



Subject	A Level Economics		
Title/Topic	Format	Length	
Paper 1- Markets and Market Failure	Exam	2-hours	
Paper 2 - National and International Economy	Exam	2-hours	
Paper 3 - Economic Principles and Issues	Exam	2-hours	

### In this Advent assessment I will be asked to show I can...

Multiple choice questions, plus a combination of short and long essays responses

#### Economic maths

Percentage change: increase and decrease –  $\frac{\text{new-old}}{\text{old}} \times 100 = X\%$

(Use 000, of thousands, 000,000 of millions)

Percentage change: mean, median; use of index numbers; exchange rates, value of bonds and yield.

Real values – Real terms

Elasticities – XED, YED, PED

Economic diagrams – PPF, AD/AS, externalities

#### Focus revision topics:

- Elasticities – supply and demand, inelastic, elastic; diagrams, calculations. XED, PED, YED.
- The interrelationships between markets: joint demand, composite demand, derived demand, joint supply.
- Inflation – costs push, demand pull; effects on competitive exports & AD; elasticity of imports; Deflation - real term price rises, market forces, pricing strategies, CPI, balance of payments, trade-offs.
- How markets and prices allocate resources - pricing mechanism – meaning of; fluctuations of prices, factors effecting, well-functioning markets; rationing, signalling,
- Market failure - imperfect information, asymmetric information and market failure, economic agents, explanation of different types of market failure likely to exist in market, MSC/MSB diagrams. Government intervention; analysis of market forces; government objectives; dependence on primary commodity; rationing; subsidies.
- Market mechanisms - Public, Private and quasi-public good; free rider; tragedy of common; non-rival, non-excludable
- Market structures – oligopoly collusive, non-collusive; interdependence; analysis; factors/features of/influence of oligopolistic markets; monopoly, natural monopoly, competitive markets, monopolistic behaviour, features of competitive and concentrated markets, competition policy. Concentration ratio
- Technology change – creative destruction; analysis of; innovation; invention; improvements in productivity/efficiency/new markets.
- Efficiencies - productive, allocative and dynamic
- Costs, revenue & profit – cost curves; diminishing returns; EOS; profit; TR, TC, MR, MP; Profit – normal & abnormal;  $MR=MC$ =profit maximising rule; analysis
- Supply side policies - definitions/explanations: supply-side policies, inflation, relating a low, stable rate of inflation to the target rate of  $2\% \pm 1\%$ ; explanation of how intervention can target product or labour markets; explanation of the difference between interventionist and free-market approaches; linking supply-side policies to improved efficiency and productivity/increasing the productive potential of the economy/ linking demand-pull pressures; cost-push pressures can be reduced by supply-side policies; short-run and long-run effects of supply-side policies on firms' costs; interventionist supply-side policies



e.g. spending on education or infrastructure to low>stable rate of inflation; free-market supply-side policies, such as privatisation or reduced taxation>low, stable rate of inflation.

- The Labour market – demand for labour, marginal productivity, influences on, supply and demand for labour, determinants, unionisation and power; wages, NMW, NLW, economic welfare, effect of wages on competitive labour markets; wage elasticity, labour mobility, supply side policy, tax system to encourage labour markets, shadow labour markets, tax system to encourage investment; effects on living standards; alternative measures to improve living standards, living standard are subjective; analysis & trade-offs, PED
- The structure of financial markets and financial assets – Foreign exchange; Exchange rate systems – fixed; pegged; free floating; analysis and effects of inflation, disinflation, cost-push/demand-pull; exports; FDI; trade-offs; effects on commodity prices; ability macroeconomic objectives; economics shocks.
- Inward foreign direct investment (FDI) – BRIC's; multiplier effects; analysis; derived demand; demand deficient employment.
- Macroeconomics performance – macroeconomic objectives and measures; conflicting objectives importance, satisficing, interventionist, free markets, measures; meaning of outperformance; competitive and comparative advantage; infant industries; environmental causes; Kuznets curve; circular flow; IMF; World Bank. G7 nations; embargoes, innovation; trade; future tech.
- Economic performance - Economic growth – causes of e.g. FDI; GDP, productivity and its effect on living standards, the economic cycle, economic shocks. Taxation
- Inflation – macroeconomic performance; demand-side or supply-side causes; analysis of effects of inflation on cost of living, PP, MPC, measures CPI, interest>hyperinflation; analysis of low inflation e.g. malign, wage rigidity, low growth. Trade-offs – expense of low inflation or employment
- Living standards - definitions/explanations: national income, living standards; measurers of quality-of-life incl. work life balance, etc ; alternative measures of quality of life e.g. Happy Planet Index, Gini coefficient; PPP; limitations of using national income data e.g. inequality/ distribution of income and wealth; Non-market activities such as caregiving or subsistence farming for shadow economies; political or social aspects eg personal freedom; PPP variations in Price across regions/countries and ER; use of military spending arguments for improvement of living standard;
- Economic development: definitions/explanations: economic development, interventionist strategies, LEDCs; differences/links between economic growth and economic development; monetary policy and fiscal measures use of subsidies and grants; analysis of possible interventionist strategies e.g. investment in infrastructure/education/ healthcare. Nationalisation - public-private partnerships regulatory reforms; Attracting FDI; Protectionism - analysis and evaluation of alternative strategies eg free-market approaches deregulation/trade liberalisation/tax reforms/ special economic zone (SEZ); Aid vs trade arguments; Impact of joining trading blocs (e.g., ASEAN, AfCFTA) on development; Role and effectiveness of organisations eg UN, World Bank, IMF. Role of multinational corporations; Role of NGOs, charities, faith-based organisations; Structural difficulties faced by LEDCs in pursuing development; Inequality within nations or regional disparities; Trade-offs involved in pursuing economic development strategies; Comparative examples from different countries' development experiences
- Employment and Unemployment - definitions/explanations: types of unemployment; natural rate of unemployment (NRU), unemployment, explaining that at the NRU there is no involuntary unemployment, explaining the concept of voluntary unemployment, explaining that the NRU is determined by supply-side factors explaining that the NRU is largely made up of frictional and structural unemployment but also real wage unemployment; trade union power; skills & education; unemployment trap; effects of NMW; income tax; labour mobility; effects of macroeconomic objectives – GDP, living standards, reduced government debt; inflation; wage spirals; government policies used to increase employment; benefits and drawbacks of high levels of employment
- Trade – Balance of trade; value of exports, imports; trade deficit; YED effects on trade; effects of FDI on balance of trade; effects of ER (& fluctuation) on trade; effects on balance of payments; competition for



