

Economics Taster Session

Contents

- Breakdown of the course
- Skills you will develop
- Insight into the content which will be studied on this course

Do Now:

Use your high level analytical skills to explain the economic implications of this headline from BBC News

Challenge: How can you link this article to the recent rail strikes that took place?

UK inflation rises at fastest rate for 40 years as food costs jump

By Michael Race
Business reporter, BBC News

2 days ago | Comments



Prices are continuing to rise at their fastest rate for 40 years with food costs, particularly for bread, cereal and meat, climbing.

UK inflation, the rate at which prices rise, edged up to 9.1% in the 12 months to May, from 9% in April, the Office for National Statistics (ONS) said.

Fuel and energy prices are the biggest drivers of inflation, but the ONS said food costs had pushed it up further.

Workers and unions are pushing for pay rises to cope with higher prices.

But the government has warned against employers handing out big increases in salaries over fears of a 1970s style "inflationary spiral" where firms hike wages and then pass the cost on to customers through higher prices.

A Level Economics Content

Microeconomics:

- the economic problem and economic methodology
- individual economic decision making
- price determination in a competitive market
- 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.

Macroeconomics:

- the measurement of macroeconomic performance
- how the macroeconomy works
- economic performance
- financial markets and monetary policy
- fiscal policy and supply-side policies
- the international economy.

Assessments

Paper 1: Markets and market failure	+	Paper 2: National and international economy	+	Paper 3: Economic principles and issues
What's assessed Content 1 – 8 above		What's assessed Content 9–14 above		What's assessed All content 1–14 above
Assessed <ul style="list-style-type: none">• written exam: 2 hours• 80 marks• 33.3% of A-level		Assessed <ul style="list-style-type: none">• written exam 2 hours• 80 marks• 33.3% of A-level		Assessed <ul style="list-style-type: none">• written exam: 2 hours• 80 marks• 33.3% of A-level
Questions <ul style="list-style-type: none">• Section A: data response questions requiring written answers, choice of one from two contexts worth 40 marks• Section B: essay questions requiring written answers, choice of one from three worth 40 marks		Questions <ul style="list-style-type: none">• Section A: data response questions requiring written answers, choice of one from two contexts worth 40 marks• Section B: essay questions requiring written answers, choice of one from three worth 40 marks		Questions <ul style="list-style-type: none">• Section A: multiple choice questions worth 30 marks• Section B: case study questions requiring written answers, worth 50 marks

All the question papers are compulsory

Key Skills

- Knowledge and Understanding
- Application
- Analysis
- Evaluation
- Quantitative
- Data Interpretation
- Constructing diagrams
- Critical Thinking
- Problem Solving



Activity 1

What is a dialysis machine?



Scenario

These machines are used for patients who have kidneys that do not work properly – without dialysis the patients would quickly die.

Dialysis machines are very expensive to purchase.

Some people can get a kidney transplant which means they won't need dialysis any longer.

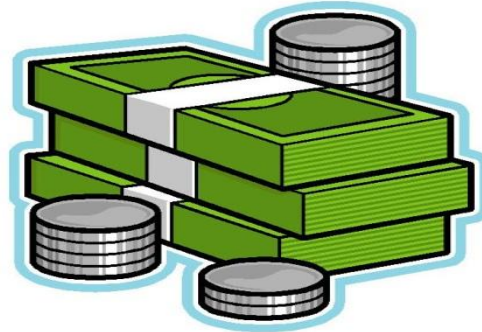
A hospital in town has one dialysis machine that can run for 30 hours per week. As the lead doctor of the hospital, you must decide who gets the treatment.

There are a number of patients who require treatment and their needs are given on the sheets on your table.

Activity: In pairs, decide how you will allocate the 30 hours, **in order of preference**. Justify in the blank box next to it why you have made this choice



What have we learnt from this activity?



Scarce Resources

- The Earth has **finite** resources
- Humans have **infinite** wants

So...

- We can't have everything we want

and so...

- We must make choices
- We must give up one opportunity to take another
- In Economics we call this the **Opportunity Cost**



Economics

Economics is the science which studies human behaviour as a relationship between unlimited wants and scarce resources which have alternative uses.



Making Choices

In life, decisions always have to be made as you cannot do everything

This is especially true when you only have a certain amount of time and money.



Every **choice** involves an **opportunity costs**, when you choose one thing, you're giving up others.

Opportunity Cost

The choices people make have both present and future consequences. Any opportunity you take up means you are losing out on something else.

For example if you decide to stay in full-time education until 21 you are losing out on earning money straight away.

This would be your **opportunity cost**.

Rational economic decision making

Occurs when individuals compare the benefits and costs of alternative decisions and select the one that maximises their personal net benefit

What are the characteristics of a rational consumer?

Economic Man (*Homo Economicus*)

Behaves R

Has Complete

Behavioural economists question this concept and argue that these assumptions are not realistic in modern society

Acts s
inter

maximise
al
utility/satisfaction/
happiness



Behavioural Economics

Behavioural Economics tries to mix insights from Psychology with Economics, and looks at problems through the eye of a “Human”, rather than an “Econ”.

Behavioural economics uses insights from psychology to explain why people make apparently irrational decisions such as why people eat too much, take too little exercise, or do not save enough for retirement.

