



**A Level Economics
Transition Guide
2018-2019**

**Lead Teacher of Economics:
Mr Sabri**

Minimal Target Grade:

Aspirational Target Grade:

Welcome:

Hello and welcome to Heathcote Sixth Form's Economics department. You have embarked upon a fascinating course that teaches both theoretical and vocational skills. You have chosen to study A-Level Economics. The course is academic in nature; where your ability to write persuasively and critically is crucial. The ability to deduce from data to enhance your argument, and keep up to date with current events will enable you to do well in this subject.

You will be tested regularly. From early on in your course you will be assigned a Minimal Target Grade(MTG) and Aspirational Target Grade(ATG).These grades are school target grades which represent the minimal level of achievement that we expect from you. Predicted grades are what we use to determine your actual progress. These will be challenging and change depending upon your homework/test results. Any test result that falls below the MTG will result in a resit being done and we communicate regularly with parents on your progress (both outstanding and fail).

A-Level Economics is currently a two year course. All students who choose the subject will be expected to complete both years due to the change to a linear style course which means exams will be sat at the end of the two years of study. Students will however sit an 'AS style' exam at the end of the first year in order to determine progress.

The responsibility of **your** success is on **you**. After each test, you will be required to review your feedback and set specific targets to improve. You will then be required to meet those targets and evidence will be sought to ensure you are improving.

Finally on behalf of the department, I hope that you enjoy this subject and that you find it engaging and challenging enough. You only get out of this what you put in. We have opportunities available for students who are interested in stock-broking, economics masterclasses, and visits to the London School of Economics for Public Lectures.

Mr Sabri
Lead Teacher of Economics

Expectations on this course

From the teacher:

- ❖ All students can achieve the best grade possible
- ❖ All students will enjoy what they learn
- ❖ Subject knowledge is up-to-date as well as current resources available for all students
- ❖ Homework is given weekly. This will be assessed weekly, with appropriate feedback (including guidance on how to improve your work)
- ❖ Tests/Summative Assessment every 3-4 weeks, with individual teacher time to discuss results and personalised feedback for each student. Feedback will be given in the next lesson
- ❖ Dedicated student time after school for any questions/queries
- ❖ All resources are placed on the Central Resource Library, so students can access their work during absence

From the student:

- ❖ All students are to uphold a respectful and courteous manner to each other and to the teacher at all times, inside and outside of school (e.g. on school trips)
- ❖ Attendance and punctuality is crucial. If you are likely to be absent for a few days, it is your responsibility to get all materials and catch up with all work missed, including doing any assigned homework. Persistent lateness to, and absence from, class will result in disciplinary procedures, in accordance to sixth form policy
- ❖ A minimum of 3 hours of study per week (outside of class) is required to properly do all the assigned reading and work for the class. If you want to do well, **a recommended 5 hours per week should be spent on independent study**
- ❖ Maintain an organised work folder. We will look through your folder and books every 3-4 weeks. All work should be brought to class, including all past papers and stationery (calculator, pens etc.)
- ❖ Homework to be submitted on time with your name placed at the front of your work. Not doing so, without a valid reason, will result in detention. Persistent lateness of homework will result in contact with parents/guardians and referral to the Lead Teacher
- ❖ Attendance at revision sessions held is voluntary, but it is in your best interest to attend. Those that have attended revision sessions previously have done better in their overall grade outcomes
- ❖ If you have any problems during this course please contact us as soon as possible. Our door is always open.

