

Year 11 to A level Economics Transition

1. Overview

Congratulations on deciding to become an economist. Prepare to see the world in a new light! Here is some research to do before September and some research tasks

Task 1.1 A great deal of work is done using OneNote. Resources to help with research are found in [Pre Economics A Level \(Web view\)](#) OneNote. Please email Mr Young r.young@wgswitney.org.uk to confirm you can see these OneNote notes

Mr Young will then create a personal section for you in the OneNote where you can record answers to Research Task

2. The Economic Problem

Task 2.1 Watch these videos: [Scarcity and Choice](#) by mjmfoodie 4min.35 secs | [The Basic Economic Problem](#) by Econplusdal 3mins 37secs | [Resources](#) by mjmfoodie 4mins 20 secs. Make notes in your personal OneNote section

Task 2.2 Carefully read [1.1.3 The Economic Problem \(Web view\)](#). Make notes in your personal OneNote [Pre Economics A Level \(Web view\)](#) section

Task 2.3 Learn the definitions of these terms

Economic good	products that are created using scarce resources
Economic problem	how to allocate scarce resources amongst alternative uses
Enterprise	the willingness to take business risks and organise production
Entrepreneur	the individual who bears the risk of business by organising land labour and capital to produce output
Factor services	the services provided by the four factors of production: land, labour, capital and enterprise
Factors of production	resources available to an economy; the means by which an economy produces goods and services; land labour capital and enterprise
Goods	tangible, physical products eg cars and computers
Labour	the quantity and quality of human resources available in an economy
Land	the quantity and quality of natural resources available in an economy
Needs	something essential for survival eg food satisfies hungry people
Natural resources	naturally occurring materials such as land, forests, water and minerals
Non-renewable resources	natural resources such as oil which cannot be replaced and so can only be used once
Product	any item used to satisfy wants and need
Production	the creation of goods and services; output
Products	goods or services
Reallocation	change the use of something eg switch resources from one use to another
Renewable resources	natural resources which automatically replace themselves unless over used
Resources	items used to produce goods and services eg land, labour and capital
Scarcity	when there are insufficient resources to create all the products needed to meet all our wants
Services	non-physical, intangible products such as banking and education
Wants	something desirable but not essential to survival eg cola quenches thirst

3. Production Possibility Curves

A level economics is often jokingly called A level graphs. The first graph-based model you will work is Production Possibility Curves

Task 3.1 Watch [Production Possibility Curves](#) by Jacob Clifford 5:35 and [Production Possibility Curves](#) EconplusDal 14:34

Task 3.2 Carefully read [1.1.4 Production Possibility Frontiers \(Web view\)](#). Make notes in your personal OneNote [Pre Economics A Level \(Web view\)](#) section

Task 3.3 Learn the definitions of these terms

Allocation	use something in a particular way eg resources
Capital	man made goods used to produce more products eg factories, offices, machines and roads
Capital accumulation	an increase in a country's stock (amount) of plant building and machinery over time
Choice	the range of appropriate alternative options available to economic agents
Decision making	selecting a course of action between several alternatives
Free goods	products in limitless supply because they do not use resources in their production and have no opportunity cost
Innovation	technology advances lead to new or improved products, or processes that raise productivity and so reduce unit cost
Marginal	the extra one or the next unit
Marginal analysis	comparing the additional benefits of economic activity eg consumption or production with their costs
Production possibility frontier	a graph showing the maximum output of two products using current resources and technology - in a period

4. Specialisation

The first book written on Economics by Adam Smith explains how specialisation helps explain 'The Wealth of Nations'. Specialisation and trade are at the heart of our prosperity

Task 4.1 Watch

- [The Hockey Stick of Human Prosperity](#) (Everyday Economics 1/7) 3:56
- [Division of Labor: Burgers and Ships](#) (Everyday Economics 2/7) 3:49
- [2.3 The Division of Labour](#) University of Amsterdam 5:47

Task 4.2 Carefully read [1.1.5 Specialisation and the division of labour](#) ([Web view](#)). Make notes in your personal OneNote [Pre Economics A Level](#) ([Web view](#)) section

5. Economists and Economic Systems

Political views are heavily influenced by ideas about free markets and command economies.

Task 5.1 Carefully read [1.1.6 Free market economies, mixed economy and command economy](#) ([Web view](#)). Make notes in your personal OneNote [Pre Economics A Level](#) ([Web view](#)) section

Task 5.2 Learn these terms

Capitalism	an economic system when resources are privately owned and production is organised by entrepreneurs, with minimal intervention by government
Command economy	a type of economic system where the state owns and allocates resources
Economic system	methods used by society to allocate scarce resources between alternative uses; How economies decide what how and for whom to produce
Economy	the system used to organise production and consumption in a country or region
Invisible hand	the view suggested by Adam Smith that in pursuing their own self-interest resources are allocated in the best interest of society
Market	any place where buyers and sellers get together to trade and exchange products eg a shop or the internet
Market economy	an economic system where the market forces of supply and demand are used to allocate scarce resources between alternative uses
Mixed economy	an economic system that uses both market forces and state control to allocate scarce resources between alternative uses
Planned (command) economy	the state (government) allocates resources using planning
Rationing	a method of allocating scarce resources. The state decides how much of a product consumers or producers receive
State	In economics, another term for government
Transition economies	countries moving from a planned to market economic system

6. Famous Economist

Task 6.1 Here are three one-hour videos which set out the views of three of the most well-known and influential economists. Watch and make notes

1. [John Maynard Keynes](#)
2. [Friedrich Hayek](#)
3. [Karl Marx](#)

Please email Mr Young r.young@wgsnitney.org.uk if you have any questions about the above