

**FURZE
PLATT**
SENIOR SCHOOL



A-Level Economics B

“To change the world you need to understand it, to understand it you need to know Economics.” – Economics student

AMBITIOUS

COLLABORATIVE

HAPPY

INTEGRITY

ENDURANCE

VERSATILITY

EXCELLENCE

Does globalisation help or hinder developing countries?

Why do sports players and television stars make more than doctors and politicians?

How does an increase in the minimum wage affect the economy?

Why does the price of gas fluctuate so frequently?

Which are the factors that explain the poor economic growth of a country?

How is inflation affected by foreign trade?

How is the process of supply and demand impacting the price of a product?

What is Economics?

- Economics studies human behavior. It is the study of how individual **people, industries or businesses** use **resources**.
- We seek to understand the **dynamics of change** at a **micro level** (e.g. within an industry) and at a **macro level** (e.g. within and between countries)
- Although it is partially driven by **numbers**, it also covers **social, financial** and **cultural** perspectives when looking at the way the economic world operates and the **transfer of wealth**.

Is Economics for me?

Yes, if you enjoy:

- Debating economic issues such as **inequality, globalisation** and the **Global Financial Crisis**
- Exploring and presenting **alternative** courses of action
- Keeping up to date with **national** and **international trends**

Qualification at a glance

Theme 1: Markets, consumers and firms

Students will develop an understanding of:

- scarcity, choice and potential conflicts
- enterprise, business and the economy
- introducing the market
- the role of credit in the economy
- market failure and government intervention
- revenue, costs, profits and cash.

Theme 2: The wider economic environment

Students will develop an understanding of:

- business growth and competitive advantage
- firms, consumers and elasticities of demand
- productive efficiency
- life in a global economy
- the economic cycle
- introduction to macroeconomic policy.

Theme 3: The global economy

This theme develops the concepts introduced in Theme 2. Students will develop an understanding of:

- globalisation
- economic factors in business expansion
- impact of globalisation on global companies
- impact of globalisation on local and national economies
- global labour markets
- inequality and redistribution.

Theme 4: Making markets work

This theme develops the concepts introduced in Theme 1. Students will develop an understanding of:

- competition and market power
- market power and market failure
- market failure across the economy
- macroeconomic policies and impact on firms and individuals
- risk and the financial sector.

Delivery

INCREASING TRADE LIBERALISATION

- As global demand and exports increase
- If an economy will allow it to
- This will lead to an increase in exports
- Of course, services trade
- The US is the largest source of imports
- However, not all countries are increasing their exports
- As these countries are the world's economic superpowers

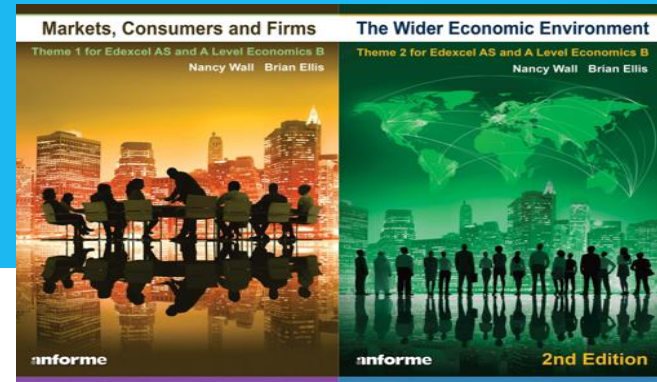
What are the top UK imports?

ACTIVITY - INTERNATIONAL TRADE

WHO THE UK IMPORTS FROM



Identify the top five countries that the UK imports and exports to. Discuss the implications of trade liberalisation with these countries. How might this affect the UK's trade balance? Which countries do we export to? Which countries do we import from? Which country that we trade with and how do imports and exports affect the economy?



Exam style questions ...

Edexcel Economics A: Year 2 Quantitative Skills Worksheets

Name: _____

20. **Terms of trade** Mark: /10

1. In year 1 the index of export prices rises by 5% and the index of import prices rises by 20%.

a. Calculate the terms of trade. /2 marks

b. Explain your answer. /2 marks

2. The diagram below shows the UK's terms of trade between 2006 and 2016.

a. At what point was the terms of trade at its:
i. Highest point /2 marks
ii. Lowest point /2 marks

b. Explain why the terms of trade might have deteriorated between 2008 and 2009. /2 marks

c. Explain why the terms of trade might have improved significantly between 2015 and 2016. /2 marks

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Edexcel Economics B: Year 2 Activity Worksheets

Name: _____

1. **Growing economies (1)**

1. What are the implications of economic growth for individuals and businesses in the UK and Asia? Complete the table below. Try to include both positive and negative implications.

	Individuals	Businesses
UK		
Asia		

2. What is meant by the term 'GDP per capita'?

Look at the table showing the index of UK house prices from 2002–2014 for selected regions. Base Year 1985 = 100.