overseas; effects of government support for industries on trade; trade restrictions e.g. tariffs, etc; price competitiveness of goods; PED and non-price factors; supply chain issues and effects on trade.

- The international economy - The causes of globalisation, characteristics of globalisation, slowing or reversal of globalisation, effects on living standards, capital inflows; consequences of globalisation for less-developed and for more-developed countries; role of multinational corporations in globalisation, trade, customs unions, benefits and drawbacks, MNC's, FDI, inflationary effects, meeting economic objectives – micro and macro
- Trade – Subsidies - Impact of subsidies e.g. cost, incentives, effects on output & investment; Multiplier effects; analysis for subsidies e.g. private capacity, subsidies from other countries; job creation; regional development; spillover benefits to other sectors; Environmental benefits e.g. positive externalities; argument against e.g. distort comparative advantage and misallocate resources; inefficiencies in market; financial/opportunity cost; effects of tax on sector; government failure e.g. decision making, picking favourites; creative destruction; alternative policies to subsidies eg tax incentives, deregulation, etc
- How the macroeconomy works: the circular flow of income, aggregate demand/aggregate supply analysis and related concepts, Aggregate demand and aggregate supply analysis, determinants of aggregate demand, Aggregate demand and the level of economic activity, determinants of short-run aggregate supply, Determinants of long-run aggregate supply; Efficiencies: productive, allocative
- Public ownership, privatisation, regulation, and deregulation of markets – privatisation, nationalisation, renationalisation, efficiencies, market failure; a market failure argument, government failure arguments, government finances,
- Investments to increase economic prosperity – infrastructure, labour mobility, improve the workings of labour market, the benefits of increased labour mobility for workers and firms; improve the prosperity of people; improve productivity in the region, contribute to an improvement in prosperity
- Distribution of income and wealth: Poverty and inequality; government policies to alleviate poverty; regional differences; influence the distribution of income and wealth, benefits, levelling-up, wage rates, in-work poverty, rising living standards, welfare - out-of-work benefit.

### What should I do to revise and prepare for this assessment?

1. Use the booklets from lessons and exercise books to consolidate notes and create revision cards and mind maps to connect key topics and ideas.
2. Use the Revision Guides loaned to you to help for revision.
3. Create or buy flash cards to test yourself with friends & family.
4. Use previous paper questions, topic test, mark schemes and examiner reports to develop answers.
5. Use the AQA A-level Economics Revision guide and textbook chapter reading.
6. Revision apps such as Quizlet, Padlet, Popplet Lite for mind maps
7. Focus on your Long essay techniques – use of evaluation throughout essay (evaluate every paragraph-point included evaluation PIE)
8. Judgements – answer the question, judgements must be based on your analysis not your thoughts.
9. Use past paper practice on the key topics shown in the revision list.
10. Use exercise books and booklets from lessons to consolidate notes.



### What useful websites/resources could I use to help me prepare?

Online study notes to support core topics in A-Level Economics are available and you may wish to bookmark these for future revision.

#### **Tutor2U – A-level Economics**

<https://www.tutor2u.net/economics/reference/understanding-business-revenues-5-importance-of-marginal-revenue>

<https://www.tutor2u.net/economics/reference/as-microeconomics-study-notes-topic-listing>

<https://www.tutor2u.net/economics/reference/behavioural-and-neo-classical-economics-essay-plan>

#### **ReviewEcon.com**

<https://www.reviewecon.com>

#### **Econ Plus Dal**

Learn techniques for taking your A-level Economics exam with topic revision, exam responses techniques and answers

<https://www.econplusdal.com/>

#### **Seneca**

<https://senecalearning.com/en-GB/>

#### **Economics Help**

<https://www.economicshelp.org>

#### **Padlet Resources**

Here are some examples of resources available on Padlet:

<https://padlet.com/jstigallmd/economics>

[https://padlet.com/ctsmiler/AS Economics](https://padlet.com/ctsmiler/AS_Economics)

<https://padlet.com/ciansweeney/economicsmaterials>