



A Level Economics

Why study Economics?

Economics is a subject suited to **people fascinated by understanding data and speculating about what the benefits and risks of making certain decisions** may be. Economics is a social science, so it uses scientific methods to build theories, based on observation and deduction, to construct models. **Economists explore how the actions of individuals affect other individuals, businesses, governments and the global economy.** Since interactions are complex and based on humans making decisions, the challenge for economists in predicting outcomes is enormous and, therefore, holds great interest. Equally the stakes are high in terms of creating a better society by translating theories into actions. The essential driver behind economics is **scarcity** of resources or people to carry out tasks or available time. Economics looks into fundamental forces in our lives, such as **employment, prices, poverty and world trade.**



What is the course structure?

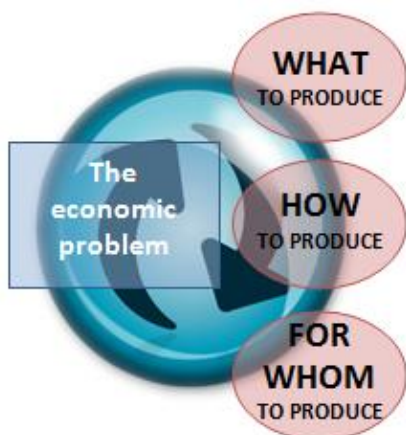
The examination course that will be studied is AQA A-Level Economics. There are three examinations of two hour duration, sat at the end of Year 2 in June. The structure of the examinations include **data response, structured questions and essays.**

The types of topics studied are:

- **Markets and Market Failure (microeconomics):** Essentially this is about factors determining price levels of goods and services and the allocation of resources. Microeconomics is the bottom-up perspective of economies, investigating the effects of choices made by individuals, organisations and societies on markets in terms of supply and demand, leading to competition or market failure (including monopolies). This also involves considering how governments intervene through taxes, subsidies and regulations.
- **The National/International Economies (macroeconomics):** Macroeconomics is a top-down view of economies, meaning that it is looking at economies as a whole, based around foci including: national output (Gross Domestic Product – GDP), unemployment, balance of payments, and inflation. Such measures of economic performance lead to governments with more advanced economies adopting a range of economic objectives, planned to achieve sustainable and stable growth. Developing economies aim to improve conditions including longevity, access to education and a decent standard of living.

Which activities will I be engaged in during the course?

The study of economics generates many **deep questions and the need to make difficult choices**, which may well be **conflicting**. It is **controversy** that makes Economics a lively and challenging subject **with opportunities to make judgements and form personal opinions**. The A level course sets theories and models into real situations by testing them in **contexts relating to the UK and global economies**.



A few questions to wet your appetite:

- *If you had the opportunity to spend £25 on music or books, what would you choose?* This highlights the areas of choice and opportunity costs, where one choice means sacrificing another and considering the array of effects or unintended consequences.

- *Which UK government departments should have their funding increased and which decreased?* This puts many conflicting and worthy demands in conflict, would the case for education be more important than defence or the NHS? What are possible consequences?

- *Should all citizens be genetically tested in the future?* This presents some really complex points in terms of employment, education, health and even the global economy.

How can I prepare for the course?

Anything which increases your **general knowledge and understanding of UK and world current affairs** will be very useful. Explore news stories generated across the different media, and then follow this with discussions with friends and families. Points to consider could include the consequences of issues arising in terms of quality of life, wealth, choices, education, health, defence, sustainability, and equality so plenty of scope for forming and testing opinions. Take advantage of **opportunities to analyse data and interpret graphs**. Increase your **economic vocabulary** by checking you can apply common terms like GDP, revenue, RPI/CPI, balance of payments.....

Beneficial websites:

The Economists

Economics online

Tutor2U

BBC news/economy/business

Further information: P Rees and S Hobbs