Year	North	Scotland	Greater London	South East	All UK
2002	115.5	415.4	100.0	100.0	100.0
2011	481.1	406.8	659.1	555.1	515.4
2012	475.4	385.5	674.6	558.8	512.1
2013	508.4	405.5	727.5	591.8	547.0
2014	507.7	430.2	805.4	604.6	593.5

Source: Halifax House Price Index

3. What is meant by the term 'base year'?

4. Using the table, calculate the following percentage change in house prices:

a) Scotland from 2002 to 2014

b) Greater London from 2013 to 2014

c) All UK from 1985 to 2014

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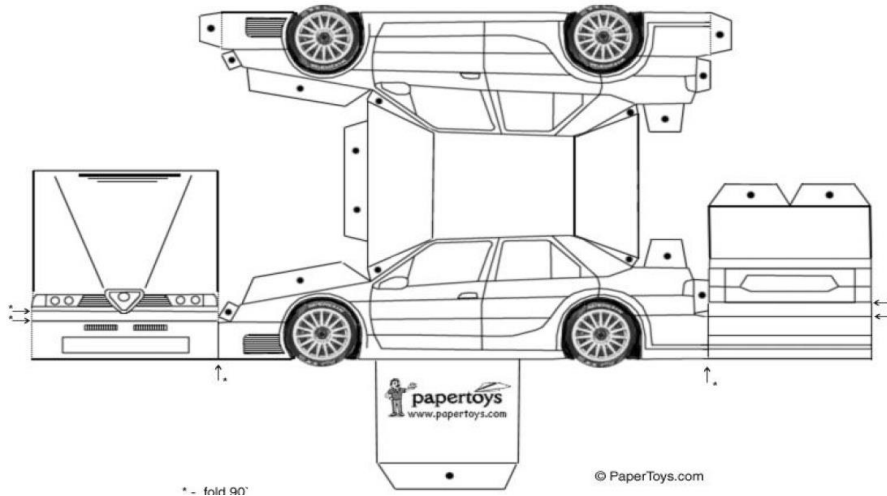
- (a) **Discuss** the usefulness of **GDP** as an indicator of growth. (8)
- (b) **Assess** the impact of **exchange rate** changes on economic growth for a country. (10)
- (c) Using a suitable diagram, **assess** the use of **fiscal policy** to stimulate economic growth. (12)
- (d) **Evaluate** the extent of the **trade-off** between economic growth and negative externalities. (20)

Lesson on specialisation

1.2 Enterprise, business and the economy

Entrepreneurs are key to a dynamic economy and they take decisions in the context of current economic conditions.

Subject content	What students need to learn:
1.2.4 Specialisation	<ul style="list-style-type: none"> a) Division of labour: advantages and disadvantages to employers and employees b) Specialisation: advantages and disadvantages to the firm
1.2.5 The wider economic environment	<ul style="list-style-type: none"> a) Implications for firms of changes in: <ul style="list-style-type: none"> o exchange rates o taxation o unemployment o inflation



Examination

Paper	Content	Exam details
Paper 1	<u>Markets</u> Themes 1 & 4	Duration: 2 hours 100 marks available
Paper 2	<u>Global Economic Environment</u> Themes 2 & 3	Duration: 2 hours 100 marks available
Paper 3	<u>Pre-released case study</u> Economic related issue – All themes	Duration: 2 hours 100 marks available

Exams at the end of Year 13
May/June

Paper 1: Markets and how they work

***Paper code: 9EB0/01**

- Externally assessed
- Availability: May/June
- First assessment: 2017

**35% of the
total
qualification**

Overview of content

Paper 1 will assess markets and questions will be drawn from Themes 1 and 4.

Overview of assessment

- Written examination.
- The paper comprises three sections.
- Students answer all questions from all sections.
- Section A comprises one data response question.
- Section B and Section C each comprise one extended open-response question based on data.
- Duration: 2 hours.
- 100 marks available.

Paper 2: Competing in the global economy

***Paper code: 9EB0/02**

- Externally assessed
- Availability: May/June
- First assessment: 2017

**35% of the
total
qualification**

Overview of content

Paper 2 will assess the global economic environment and questions will be drawn from Themes 2 and 3.

Overview of assessment

- Written examination.
- The paper comprises three sections.
- Students answer all questions from all sections.
- Section A comprises one data response question.
- Section B and Section C each comprise one extended open-response question based on data.
- Duration: 2 hours.
- 100 marks available.

Paper 3: The economic environment and business

***Paper code: 9EB0/03**

- Externally assessed
- Availability: May/June
- First assessment: 2017

**30% of the
total
qualification**

Overview of content

For Paper 3, there will be a pre-released context document issued on our website in November of the previous year. A new context will be given to centres each year and will relate to the examination series for the following summer.

The context will focus on a broad context, such as an economy, industry, market or economic issue. The question paper will be in two sections.

The first section will focus on the broad context provided. This will be outlined to centres through the pre-released document.

The second section will focus on at least one strand within the context provided, such as a particular firm.

Each section will contain unseen stimulus materials comprising quantitative and qualitative evidence. Students are required to apply their knowledge and understanding from Themes 1, 2, 3 and 4 and their understanding of the broad context to this evidence.

Students **cannot** take any of their research or investigation data carried out as part of the pre-release into the examination.

