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Academy

# **Pre-Y12 Economics A-Level Summer Home Learning**

Name: \_\_\_\_\_

You must complete this home learning over the summer prior to your arrival in Y12. This is due on the first economics lesson in September.

## **INTRODUCTION**

Economics is a problem-based social science that studies how societies use limited resources to produce valuable products and services and then distribute them among different people.

A wide range of activities is studied by economists, from global trade to unemployment and inflation, from investing retirement funds to controlling pollution. Economic analysis can generate important insights and guidance to individuals and governments about which and how economic variables are linked and how to use these relationships to improve the living conditions of people.

As Paul Samuelson and W.D. Nordhaus have put it, *“Our economic knowledge serves us in managing our personal lives, in understanding society and in improving the world around us. The ways that economics can help us individually will be as different as our personal lives. Learning about the stock market may help people manage their own finance; knowledge about price theory and anti-monopoly policy may improve the skills of a lawyer; better awareness of the determinants of cost and revenue will produce better business decisions. The doctor, the investor and the farmer will need to know about accounting and regulation to get the most satisfaction and profit from their businesses”*.

**TASK 1**

The aim of this task is to recap some of the essential vocabularies in GCSE economics. A good understanding of these definitions will be a stepping-stone to A-level economics.

Describe, in one sentence and your own language, what each word means in economics.

**Macroeconomics**

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**Microeconomics**

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**Demand**

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**Supply**

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**Equilibrium**

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**Labour market**

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**Unemployment**

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**Privatization**

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**Stakeholders**

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**Taxes**

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**Inflation**

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**Recession**

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**Exchange rate**

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**Fiscal policy**

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**Monetary policy**

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○ **Interest rate**

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**TASK 2**

Economics comes in every way of people's daily life. The aim of this task is to develop your curiosity as well as critical thinking of economic power on the products that we see in our daily life.

Pick **3 items** from the list below and write down what factors or events will affect its price and how. The first one is an example.

***Example***

○ *A bag of sweets*

1. *Factor: the cost of the sugar*

*How it affects the price:*

*The more costly the sugar is, the higher the cost of the sweets company for making the sweets, hence they will charge higher price to accommodate the increase of their production cost in order to make the same profit.*

2. *Factor: the cost of plastic*

*How it affects the price:*

*The more expensive the plastic is, the more costly to produce the plastic packaging for a bag of sweets, therefore the higher the production cost for the sweets company and it will charge higher price to its consumers to balance this.*

3. Factor: *the price of other sweets producer*

*How it affects the price:*

*If other sweets companies charge lower price for the same type of sweets in order to win more, then the sweets company has to decrease its price as well in order to compete.*

○ **Eggs**

1. Factor: \_\_\_\_\_

How it affects the price:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Factor: \_\_\_\_\_

How it affects the price:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Factor: \_\_\_\_\_

How it affects the price:

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○ **Video games**

1. Factor: \_\_\_\_\_

How it affects the price:

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Factor: \_\_\_\_\_

How it affects the price:

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Factor: \_\_\_\_\_

How it affects the price:

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○ ***Fidget spinner***

1. Factor: \_\_\_\_\_

How it affects the price:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Factor: \_\_\_\_\_

How it affects the price:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Factor: \_\_\_\_\_

How it affects the price:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

○ ***Mobile phones***

1. Factor: \_\_\_\_\_

How it affects the price:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Factor: \_\_\_\_\_

How it affects the price:

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3. Factor: \_\_\_\_\_

How it affects the price:

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○ **Jeans**

1. Factor: \_\_\_\_\_

How it affects the price:

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2. Factor: \_\_\_\_\_

How it affects the price:

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3. Factor: \_\_\_\_\_

How it affects the price:

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○ **Shoes**

1. Factor: \_\_\_\_\_

How it affects the price:

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2. Factor: \_\_\_\_\_

How it affects the price:

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3. Factor: \_\_\_\_\_

How it affects the price:

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○ **Chocolates**

1. Factor: \_\_\_\_\_

How it affects the price:

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2. Factor: \_\_\_\_\_

How it affects the price:

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3. Factor: \_\_\_\_\_

How it affects the price:

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○ **Medical drugs**

1. Factor: \_\_\_\_\_

How it affects the price:

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2. Factor: \_\_\_\_\_

How it affects the price:

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3. Factor: \_\_\_\_\_

How it affects the price:

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○ **Cars**

1. Factor: \_\_\_\_\_

How it affects the price:

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Factor: \_\_\_\_\_

How it affects the price:

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2. Factor: \_\_\_\_\_

How it affects the price:

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## **TASK 3**

The aim of this task is to practise and develop your synthesis skill that is important in studying economics and becoming an independent learner.

