

Year 11 to A-Level Economics Transition

Thank you for choosing to study Economics at Wood Green School for the upcoming year, this set of tasks will set you on your way to becoming an economist and will form the basis of where we will start in September.

When we arrive back in school in September, we will be going straight into Unit 1 which is all about Competitive Markets. This is a Microeconomic unit, meaning we are only looking at individuals, firms and government decisions relating to goods, services, or markets.

To give yourself a better understanding of some key terms before completing the main tasks, it may be worth looking up the following:

- What is the difference between Microeconomics and Macroeconomics?
- What is the difference between a Good and a Service?
- What are the three main Economic Agents?
- What is the difference between Renewable and Non-Renewable Resources?
- What is meant by Standards of Living?
- What is the difference between an Import and an Export?

Task 1 – The Economic Problem

We live in a world where individuals and households have infinite wants and needs, but we as an economy have finite resources to produce goods and services to fulfil those wants and needs.

Introduce yourself to The Economic Problem via the following videos:

1. The Economic Problem by After the Bell - <https://www.youtube.com/watch?v=bZr2VTLQE9U>
2. The Economic Problem (Scarcity and Choice) by EconplusDal - <https://www.youtube.com/watch?v=W9ljkFC9Tg>

Now complete the following tasks:

1. Identify the four factors of production.
2. Describe the three choices economic agents should make when allocating resources.
3. Explain the term “opportunity cost”.

Task 2 – Production Possibility Frontiers (PPFs)

This is the first of many graphs you will have to learn during the A-Level Economics course. Graphs are often simplified versions of reality that illustrate a piece of logic, and PPFs do just that by taking one firm or one economy and measuring its ability to create output using just two goods or services.

Introduce yourself to Production Possibility Frontiers via the following video:

1. Production Possibility Frontiers by EconplusDal - <https://www.youtube.com/watch?v=lzccVWoulxM>

Now complete the following tasks:

1. Draw your own Production Possibility Frontier using T-Shirts and Hoodies.
2. Annotate a point on your graph that shows the following:
 - a. Inefficient level of output
 - b. Efficient level of output
 - c. Unachievable level of output
 - d. Opportunity Cost

Task 3 – Specialisation

Specialisation is a concept championed by Adam Smith in his book 'The Wealth of Nations'.

Imagine you are working in a Pizza Takeaway Restaurant. What do you think would lead to a greater amount of pizzas being delivered to customers? If every employee made an entire pizza and delivered it to the customer, or if every employee had one task to complete in the production process and performed that task all night. What happens if someone has poor customer service and keeps losing their sales. What happens if one employee struggles with the base and holds up the queue every time? What happens if someone can never remember which toppings go on specific pizzas being ordered without having to look it up? What happens if someone struggles to cut the pizza into even slices? What happens if someone can never find the right address?

Specialisation allows the Pizza Takeaway Restaurant employees to master just one of the aforementioned tasks and complete it over and over again in an organised production line which typically leads to a big increase in productivity. Productivity is measured by the units of output completed by a worker in a given time period. Specialisation improves the skill of each employee on their specific task and enables them to increase their output.

Introduce yourself to Specialisation via the following videos:

1. Division of Labour: Burgers and Ships by Marginal Revolution University – <https://www.youtube.com/watch?v=Meo0s54s1sw>
2. Specialisation and the Division of Labour by Professor Dave Explains – <https://www.youtube.com/watch?v=XnkKTxfILHc>

Now complete the following tasks:

1. Define the term "Specialisation".
2. Identify how Productivity is measured.
3. Explain how Specialisation can improve Productivity.

Task 4 – Economists and Economic Systems

There are three main Economic Systems we must be aware of:

- Command Economies – where the Government owns all resources and dictates their allocation.
- Free Market Economies – where firms and individuals are left free of all Government intervention and can allocate resources via Supply and Demand.

- Mixed Economies – where the Government owns some resources and decides how to allocate them, whilst also leaving other resources and their allocation to individuals and firms.

The UK is a Mixed Economy as it has features of both Command and Free Market Economies. The type of economy will determine the policies set out by Governments and the ability of private individuals and firms to buy and sell goods and services.

The Economic Systems that we see today stem from the influence of key historic Economists whose views and beliefs of economics influenced the way leaders shaped their economies. We will focus on three key Economists throughout the course: John Maynard Keynes, Friedrich Hayek and Karl Marx.

Introduce yourselves to these key economists via the following videos:

1. John Maynard Keynes, Influencing the Economy by NBC News Learn – <https://www.youtube.com/watch?v=vhZ405LsWwA>
2. Free Market Masters – Friedrich Hayek by ielondon – <https://www.youtube.com/watch?v=LrzKDKPvg4Y>
3. Who is Karl Marx? By PragerU - <https://www.youtube.com/watch?v=UhEkj4noN68>

Now complete the following tasks:

- I. Summarise the economic viewpoint of:
 - a. John Maynard Keynes
 - b. Friedrich Hayek
 - c. Karl Marx

Hopefully, the above tasks will have you ready, prepared and excited to begin studying Economics in September. If you have any questions regarding any of the tasks, please contact me at l.day@wgsuitney.org.uk.

See you in September!