TRANSITION TO SIXTH FORM TASK

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TRANSITION TASK

Learn key terms (from list provided)

Familiarise yourself with the examination technique needed for AQA A Level use the AQA website below.

Using either AQA A-Level Economics by Ray Powell & James Powell Hodder Education ISBN 978-1-4718-2979-9 or the websites below read and make notes for pages 2-11 covering the key pre-knowledge topics below.

KEY PRE-KNOWLEDGE TOPICS

A Level specification reference;

4.1.1.1 Economic methodology
4.1.1.2 The nature and purpose of economic activity
4.1.1.3 Economic resources
4.1.1.4 Scarcity, choice and the allocation of resources

KEY TERMS TO LEARN

See attached sheet.

RECOMMENDED WEBSITES

http://www.aqa.org.uk/subjects/economics
http://www.tutor2u.net/economics/topics
https://www.youtube.com/results?search_query=pajholden
http://www.economist.com/
http://www.bbc.co.uk/news/business
http://www.bbc.co.uk/search?q=wake%20up%20to%20money
https://www.youtube.com/user/EconplusDal

PLACES TO VISIT

Restaurants

As an economist, the effect of price on consumer perception is deeply interesting. Recent findings show that the impact of consumers having information on price pre & post consumption can affect their enjoyment of a meal. So next time you are eating out apply this to your own satisfaction level.

Manchester Central Library

http://www.manchester.gov.uk/info/500138/central_library

Not only does this provide you with resources you can think about the above as the library is a public service.

Bank of England

http://www.bankofengland.co.uk/Pages/home.aspx

Founded in 1694, the Bank of England is the central bank of the United Kingdom. Sometimes known as the 'Old Lady' of Threadneedle Street, the Bank's mission is to promote the good of the people of the United Kingdom by maintaining monetary and financial stability.

Shopping trips

When you are out and about on a shopping trip, try to think about what affects your choices. It's all economics.

NECESSARY READING

Freakonomics: by Stephen J. Dubner, Steven D. Levitt
The Undercover Economist by Tim Harford

A quality newspaper eg The Times or The Guardian

Films to watch;
City of God (2003) – highlighting poverty and the value of human life in Brazil
Wolf of Wall Street (2013) Based on the true story of the rise of a wealthy stock-broker.
The Smartest Guys in the Room (2005) All about the Enron scandal

BEYOND THE CLASSROOM

Twitter accounts to follow: @LHSBus_Econ, @tutor2UBusiness, @BBCBusiness
Blogs http://timharford.com/ Archive blog
http://blogs.ft.com/undercover/#axzz49U3KLSrx
Programmes to watch
https://www.bbc.co.uk/iplayer/episodes/m0006h7q/inside-the-bank-of-england

A Level Economics Transition Task Key Terms

Allocatively efficient	Occurs when it is impossible to improve overall economic welfare . p=MC
Asymmetric information	When one party to a market transaction possesses less information relevant to the exchange than the other.
Average	A term for various measures of central tendency, including the mean, mode and median
Ceteris paribus	Stands for 'all other things being unchanged or constant'.
Competitive advantage	Skills, competences, resources and other advantages that enable a business to out-perform its competition
Complement	Two complements are said to be in joint demand. Examples include fish and chips, DVD players and DVDs, iron ore and steel.
Composite demand	Where goods or services have more than one use so that an increase in demand for one product leads to a fall in supply of the other. E.g. milk which can be used for cheese, yoghurts, cream, butter and other products. If more milk is used for manufacturing cheese, ceteris paribus there is less available for butter.
Correlation	A measure of how close the relationship it (positive or negative) between an independent variable and a dependent variable.
Demand	Quantity of a good or service that consumers are willing and able to buy at a given price in a given time period.
Derived demand	The demand for a product X might be strongly linked to the demand for a related product Y – giving rise to the idea of a derived demand. E.g. the demand for steel is strongly linked to the demand for new vehicles and other manufactured products.
Dynamic market	A market that is effected by constant or regular change.
Diminishing marginal utility	is a law of economics stating that as a person increases consumption of a product, while keeping consumption of other products constant, there is a decline in the marginal utility that person derives from consuming each additional unit of that product
Economic agents	An economic agent is a person, company, or organization that has an influence on the economy by producing, buying, selling or taxation.
Extrapolation	The use of trends established by historical data to make predictions about future values
Factors of production	The inputs that are used in the production of goods or services in the attempt to make an economic profit. The factors of production include land, labour, capital and entrepreneurship.
Growth rate	The percentage growth over a particular period. Market growth rates are typically quoted in terms of percentage growth per year
Innovation	Innovation is defined simply as a "new idea, device, or method".
Incentives	Something that incites or tends to incite to action or greater effort, as a reward offered for increased productivity.
Joint Supply	Joint supply describes a situation where an increase or decrease in the supply of one good leads to an increase or decrease in the supply of another by-product. For example, an expansion in the volume of beef production will lead to rising market supply of beef hides. A contraction in the supply of lamb will reduce the supply of wool.
market failure	An economic term that encompasses a situation where, in any given market, the quantity of a product demanded by consumers does not equate to the quantity supplied by suppliers. This is a direct result of a lack of certain economically ideal factors, which prevents equilibrium.

