

Newstead Wood School

Bridging Work: Economics A level

I am delighted that you have chosen to study A Level Economics. It is a pleasure to welcome you to our department, and I look forward to working with you over the next two years as we explore this fascinating subject together.

As many of you have not studied Economics before, I have prepared a Bridging Work document to help you make a strong start. This material will introduce you to key ideas and concepts and give you an overall sense of what to expect in the course. Completing this work will equip you with a solid foundation and help you hit the ground running when we begin in September.

If you have any questions, please do not hesitate to get in touch. I am confident that with your enthusiasm and commitment, we will have an exciting journey ahead.

Ms Maryam

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How does the A Level Course look like in Newstead?

At A-Level, we follow the Edexcel A Level Economics A specification. The subject code is 9eco.

You will have 4 Themes and three exams.

The Edexcel A Level Economics A specification consists of the following themes:

Theme 1: Introduction to markets and market failure	Theme 2: The UK economy – performance and policies
<p>This theme focuses on microeconomic concepts. Students will develop an understanding of:</p> <ul style="list-style-type: none">• nature of economics• how markets work• market failure• government intervention.	<p>This theme focuses on macroeconomic concepts. Students will develop an understanding of:</p> <ul style="list-style-type: none">• 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
<p>This theme develops the microeconomic concepts introduced in Theme 1 and focuses on business economics. Students will develop an understanding of:</p> <ul style="list-style-type: none">• business growth• business objectives• revenues, costs and profits• market structures• labour market• government intervention.	<p>This theme develops the macroeconomic concepts introduced in Theme 2 and applies these concepts in a global context. Students will develop an understanding of:</p> <ul style="list-style-type: none">• international economics• poverty and inequality• emerging and developing economies• the financial sector• role of the state in the macroeconomy.

You can read the full Edexcel A Level Economics A specification here:

[https://qualifications.pearson.com/content/dam/pdf/A%20Level/Economics/2015/specification-and-sample-assessment-materials/A Level Econ A Spec.pdf](https://qualifications.pearson.com/content/dam/pdf/A%20Level/Economics/2015/specification-and-sample-assessment-materials/A%20Level%20Econ%20A%20Spec.pdf)

The Edexcel A Level Economics A specification consists of the following Exams:

PAPER 1: Microeconomics (Theme 1 & 3)

PAPER 2: Macroeconomics exam (Theme 2 & 4)

PAPER 3: Synoptic exam, which combines elements of both.

How can I develop as an Economist and set the foundation for A level course before September?

Revise

Numeracy

Economics, in common with your other A level options, will require a reasonable level of numeracy in the overall assessment that you will sit. As an Economics student you should ensure that you are familiar with how to calculate:

1. Calculate Percentage changes
2. Finding the previous below before the percentage change.
3. Finding the new value post the percentage change.
4. Mean Average
5. Interpretation of diagrams e.g. pie charts, bar charts etc.

Read/Watch

Websites:

The following may give you an insight into some of the key topics and concepts that you will become familiar with:

1. EconplusDal

Provides YouTube videos that cover the full A Level Economics specification. These videos are a must watch and a playlist can be found here.

2. Tutor2u

An excellent resource for all A Level topics. The full range of videos can be found here.

3. Economics Help – <http://www.economicshelp.org>
4. Economics Online - <http://www.economicsonline.co.uk/>
5. Investopedia – <http://www.investopedia.com>

Great for economics data:

- Office for National Statistics - <https://www.ons.gov.uk/>
- Trading Economics – <http://www.tradingeconomics.com>

Great for economics in the news:

- BBC News (economy section) - <http://www.bbc.co.uk/news/business/economy>
- The Guardian (economics section) – <https://www.theguardian.com/business/economics>
- The Telegraph (economy section) – <http://www.telegraph.co.uk/business/economy/>

- The Independent (money section) –
- <http://www.independent.co.uk/money>

Books:

- Freakonomics – Steven D Levitt & Stephen J Dubner
- Superfreakonomics - Steven D Levitt & Stephen J Dubner
- Talking To My Daughter About The Economy – Yanis Varoufakis
- The Undercover Economist – Tim Harford

Course book: Alain Anderson economics 6th edition



Research

In September we will start with the Theme 1 (Microeconomics) and Theme 2 (Macroeconomics) so in order to help you prepare we would like you to complete the following transition work:

- 1. What is the difference between Micro and Macroeconomics?**
- 2. Microeconomics Activity**
- 3. Macroeconomics Activity**

Economics at A Level is split into two main sections; Microeconomics and Macroeconomics. Ensure that you understand the differences and put your findings in the table below:

Use the following video from Tutor2U to help you understand the difference between microeconomics and macroeconomics.

Tutor 2 U video - <https://youtu.be/2Nq8LN3XGQA>

1. What is the Difference between Micro and Macroeconomics?

<u>Microeconomics</u>	<u>Macroeconomics</u>

2. Introduction to Microeconomics

Microeconomics activities

What is meant by?

