Bridging to A-level Economics: things to *read, watch, listen* to and *do* this summer.

Introduction: Many of you have, and some of you haven't studied Economics before; you'll find it to be a rewarding and fascinating subject to study at A-level. Economics relates to virtually every area of your life and decision you make; from what to have for breakfast, to state or private provision of electricity and to the economic impacts of geo-political events, such as that relating to Ukraine and Russia.

In this document you'll find recommended reads, listens and things to watch and importantly, **some tasks to complete over the summer holiday,** which will get you thinking like an economist, about how the economy works, and how we measure it as well as some case studies reflecting on level of economic development. Please scroll down to pages 3-12 for the following bridging tasks:

1) **Economic Thinkers mind mapping** – research and demonstrate understanding of key schools of economic thought.
2) **GDP: i) create an information sheet ii) consider the issues** – discover technical concepts and integrate real world data based on the videos and own research and consider limitations of GDP as a measure.
3) **'Emerging Economies' and Macro-economic Measures** – create an economic profile of the development of two fast developing economies: Cambodia and Bangladesh.
4) **Edexcel exam questions** – *short answer questions and multiple choice.*

You will be studying the linear **Edexcel** Economics specification (syllabus) which covers:

Theme 1: Introduction to markets and market failure	Theme 2: The UK economy – performance and policies
This theme focuses on microeconomic concepts. Students will develop an understanding of: • nature of economics • how markets work • market failure • government intervention.	This theme focuses on macroeconomic concepts. Students will develop an understanding of: • measures of economic performance • aggregate demand • aggregate supply • national income • economic growth • macroeconomic objectives and policy.
Theme 3: Business behaviour and the labour market	**Theme 4: A global perspective**
This theme develops the microeconomic concepts introduced in Theme 1 and focuses on business economics. Students will develop an understanding of: • business growth • business objectives • revenues, costs and profits • market structures • labour market • government intervention.	This theme develops the macroeconomic concepts introduced in Theme 2 and applies these concepts in a global context. Students will develop an understanding of: • international economics • poverty and inequality • emerging and developing economies • the financial sector • role of the state in the macroeconomy.

You can find the specification, detailing what you will be studying over the two year course, here:
https://qualifications.pearson.com/content/dam/pdf/A%20Level/Economics/2015/specification-and-sample-assessment-materials/A_Level_Econ_A_Spec.pdf

We look forward to seeing you after the summer holidays and beginning you're A-level study in this fascinating subject!

Things to Watch…

The Economist - A range of topical stories and documentaries about current and past economic stories from the UK and around the world. https://www.youtube.com/c/TheEconomist/featured

The Untold Story of the Financial Crisis: A documentary exploring the 2008 financial crisis which looks at the story of how the 2008 crash nearly collapsed the world's banking system and the reasons behind it. https://www.youtube.com/watch?v=QozGSS7QY_U

The Big Short (Cert 15): This film tells the same story in an amusing and entertaining way: of what triggered the 2008 financial crisis, specifically in relation to the US housing market and mortgage investing. The gist of it: a group of investors bet against the US mortgage market and discover just how flawed and corrupt it is.

Things to Listen to…

Economics in Ten Podcast: https://podcasts.apple.com/gb/

Planet Money Podcast: https://www.npr.org/podcasts/5

After the Crash: a series by Rethinking Economics: https://www.bbc.co.uk/programmes/w3csxhjn

Things to Read…
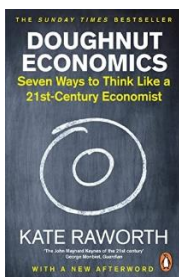
Ambitious and radical, this book reframes what economics could be to a new generation of learners like yourselves. In Doughnut Economics, author Kate Raworth acknowledges that mainstream economics, and its outdated theories, have permitted a world in which the rich get richer while the poor get poorer, she sets out a roadmap for how things can be rectified. Breaking down what really makes human-beings tick, Raworth highlights the far-reaching implications of ignoring the role of energy and nature's resources.
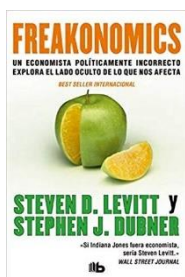
Freakonomics has often been described as one of the most popular economics books of all time – and there is a reason for this! It answers the questions that no one thought to ask – because they were just too absurd. The first of its kind, this novel manages to both amuse you, and make you start seeing the world from an economics perspective – perfect for an economics student!