COURSE CONTENT

Year 1

The Operations of Markets and Market Failure – Paper 1

PPE Examination: 1 hour 30 minutes, 70 Marks (Mock exam only – this does not contribute to your grade)

- ❖ Economic methodology and the economic problem
- ❖ Price determination in a competitive market
- ❖ Production, costs and revenue
- ❖ Competitive and concentrated markets
- ❖ The market mechanism, market failure and government intervention in markets

Unit 1 - ALL TOPICS

Economic Methodology and the Economic Problem

- Economic Methodology
- Nature and Purpose of Economic Activity
- Economic Resources
- Scarcity, choice and the allocation of resources
- Production Possibility Diagrams

Price determination in a competitive market

- The Determinants of the Demand for Goods and Services
- Price, Income and Cross Elasticity's of Demand
- The Determinants of the Supply of Goods and Services
- Price Elasticity of Supply
- The Determination of Equilibrium Market Prices
- The Interrelationship between Markets

Production Costs and Revenue

- Production Costs and Revenue
- Specialisation, Division of Labour and Exchange
- Costs of Production
- Average Revenue, Total Revenue and Profit
- Economies and Diseconomies of Scale

Competitive and Concentrated markets

- Market Structures
- The Objectives of Firms
- Competitive Markets
- Monopoly and Monopoly Power
- The Competitive Market Process

The Market Mechanism, Market Failure and Government Intervention in markets

- How Markets and Prices allocate resources
- The Meaning of Market Failure
- Public Goods, Private Goods and Quasi-public goods
- Positive and Negative Externalities in Consumption and Production
- Merit and Demerit Goods
- Market Imperfections
- An Inequitable Distribution of Income and Wealth
- Government Intervention in Markets
- Government Failure

The National Economy in a Global Context – Paper 2

PPE Examination: 1 hour 30 minutes, 70 marks (Mock exam only – this does not contribute to your grade)

- ❖ The measurement of macroeconomic performance
- ❖ How the macroeconomy works : the circular flow of income, AD/AS analysis, and related concepts
- ❖ Economic performance
- ❖ Macroeconomic policy

Unit 2 - ALL TOPICS

The Measurement of macroeconomic performance

- The Objectives of Government Economic Policy
- Macroeconomic Indicators
- Uses of Index numbers

How the Macro-economy works: AD/AS analysis, the circular flow of income and related concepts

- Circular flow of income
- The Determinants of Aggregate Demand
- Aggregate Demand and the Level of Economic Activity
- Determinants of Short-Run Aggregate Supply
- Determinants of Long-Run Aggregate Supply
- Aggregate Demand (AD) and Aggregate Supply (AS) Analysis

Economic Performance

- Economic Growth and the Economic Cycle
- Employment and Unemployment
- Inflation and Deflation
- The Balance of Payments on Current Account
- Possible Conflicts between Macroeconomic Policy Objectives

Macroeconomic Policy

- Monetary Policy
- Fiscal Policy
- Supply-Side Policies

YEAR 2 – A-Level

Paper 1: Markets and Market Failure

(This is an advanced version of Paper 1 from Year 1)

Examination: 2 hours, 80 Marks

- ❖ Individual economic decision making
- ❖ Production, costs and revenue
- ❖ Perfect competition, imperfectly competitive markets and monopoly
- ❖ The labour market
- ❖ The distribution of income and wealth: poverty and inequality
- ❖ The market mechanism, market failure and government intervention in markets

Paper 1: ALL TOPICS

Individual economic decision making

- Consumer behaviour
- Imperfect information
- Aspects of behavioural economic theory
- Behavioural economics and economic policy
- Price determination in a competitive market

Production, costs and revenue

- The law of diminishing returns and returns to scale
- Costs of production (partly covered in AS)
- Economies and diseconomies of scale (partly covered in AS)
- Marginal, average and total revenue (partly covered in AS)
- Profit (partly covered in AS)
- Technological change

Perfect competition, imperfectly competitive markets and monopoly

- Market structures
- The objectives of firms
- Perfect competition
- Monopolistic competition
- Oligopoly
- Monopoly and monopoly power
- Price discrimination
- The dynamics of competition and competitive market process
- Contestable and non-contestable markets
- Market structure, static efficiency, dynamic efficiency and resource allocation
- Consumer and producer surplus

The labour market

- The demand for labour, marginal productivity theory
- Influences on the supply of labour to different markets
- The determination of relative wage rates and levels of employment in perfectly competitive labour markets

