

A level economics at Beckfoot

Research

Part 1 - Theory

Investigate the following key concepts:

1. Opportunity cost
2. Trade off
3. Demand
4. Supply
5. Inferior goods
6. Merit goods
7. Negative externalities
8. Entrepreneur
9. Factors of production
10. Stakeholders



For each one, state the definition and an example (where possible) to support your definition.

Part 2 – The real world

Inflation

- a) What is meant by the term **inflation**?
- b) What is the current rate of inflation for the UK?
- c) Why is inflation bad for the economy?



Interest rates

- a) What is meant by the term **interest rate**?
- b) What is the current Bank of England Interest rate for the UK economy?
- c) Who sets the interest rate for the UK economy?
- d) How does an increase in the interest rate affect the UK economy?

Exchange rates

- a) What is meant by the term **exchange rate**?
- b) What is the exchange rate between the pound and the euro? (state the date and time you checked it)
- c) **ON A DIFFERENT DAY** check the exchange rate between the pound and the euro (state date and time again – this must be different from the previous one)
- d) Has the value of the pound increased or decreased?
- e) What is the economics term for **an increase** in the value of the pound?
- f) What is the economics term for **a fall** in the value of the pound?

Part 3 – maths check!

You may use a calculator for the following questions:

- a) The unemployment level in a country called Nomansland fell from 3,200,000 to 2,700,000. Calculate the % change in unemployment.
- b) Currys PC World have increased the price of a laptop from £324.99 to £349.50. Calculate the % increase in price.
- c) The worldwide demand for iPhones has fallen to 18 million handsets, this represents a 4% fall on the previous quarter. What was the demand for iPhones BEFORE the 4% fall?

Useful websites:

www.Tutor2u.net

www.economicsonline.co.uk

www.economicshelp.org

Textbooks and reading

1. Edexcel AS/A level Economics *By Alain Anderton et al*
2. Edexcel AS/A level Business *by Dave Hall et al*
(both above books are the recommended textbooks for the course)
3. The undercover economist by Tim Harford
4. The Armchair Economist: Economics and Everyday Life, **Steven E. Landsburg**
5. Naked Economics: Undressing the Dismal Science, Charles Wheelan
6. Freakonomics, Steven D. Levitt and Stephen J. Dubner

Movies/documentaries to watch

Too Big To Fail

A documentary based on the book *Too Big To Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System--and Themselves* which covers the 2008 financial crisis and how it came about. The film is presented from the point of view of the key players in various financial institutions who work to try to prevent a global economic meltdown.

A Beautiful Mind

A fictionalised version of the life of John Nash, the mathematician who created game theory – which went on to become a major topic in economics research. Exploring both Nash's mathematical work and the schizophrenia that he suffered from, this film was a popular success as well as being highly rated by historians and those in the field of mathematics.

The Big Short

Another biographical film about the 2008 crisis, this one is worth checking out for the distinctive style in which financial instruments are introduced. Using cameos of well-known celebrities and fourth-wall-breaking chats into the camera, the movie explains concepts such as subprime mortgages and collateralised debt obligations in an accessible way.

Inside Job

Another documentary about the financial system, this movie focuses on the US in particular and the way that the financial services industry has grown in power and has fostered corruption over the last few decades. Split into five parts, it briefly tackles the history of the finance industry before moving on to the early 2000s bubble, the crisis, and the current state of affairs.

Following the news

A-Level Economics students are expected to keep abreast with current affairs. Start watching or reading the news (download the BBC news app for example). Much of the theory that you will learn is played out for real out there so keeping up to date with the news allows you to apply your knowledge and get a deeper understanding of how the world works.