Pick **2 videos** from the list below. Watch the video and summarise using the flow chart. You may use the templates provided or design your own flow chart that shows causality clearly. Each block should contain **less than 10 words**.

***Video 1: Why is vanilla so expensive? | The Economist***

<https://youtu.be/oguPMXcrOVY>

***Video 2: Why is chicken so cheap? | The Economist***

<https://youtu.be/JiYVoHEV5hs>

***Video 3: What gives a dollar bill its value? - Doug Levinson***

<https://youtu.be/XNu5ppFZbHo>

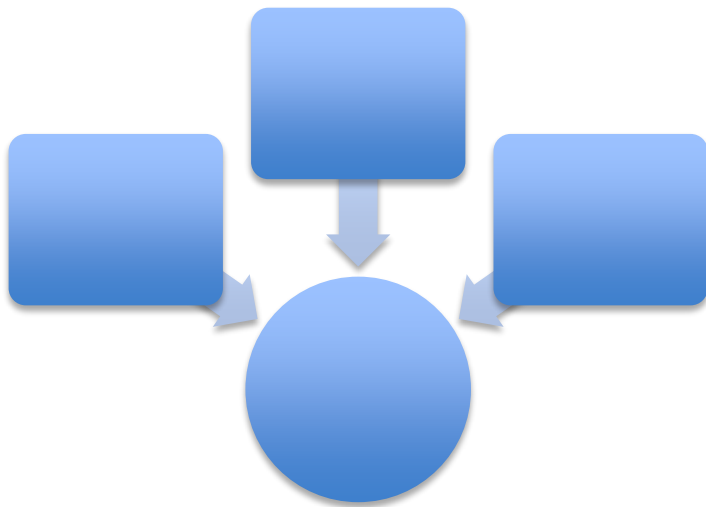
***Video 4: What causes economic bubbles? - Prateek Singh***

<https://youtu.be/l5ZR0jMlxX0>

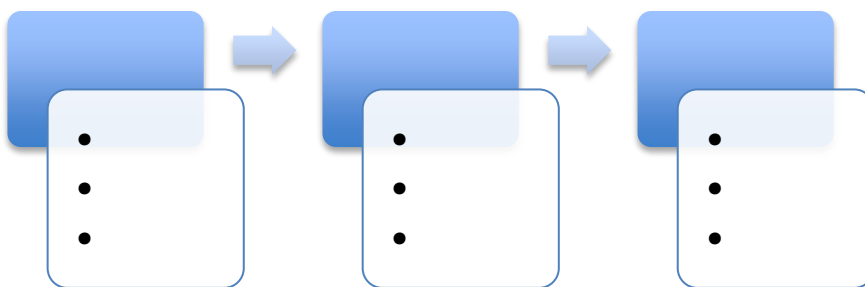
***Template 1:***



**Template 2:**



**Template 3:**



**STRETCH TASK (OPTIONAL)**

This stretch task is designed to develop your ability to build logical economic arguments based on a framework of economic concepts using appropriate economic terminology. By developing your ability to think critically and weigh up alternatives, A-level economics will prepare you for further academic study, vocational study or employment, and enable you to make informed decisions about further education opportunities and career choices.

Choose **one** economic situation from below, write down two benefits and two drawbacks in the space provided at the end.

**1/ [relevant topic in A-level economics: the role of market: monopoly and oligopoly]** the government allows one big technology company (for example Apple) to dominate the mobile phone industry.

**2/ [relevant topic in A-level economics: economies of scale]** a company keeps expanding into a bigger company (i.e. employ more people, have more layers of the company structure, spend more money on researching and investing new products).

**3/ [relevant topic in A-level economics: the labor market]** the government increases the minimum wage for all working people in the country.

**4/ [relevant topic in A-level economics: the labor market]** the government tries to influence the location of firms in order to reduce the regional unemployment.



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**ANSWER SHEET FOR STRETCH TASK:**

The question I choose is

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Benefit 1: \_\_\_\_\_

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Benefit 2: \_\_\_\_\_

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Drawback 1: \_\_\_\_\_

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Drawback 2: \_\_\_\_\_

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