Activity 2 - Experiment



- Two participants
- You have two options – **SPLIT** or **STEAL** (you cannot show your opponent your choice)
- If both parties SPLIT – you both get to share the KitKat
- If both participants STEAL – both of you will leave with nothing
- If one party steals and the other split – the person who steals gets to keep the whole chocolate and the person who splits leaves with nothing

Expectations

Alongside the other 6th form expectations, in Economics we expect you to

- Be prepared to be assessed regularly
- Meet weekly homework deadlines
- Have a folder with dividers to maintain organisation of notes, homework, and assessments
- Keep a journal of the wider reading you are encouraged to do on this course



Economics Bridging Menu

You are about to start an exciting journey into the world of Economics, good luck!











Remember

- Choose what modules you do and when, but work through them consistently. Different tasks will take you varying amounts of time, but on average you should aim to do one or two per week
- All green tasks are core modules, they are compulsory and must be completed and uploaded to your application by 19 August
- 🌶️ The red hot chili indicates that the task is more challenging than the others
- Numbers eg (1) correspond to how you should evidence the module which can be found in the slides following the menu. They can be saved within this powerpoint or as separate documents clearly labelled

with the subject

Economics Bridging Menu

(Green modules are core (compulsory) modules ,  indicates the most challenging modules)

Read 	Watch 	Listen 	Visit  (virtually or physically at a later date)	Do 
Undercover Economist The book provides an introduction to principles of economics, including demand-supply interactions, market failures, externalities, globalisation, international trade and comparative advantage. (1)	Moneyball Oakland A's general manager Billy Beane's successful attempt to assemble a baseball team on a lean budget by employing computer-generated analysis to acquire new players. (1) 	<ul style="list-style-type: none"> Demand and Supply – What are you waiting for? Income inequality A true story of the gender pay gap (1)	Visit the Bank of England	MOOCs https://www.futurelearn.com/courses/global-prosperity Search through the MOOCs on Unifrog using the filter 'Economics' and chose one that particularly interests you (3) 
Poor Economics Why do the poor borrow to save? Why do they miss out on free life-saving immunizations, but pay for unnecessary drugs? In <i>Poor Economics</i> , Abhijit V. Banerjee and Esther Duflo, answer these questions from the ground. (1)	Inside Job An analysis of the global financial crisis of 2008, which at a cost over \$20 trillion, caused millions of people to lose their jobs and homes in the worst recession since the Great Depression, and nearly resulted in a global financial collapse. (1)	<ul style="list-style-type: none"> Economics in Ten Planet Money Podcast: The Tale of the Onion King (1) (2)	LSE Economics Department Open Day Navigate to find the academic department sessions and watch the recorded sessions for Department of Economics	Young Economist of the Year Essay writing Competition 
The truth about Markets Why market economies performed better than socialist or centrally directed ones. The book looks at markets in a number of different settings around the world. (1)	Capitalism – A love story An examination of the social costs of corporate interests pursuing profits at expense of the public good. (1) 	<ul style="list-style-type: none"> Are the Rich Really Less Generous Than the Poor? (1) 	Gresham College Lecture: Nudging society to better decisions (1)	Choose a developed and a developing country – Research and produce a presentation on the <ul style="list-style-type: none"> Economic Growth Level of Unemployment Inflation Rate House Prices Average Wage National Debt Main industries Explain what each of these indicators show and how they impact the different groups of people in society e.g. Government, businesses and consumers.
Nudge <i>Nudge</i> is about choices - how we make them and how we can make better ones. (1)	Sicko A film comparing international health care systems. (1)		LSE Public Lectures (1)	How has each country's economy been affected by Covid 19?
Talking to My Daughter About the Economy: A Brief History of Capitalism by Yanis Varoufakis (1) 	TED Talks (1) <ul style="list-style-type: none"> Donut Economics The Economics of Enough Why renewables can't save the planet 	<ul style="list-style-type: none"> Should we really behave like economist say we do? (1)	Explore the Unifrog Economics Guide including the 'Geek Out' sections (1)	What are the main points of comparison for the economies overall? (3)
Freakonomics The hidden side of everything! (1)	Margin Call: A boardroom crisis ensues at an investment bank when one young analyst begins to raise questions about the			

(1) - Book/Journal/Podcast/Film Review

Review by: _____

Title: _____

Author: _____

Review of (please circle)

Book Journal Podcast Film Documentary

Would you/would you not recommend it? Why?

Rating:



What was it about?

What did you find particularly interesting/inspiring/shocking? Has this changed your opinion?

How does it link to this subject and why is it important?

What would you like to learn more about?

Save your answers as part of this powerpoint & copy the template as many times as you need

(2) Planet Money Podcast: The Tale of the Onion King

1. How are onion prices set?
2. What are futures? Apply to an agricultural market e.g. wheat
3. What does Cornering the market mean? Apply to Vincent W. Kosuga, the onion king, and what he did.
4. How did he corner the market?
5. Why did he do this in secret?
6. How did he create an onion shortage?
7. How did he make a million?
8. How did he make his second million?
9. Affect on other onion farmers?
10. Overall results on onion market (include new laws)
11. Why would this never happen now?



(3) Research presentation comparing and contrasting two developing countries

- Do this as a powerpoint presentation
- Include a slide on each bullet point for each country
- Add the notes you would say in the notes section beneath each slide so that each slide just shows the key concise points

MOOCs (4)

To evidence this you can

- Save any notes you take
- Take and save a screenshot of completed modules or the completed course
- Save it as part of this powerpoint or if there is a downloadable certificate save as 'Economics MOOC' on your application