A Level Economics Transition Task Key Terms

Marginal utility	The additional satisfaction a consumer gains from consuming one more unit of a good or service. Marginal utility is an important economic concept because economists use it to determine how much of an item a consumer will buy.
needs	Needs would be defined as goods or services that are required. This would include the needs for food, clothing, shelter and health care.
Normative Statement	Normative statements express an opinion about what ought to be. They are subjective statements rather than objective statements – i.e. they carry value judgments.
Opportunity cost	An opportunity cost is the cost of an alternative that must be forgone in order to pursue a certain action. Put another way, the benefits you could have received by taking an alternative action.
Positive Statements	Positive statements are objective statements that can be tested or rejected by referring to the available evidence.
productively efficient	Productive efficiency is concerned with producing goods and services with the optimal combination of inputs to produce maximum output for the minimum cost. To be productively efficient means the economy must be producing on its production possibility frontier.
Production possibility diagrams	(PPF) is a curve depicting all maximum output possibilities for two goods, given a set of inputs consisting of resources and other factors. The PPF assumes that all inputs are used efficiently.
Rational economic decision making	A multi-step process for making choices between alternatives. The process of rational decision making favours logic, objectivity, and analysis over subjectivity and insight.
Risk	Risk is the potential of gaining or losing something of value.
Sales forecasting	Techniques for estimating the likely demand (revenue and volume) for a product in future periods
Secondary market research	Data that already exists and which has been collected for a different purpose
Scarce resource	(also called paucity) the fundamental economic problem of having seemingly unlimited human wants in a world of limited resources. It states that society has insufficient productive resources to fulfil all human wants and needs.
Total utility	the total satisfaction received from consuming a given total quantity of a good or service
Utility maximisation	The utility maximization model is built based on the following assumptions; Consumers are assumed to be rational, trying to get the most value for their money.
Wants	Wants are goods or services that are not necessary but that we desire or wish for.
Complimentary goods	A good or service that is used in conjunction with another good or service.
Costs of production	The costs related to making or acquiring goods and services that directly generates revenue for a firm.
Demand	Quantity of a good or service that consumers are willing and able to buy at a given price in a given time period
Demand curve	A demand curve shows the relationship between the price of an item and the quantity demanded over a period of time. For normal goods, more of a product will be demanded as the price falls
Derived demand	Derived demand occurs when the demand for a particular product depends on the demand for another product or activity

A Level Economics Transition Task Key Terms

Effective demand	Demand in economics must be effective. Only when a consumers' desire to buy a product is backed up by an ability to pay for it do we speak of demand
Excess demand	The difference between the quantity supplied and the higher quantity demanded when price is set below the equilibrium price. This will result in queuing and an upward pressure on price
Demographics	the statistical data of a population, especially those showing average age, income, education,
External shock	An economic shock is an event that produces a significant change within an economy, despite occurring outside of it. Economic shocks are unpredictable and typically impact supply or demand throughout the markets.
Government subsidies	A subsidy is a benefit given by the government to groups or individuals usually in the form of a cash payment or tax reduction. The subsidy is usually given to remove some type of burden and is often considered to be in the interest of the public
Income	The flow of cash or cash-equivalents received from work (wage or salary), capital (interest or profit), or land (rent).
Income Elasticity of demand (YED)	Income elasticity of demand measures the extend to which the quantity of a product demanded is affected by a change in income
Indirect taxation	An indirect tax is a tax that increases the price of a good so that consumers are actually paying the tax by paying more for the products. An indirect tax is most often thought of as a tax that is shifted from one taxpayer to another, by way of an increase in the price of the good.
Inferior goods	For inferior goods, as income rises demand actually falls
Latent demand	Latent demand exists when there is willingness to purchase a good or service, but where the consumer lacks the purchasing power to be able to afford the product
Normal goods	Normal goods have a positive income elasticity of demand. Necessities have an income elasticity of demand of between 0 and +1. Luxuries have income elasticity > +1 demand rises more than proportionate to a change in income
Price Elasticity of demand (PED)	Price elasticity of demand measures the extend to which the quantity of a product demanded is affected by a change in price
Seasonality	A characteristic of a time series in which the data experiences regular and predictable changes which recur every calendar year.
Substitutes	Goods in competitive demand and act as replacements for another product.
Supply	The total amount of a product (good or service) available for purchase at any specified price.
Total Revenue	Total revenue in economics refers to the total receipts from sales of a given quantity of goods or services. It is the total income of a business and is calculated by multiplying the quantity of goods sold by the price of the goods.