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This book will engage you from the start in real world scenarios that can be explained by economics; it opens by explaining why the Starbucks in a London train station charges so much for coffee, and continues to talk through similar real life, relatable situations. This is a book which shows you that economics plays a massive part in every section of your life, and how it can help you understand the world slightly better.
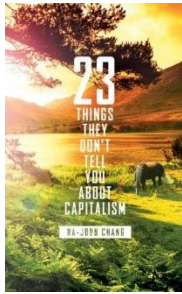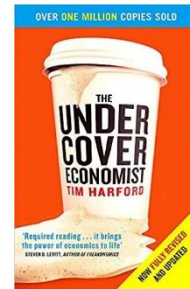
23 Things They Don't tell you about capitalism. This book takes the biggest myths in society today and turns them upside down. For example, it explains why the washing machine has changed lives more than the internet. Chang explains that the book is by no means anti-capitalist and aims not to take sides but to explain the realities, although he does say "despite its problems and limitations, I believe that capitalism is still the best economic system that humanity has invented."

Other great reads:

Fifty Things that Made the Modern Economy (2018) https://www.amazon.co.uk/Fifty-Things-that-Modern-Economy/dp/0349142637/

The Next Fifty Things that Made the Modern Economy (2020) https://www.amazon.co.uk/Next-Fifty-Things-Modern-Economy/dp/1408712660

Probably the most accessible book is Linda Yueh's book: *The Great Economists: How Their Ideas Can Help Us Today (2018)* - https://www.amazon.co.uk/Great-Economists-Their-Ideas-Today/dp/024197447X/

'Things to do' – the following are compulsory tasks to complete this summer: pages 3-12.

Bridging tasks

Task 1 – Economic thinkers

A number of key thinkers have been very influential in understanding how the economy works and adopt varying perspectives, or 'schools of thought'. Below are some key economists that you will learn about at A-level.

The Economic Thinkers: *Adam Smith, Frederich Hayek, John Maynard Keynes, Karl Marx, Amartya Sen, Joseph Stiglitz.*

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Your task: Research and create a mind-map on A3 paper/ word document (landscape) which include the following about each economic thinker. These will be displayed: bring this to life with smartart/flow charts or visuals, but focus on the content:

1) Brief **background** about the economist including era/timeframe in which their economic thinking was most influential
2) Brief explanation of their **key theories/perspectives** on how the economy works and possible interventions by governments or monetary authorities in the economy
3) A key merit **(advantage) of their work/views**; how did it influence how we understand and study economics today?
4) **Extension:** A key drawback (disadvantage) of their work/views; how did their perspective fall short on understanding how the real economy works.

After you have completed this, for fun try and link the following quotes to the right thinker, based on what you've learned about them so far! Draw a line linking the quote to the person. There maybe more than one for each.

Thinkers	Quotes
Adam Smith	*Capitalism is the astounding belief that the most wickedest of men will do the most wickedest of things for the greatest good of everyone.* *[hint: the thinker is criticising the view of another!]*
David Ricardo	*There can be no rise in the value of labour without a fall of profits*
	There's no such thing as a free lunch
John Maynard Keynes	*I do not think it is an exaggeration to say history is largely a history of inflation, usually inflation is engineered by governments for the gain of governments*
	A society can be Pareto optimal and still perfectly disgusting.
Frederich Hayek	*The best way to boost the economy is to redistribute wealth downward, as poorer people tend to spend a higher proportion of their income*
Milton Friedman	*Science is the antidote to the poison of enthusiasm and superstition*
Ha Joon Chang	*People 'over-produce' pollution because they are not paying for the costs of dealing with it.*
	If you put the government in charge of the Sahara Desert, in five years there will be a shortage of sand!
Amartya Sen	*In the long run we are all dead.*