1. Define the following key terms. Use some time to understand them and what they mean without copying out a definition that you don't understand. Can you relate the concepts to your everyday life?

- a. Scarcity

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- b. Wants

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- c. Opportunity cost

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- d. Free Goods

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- e. Economic Goods

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2. What is economic problem?

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3. What is economics?

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4. What are the factors of production? What does each factor do? What are the rewards to each factor of production?

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5. What is the difference between positive and normative statements?

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6. What are assumptions and what is Ceteris Paribus Assumption?

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7. The Case study

Read the case and answer the questions followed by it:

This case study will introduce you to the topics of demand and supply – The heart of economics.

Watch the video: https://www.youtube.com/watch?v=720uyg0Dd_M

The Market for Cocoa – read the following three extracts related to sharp fall in the price cocoa during 2017, and then answer the questions:

Extract A - Cocoa prices hit a four year low in May 2017 due to strong harvests and a fall in the demand for unhealthy food. A bumper crop led to a surplus in supply of cocoa in West Africa. The Ivory Coast saw a 16% increase in production and Ghana's cocoa supply rose 13%. It was true in 2017 and still is today that the Ivory Coast and Ghana are the world's leading producers of cocoa beans with the two countries accounting for two thirds of global production.

Weather conditions at the time were favourable with weak winds from the Sahara leading to little damage to crops. In the Ivory Coast beans were piling up in warehouses and ports as firms were unwilling to sell the cocoa bean at a loss.

The other factor contributing to the problem was the increase in weight-conscious customers who were cutting down on snacking and the amount they ate. In the US, the world's largest importer of chocolate, retail sales of chocolate and candy had seen very weak growth since 2014, for instance during 2016 sales of chocolate only rose by 0.6%. In China, retail volumes of chocolate fell by 4% in 2016.

However, all was not lost. There may have been a growing number of health-conscious consumers but there was also a growing popularity over the health benefits of cacao and cocoa even if the impact of this would take up to a year to be seen.

Extract B - More than three million tons of cocoa beans were been consumed globally every year, according to a report written by the World Cocoa Foundation in 2017. Demand for chocolate had also been increasing from emerging markets as they experienced growth in incomes and higher standards of living.

However, the market had stagnated in more developed parts of the world. Health concerns linked to sugar and government information campaigns emphasising the dangers of obesity were responsible for the decrease in demand. In 2017, the average person in Europe and the US consumed approximately 5.2kg of chocolate. According to the market research company Euromonitor, the UK chocolate market fell by \$2million between 2013 and 2015.

Extract C - Cocoa is a fragile crop and trees are vulnerable to changing weather patterns, as well as diseases and insects. In 2017, there was a stark warning given by the International Centre for Tropical Agriculture, stating global warming would cause temperatures in West Africa to rise by 2 degrees Celsius by 2050. This is likely to leave many of the cocoa producing areas unable to produce the cocoa crop because the trees will not be able to access enough water during the growing season.

Farmers in Ghana and the Ivory Coast began to move their resources out of cocoa trees and into more profitable crops such as palm oil and rubber. If this trend continues at the same rate, global supplies of cocoa will fall dramatically causing a 1 million tone shortage of the crop by the mid 2020s.

The predicted fall in supply was not the only concern facing the production of cocoa in 2017. Cocoa was and still is the main source of income for 5.5 million small farmers, many of whom live in absolute poverty on less than \$1.25 per day. The European Campaign for Fair Chocolate estimated around 2 million children were working on cocoa plantations in Ghana and the Ivory Coast with 500,000 of these in very poor working conditions. One major chocolate producer, Nestle, lost an attempt to stop a court case against them for using child slaves in the Ivory Coast in January 2017.

Nestle reportedly tried to tackle the problem of children working on small farms in West Africa, but were unable to guarantee their suppliers had completely stopped the practice.

- A. With reference to Extract A, explain what you think the likely impact of changes in global demand and global supply of cocoa will be on a) the price of cocoa and b) the quantity of cocoa being produced.
- B. Assess how the fall in the price of cocoa will impact on consumers of chocolate.
- C. Assess the effects of the fall in the price of cocoa on farmers in West Africa.

3. Introduction to Macroeconomics

1. What are the 4 Key Macroeconomics goals of an economy?

Key Macroeconomics Objectives	Meaning	How to Measure them?	Policies to achieve

2. What are the economic agents? What do they wish to maximise?

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3. Create a fact file of 6 pieces of Economic data to do with the UK.

You MUST include :

- The unemployment rate,
- Inflation rate,
- Average GDP per capita,
- Latest balance of payments deficit or surplus,
- latest budget deficit or surplus (not the same thing as the balance of payments)
- Bank of England base rate.

You MUST include the month/year of the data so it is easier to compare For extra challenge, consider how each part of the fact file might be affected by, Brexit and/or by Coronavirus and/or by war in Ukraine!