Overview of assessment

- Written examination.
- The paper comprises two sections. Each section comprises data response questions broken down into a number of parts, including one extended open-response question.
- Students answer all questions from both sections.
- Duration: 2 hours.
- 100 marks available.

20 Mark example

This response reached L3 and scored 13 marks.

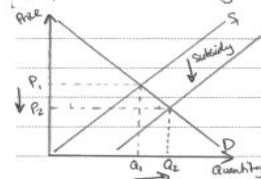
(d) Evaluate the argument that market failure can be solved by government intervention. (20)

Market failure is the disallocation of resources and government intervention is the policies set out by the government in order to reduce market failure. In the UK, there is a market failure for obesity which is claimed to be caused by sugary drinks and foods. The market failure occurred due to the lack of understanding of private and external costs of consumers

which lead to a greater social cost than social benefit. The government could intervene by bringing in regulations and legislations on the amount of sugar consumption per each individual by limiting the available supply of these products.

The government can also introduce indirect taxes such as the ones on tobacco and alcohol. Such taxes increase the price of the product which would lead to a decrease in the quantity demanded where there is an elastic demand for the product.

Another possible government intervention is grants and subsidies. To reduce obesity in the UK, enhancing exercises and physical activity can improve the situation amongst with indirect taxation. A subsidy, money given by the government to an individual to spend it on a certain good or service, can be set up on gym memberships to get more people into working out and lowering the obesity rate.



As seen on the diagram, a suitable subsidy by the government would lead to a decrease in the price of the product and an increase in the quantity demanded.

This would result in a positive reaction to the government intervention and therefore it is more likely to solve market failure.

However, there is a chance of fraud when giving

free money to the public where the individual doesn't spend the money on the designated product which would then lead to government failure.

Also, regulations and legislations have to be enforced by the government in order for them to be effective but it is impossible, for example, to place a police officer next to every newspaper stand in order to avoid underage purchase of tobacco and alcohol products. The administration costs would exceed the social benefits which would make it very inefficient for the government.

Overall, there are several policies to deal with market failure. It all depends on how big the problem is where there is a market failure such as the UK obesity crisis and also how the government is able to intervene so that the problem is solved rather than making it worse which can then lead to government failure which means the UK government would then need to readjust its strategies to tackle the problem which can be costly and time consuming.



This response shows reasonably accurate knowledge and understanding supported by some relevant evidence. Chains of reasoning are developed with some counter arguments but these lack balance and are not as developed as they could be.

Student views

Relevant case studies and examples explored

The course has challenged me to think from an analytical perspective

It is quite a logical subject, which I enjoy

It has been insightful in learning about the issues facing the world economy

I can see how relevant it is to everyday life

Helps to understand how countries work and the global impact

Entry requirements

Minimum grade 6 in GCSE Maths and a minimum grade 5 GCSE English.

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Holistic overview

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How it fits with other subjects

- With economics being a **social science** and a study of the **real world** and the challenges people experience, the course **complements a range of subjects** from **sciences** to **arts** and **humanities** both at **A-level** and **Degree level**.
- Economics fits particularly well with subjects like **environmental studies**, **international studies**, **politics**, **psychology**, **geography** and **sociology**.
- For those with more **mathematical** or **scientific** interests, the financial elements of economics mean you can also study it alongside subjects like **mathematics**, **statistics**, **business**, **management**, **accounting** and **finance**.

Where can I go with Economics?

- An Economics qualification will prepare you for **any career** that desires **numerical, analytical and problem-solving skills** – which is generally the **vast majority**.
- Many employers in **banking, government, insurance, accountancy** and **business** often employ Economists.
This is because they have the specific ability to identify **financial risks, spot social trends** and make **informed decisions** around **investing resources**.
- Economists are also sought after in **fields that analyse large amounts of data to recognise patterns** and make better-informed **decisions**.
Examples of this could be the spread of **diseases**, patterns in **crime**, trends in **financial markets** or consumer **behaviour**.

Typical careers:

- Economist
- Chartered accountant
- Investment analyst
- Management consultant
- Civil servant

You may also find yourself working in the banking sector, with charities, NGOs or voluntary organisations, consultancies or insurance firms.



Transferable Skills

Problem-solving skills

The delivery and assessment of the course is linked to various **case studies**, which means that you explore **different scenarios** and **analyse the data**. This helps develop **critical thinking** and **problem-solving skills** that can be valuable in numerous different careers.

Communication skills

As economics is a social science, you develop the ability to **communicate in business terms** and about the issues and challenges that individuals face. The course helps you gain an understanding and appreciation of the **viewpoints** of people from **different cultural backgrounds** and their specific issues. This can help to develop **empathetic** and **interpersonal communication skills**.

Numerical skills

Though economics involves more than just analysing numbers, numeracy is a key part of the course. Studying economics can help develop your **confidence** when working with **figures** and identifying **trends**. Many of the numeracy skills associated with economics translate well to other jobs.

Analytical skills

Economics courses help you learn how to analyse information critically by **identifying key information** from **data sets**. You also learn how to **evaluate** this information, draw conclusions and make informed **decisions**. **Your analytical skills are helpful for both the numerical and social aspects of economics.**