==Task 2 – 'GDP' - Watch these economics explainers and complete the activity/questions that follow:==

a) 'Head Start in A-level Economics: Measuring Economic Activity

https://www.youtube.com/watch?v=r-i0Ok4tAho
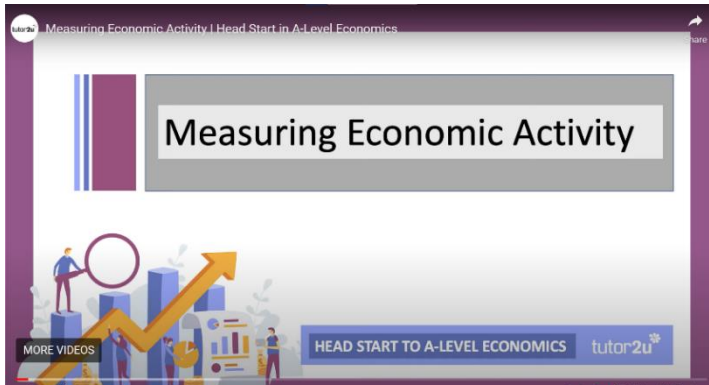
Research activity:

Create an A4 information sheet which explains the following concepts and includes the key data requested. Some of the information you'll get from the video and some from doing your own online research.

1. What GDP stands for	7. The economic term used to describe a six-month period of negative growth
2. What GDP measures	8. The economic term used to describe exceptionally high growth
3. What is meant by GDP per capita	9. Time periods of negative growth in your home country (go back 30 years)
4. The total value of GDP for your home country last year	10. how much your home country's economy grew by last year
5. your home country's current GDP per capita	11. Plot a chart showing your home country's economic growth rate for the past 15 years
6. The average growth rate for GDP in your home country	

b) Problems with using GDP as a measure of wellbeing: video to watch
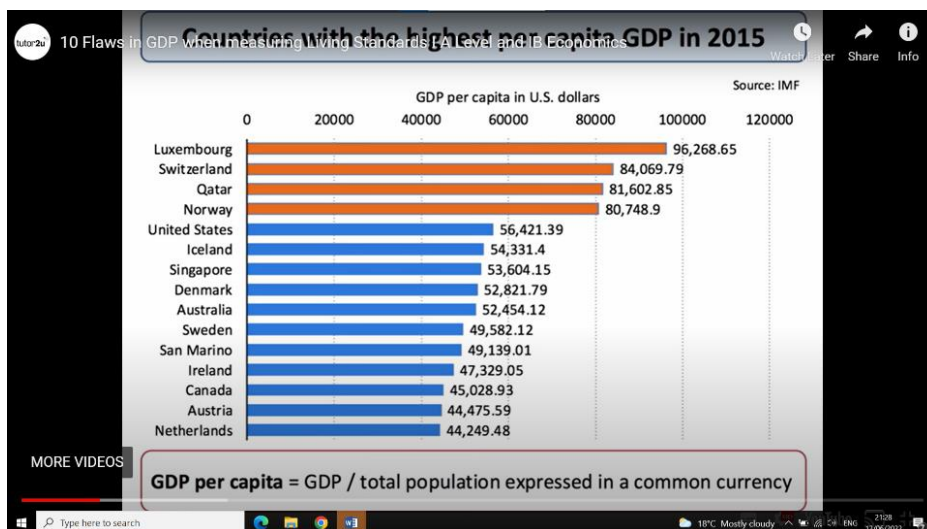
Video: 10 Flaws in GDP as a measure of Living Standards | Economics | tutor2u
After watching this video explain *three problems with using GDP to measure standard of living* or wellbeing.
What's important to basic human wellbeing and happiness? Does GDP exclude these factors? P.t.o

For each problem with GDP as a measure, try to use **three connectives in your explanation** (e.g. because, therefore, leads to) for a fully explained answer.

Extension: research an **alternative measure** of wellbeing used in the world that you believe would be a better way to measure improvements in standard of living over time than increases in GDP. *Why would this measure be better? Are there any drawbacks of this measure? Explain one possible drawback.* *See these websites to help you find the information you need.

Task 3 – Emerging Economies

Research task: What makes an economy an 'emerging' economy? Research the economies of Bangladesh and Cambodia using the links provided below to help you (and your own additional research if you choose – please make sure that you reference your additional sources). Create a table in a word doc to show the key similarities and key differences in the development of the two countries.

Characteristics, Demography and Economic Development:	Cambodia	Bangladesh
GDP per capita (or GNI per capita)		
Growth rate over past X years		
Main exports as % of GDP		
Human Development Indicator *HDI)		
Inequality (measured by Gini coefficient – a value of 0-1 where 0 is perfect equality		
Poverty measure (number of people living below $1.90)		
Other measures or indicators of your choice		

Links: https://www.tutor2u.net/economics/reference/growth-and-development-profile-cambodia https://www.tutor2u.net/economics/reference/growth-and-development-profile-bangladesh

Task 4 Edexcel Exam Questions – SAQs

Have a go at these short answer exam questions on the pages that follow. You will need to look up the key term in each question first (some links below to help) before having a go and timing yourself – one minute per mark.

