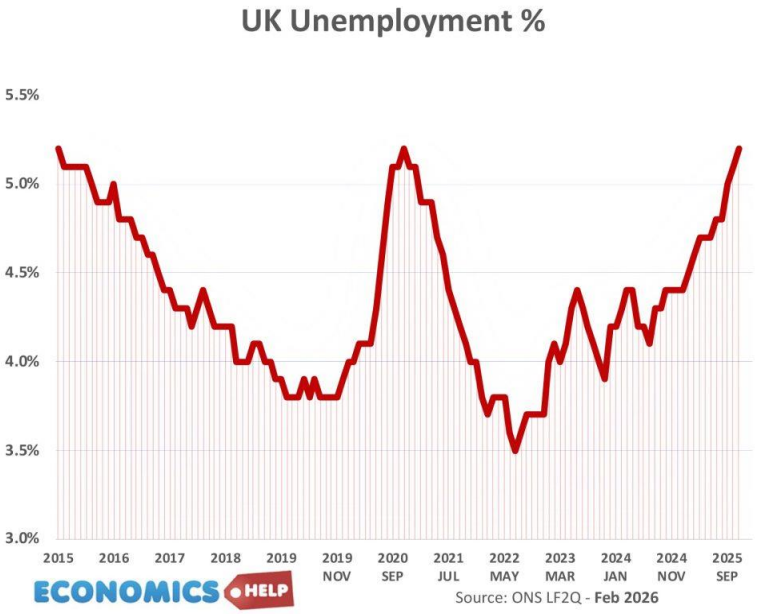


Figure 4



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 and Gross Domestic Product (GDP), unemployment, inflation, and recession.

6. With reference to figure 2, explain describe what has happened to inflation in 2025 so far, and explain whether the UK is currently achieving its macroeconomic target for inflation.

7. With reference to figure 3, describe what happened to economic growth between January 2024 and January 2025 and explain whether the UK is achieving its macroeconomic target for growth.

8. Figure 3 shows that UK experienced negative economic growth in Q3 and Q4 of 2023. With reference to figure 4, explain the impact of this on UK unemployment.

9. Jaguar Land Rover-owner Tata recently announced it will invest £4bn in the UK's biggest electric vehicle battery manufacturing facility. Explain how this investment might impact the macroeconomic targets.

10. 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.

Tata confirms Somerset will host £4bn battery factory

28 February · Comments

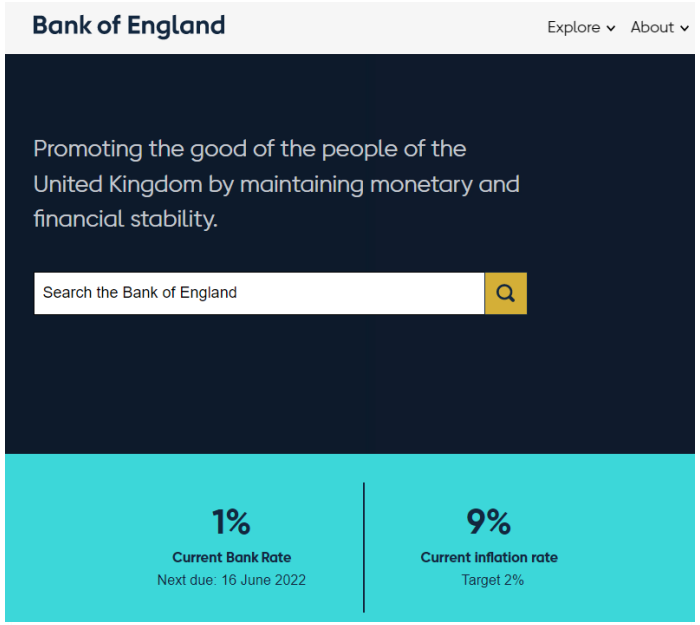
Engaging with Economics: Discovering More

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)

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



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 Miss Wiltshire.

We really look forward to seeing you in September!