- The determination of relative wage rates and levels of employment in imperfectly competitive labour markets
- The influence of trade unions in determining wages and levels of employment
The National Minimum Wage
- Discrimination in the labour market

The distribution of income and wealth: poverty and inequality

- The distribution of income and wealth
- The problem of poverty
- Government policies to alleviate poverty and to influence the distribution of income and wealth

The market mechanism, market failure and government intervention in markets

- How markets and prices allocate resources (partly covered in AS)
- Market failure is covered in the AS content (Year 1)
- Public goods, private goods and quasi-public goods (partly covered in AS)
- Positive and negative externalities in consumption and production (partly covered in AS)
- Merit and demerit goods (partly covered in AS)
- Imperfect Information
- Competition policy
- Public ownership, privatisation, regulation and deregulation of markets
- Government intervention in markets
- Government failure

Paper 2: National and International Economy

(This expands on some of the concepts covered in Paper 2 from Year 1)

Examination: 2 hours, 80 Marks

- ❖ The Measurement of Macroeconomic Performance
- ❖ How the Macroeconomy Works : the circular flow of income, AD/AS analysis, and related concepts
- ❖ Economic performance
- ❖ Financial Markets and Monetary policy
- ❖ Fiscal Policy and Supply-Side policies
- ❖ The International Economy

Paper 2: ALL TOPICS

The measurement of macroeconomic performance

- Uses of national income data

How the macroeconomy works: the circular flow of income, AD/AS analysis, and related concepts

- Aggregate demand and the level of economic activity
- Determinants of long-run aggregate supply

Economic performance

- Economic growth and the economic cycle
- Employment and unemployment
- Inflation and deflation
- Possible conflicts between macroeconomic policy objectives

Financial markets and monetary policy

- The structure of financial markets and financial assets
- Commercial banks and investment banks
- Central banks and monetary policy
- Regulation of financial markets

Fiscal policy and supply-side policies

- Fiscal policy
- Supply-side policies

The international economy

- Globalisation
- Trade
- The Balance of Payments
- Exchange rate systems
- Economic growth and development

Paper 3: Economic Principles and Issues

Examination: 2 hours, 80 Marks

- ❖ This paper will be a synoptic paper which will assess any content from Paper 1 and 2 above
- ❖ It is also important to remember **ALL** topics covered in Year 12 and Year 13 to be able to complete the Year 2 examinations as A Level topics are a further enhancement to the topics covered in Year 12.

Additional resources

- Powell, R&J, (2015) Economics for AQA Book ½ - Books **must** be purchased from the department at £25 each
- The Economist – yearly subscription for £5 (available from dept)
- <http://www.tutor2u.net/> - fantastic resource, lots of economics materials; popular amongst students
- http://tutor2u.net/revision_notes_economics.asp - fantastic revision notes from tutor2u
- <http://brynsaseconomicsblog.blogspot.co.uk/> -great applications of economic theory to practical examples
- <http://www.s-cool.co.uk/a-level/economics> - great revision tool for economics
- <http://www.ft.com/home/uk> - good for up-to-date economics news
- http://www.economicnetwork.ac.uk/links/data_free.htm - economics data for research and projects
- <http://www.economist.com/> - economics news

Future studies

Economics is a versatile subject that can help you in a number of careers. Not only could you find yourself working for big corporations, banks or the government but your qualification in economics could also be valuable support in a career like marketing, law, journalism or teaching.

Pre course tasks

Before you begin this course, I want you to research online, and answer, the questions that follow. You must bring this work with you on the first day of your course:

1. What do we mean by economics – research and answer carefully (consider micro/macro components)
2. What are the four factors of production (give examples of each)
3. Draw and label the graphs (including axes) for the following:
 - a. Demand Curve
 - b. Supply Curve
 - c. Production Possibility Frontier
4. Explain the three graphs above – why do they have a certain shape? Downward/upward sloping?