*Other useful resources and links**
Economics Help: https://www.economicshelp.org/
Economics Online | For students of economics: https://www.economicsonline.co.uk/
Economics | tutor2u: https://www.tutor2u.net/economics

Theme 1 – Microeconomics – Section A

Print the following pages off and write on them. Or complete your answers on a word doc.

Look up the key term first e.g. 'division of labour', 'specialisation' and once you have done that time yourself one minute per mark to answer the questions.

1 **(a)** Which **one** of the following is the most likely consequence of an increase in the division of labour in the production of smartphones?

(1)

    ☒   **A** Decrease in boredom for smartphone workers

    ☒   **B** Decrease in use of specialised manufacturing equipment

    ☒   **C** Decrease in the cost per unit of smartphones

    ☒   **D** Increase in training costs per worker

  (b) Explain what function money has in improving specialisation in the production of smartphones.

(3)

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2)

The area around Lake Naivasha in Kenya supplies 70% of the UK cut-rose flower market. Much of the water which the flower farms are dependent on is extracted from the lake. This has resulted in damage to fish stocks and increasing competition for water.

(Source: adapted from 'Flower Struggles', Matthew Wilson, House and Home, Financial Times, 28 February/1 March 2015)

(a) The impact of the flower industry on workers in the fishing industry is an example of:

(1)

☒ **A** private benefits

☒ **B** private costs

☒ **C** external costs

☒ **D** external benefits

(b) Explain **one** measure the Kenyan government could use to reduce the impact of water extraction from Lake Naivasha.

(3)

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3)

In the UK charges for dental treatment vary. For example, the following charges can be made for a tooth filling:

- National Health Service (NHS) dental treatment £50.50

- Private dental treatment £95–£700

A dentist can choose to offer NHS treatment, private treatment or both.

(a) Using the data above, which **one** of the following is a function of the price mechanism in the market for private dental care?

(1)

☐ **A** Acting as a signal to dentists when deciding whether to provide private dental treatment

☐ **B** Eliminating a shortage of private dentists by allowing the price of private treatment to fall

☐ **C** Encouraging government intervention to set dental care targets

☐ **D** Incentivising private dentists to offer only NHS treatment

(b) Explain **one** possible reason why the state provides NHS dental treatment.

(2)

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Theme 2 – Macroeconomics – Section A

Look up the key term first e.g. 'circular flow of income' and 'claimant count' once you have done that time yourself one minute per mark to answer the questions.

1)

(a) Define the term 'national income'.

(1)

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(b) Which **one** of the following is an injection into the circular flow of income?

(1)

☒ **A** Taxation

☒ **B** Imports

☒ **C** Investment

☒ **D** Saving

(c) Define the term 'circular flow of income'.

(2)

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(Total for Question 1 = 4 marks)

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2)

The table below shows claimant count data for the UK.

	Number of Claimants
August 2014	961 149
September 2014	923 240
October 2014	887 771
November 2014	848 085
December 2014	823 880
January 2015	852 934
February 2015	858 344

(Source: http://www.nomisweb.co.uk/query/construct/submit.asp?forward=yes&menuopt=201&subcomp=)

(a) Define the term 'claimant count'.

(1)

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(b) Calculate the percentage change in the claimant count from August 2014 to February 2015.

(2)

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(c) Which **one** of the following is likely to cause a reduction in the claimant count?

(1)

☐ **A** An increase in the weekly payment for claimants

☐ **B** A compulsory weekly interview for every claimant

☐ **C** An increase in the size of the workforce

☐ **D** A fall in employment

(Total for Question 3 = 4 marks)

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3)

The table below shows the UK Gross Domestic Product (GDP) and population, 2013 to 2015.

Year	GDP (£ millions)	Population (millions)
2013	1 739 563	64.1
2014	1 822 480	64.6
2015	1 872 714	65.1

(Source: ONS, https://www.ons.gov.uk/)

(a) Define the term 'Gross Domestic Product'.

(1)

(b) Calculate the UK's GDP per capita in 2015. You are advised to show your working.

(2)

End