A-level Economics Assessment Preparation

Exam Board: AQA

Specification: 7136

AS and A-level Economics Specifications for first teaching in 2015

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Year 13 Economics Assessment Schedule

Half Term 1

- Assessment 1 – EAD: Week 6 – 5/10
- Assessment Type: MCQs, 9 and 15 mark questions

Micro Topics	**Key Concepts**	**R**	**A**	**G**
4.1.5.1 Market structures	• Spectrum of competition from perfect competition to pure monopoly • Factors used to distinguish between different market structures			
4.1.5.4 Monopolistic competition	• The formal diagrammatic analysis of the monopolistically competitive model in the short and long run • The main characteristics of monopolistically competitive markets • Monopolistically competitive markets will be subject to non-price competition			
4.1.5.5 Oligopoly	• The main characteristics of oligopolistic markets • Oligopolistic markets can be very different in relation to, for example, the number of firms, the degree of product differentiation and ease of entry • Oligopoly can be defined in terms of market structure or in terms of market conduct (behaviour) • Concentration ratios and how to calculate a concentration ratio • The difference between collusive and non-collusive oligopoly • The difference between cooperation and collusion • The kinked demand curve model • The reasons for non-price competition, the operation of cartels, price leadership, price agreements, price wars and barriers to entry • The factors which influence prices, output, investment, expenditure on research and advertising in oligopolistic industries • The significance of interdependence and uncertainty in oligopoly • The advantages and disadvantages of oligopoly			
4.1.5.6 Monopoly and monopoly power	• The formal diagrammatic analysis of the monopoly model • That monopoly power is influenced by factors such as barriers to entry, the number of competitors, advertising and the degree of product differentiation • The advantages and disadvantages of monopoly			

Macro Topics	**Key Concepts**	**R**	**A**	**G**
4.2.3.3 Inflation and deflation	• Fisher's equation of exchange MV = PQ and the Quantity Theory of Money in relation to the monetarist mode • The effects of expectations on changes in the price level • The causes and consequences of deflation			
4.2.3.4 Conflicts between macroeconomic objectives	• Conflicts between objectives • SR Phillips curve and LR Phillips curve • How economic policies may be used to reconcile policy conflicts			
4.2.5.1 Fiscal policy	• The types of and reasons for public expenditure and taxation • The difference between direct, indirect taxes, progressive, proportional and regressive taxes • The principles of taxation • Cyclical and structural budget deficits and surpluses • The significance of the size of the national debt • The role of the Office for Budget Responsibility			

Half Term 1 Revision Questions

Microeconomics

1. What are the different market structures?
2. Outline three characteristics of each market structure
3. What are the main objectives of firms?
4. What is meant by the satisficing principle?
5. What is meant by MC=MR?
6. How does the divorce of ownership and control impact firms?
7. Define perfect competition
8. What are price takers?
9. Diagram for PC
10. Is PC an efficient allocation of resources?
11. What is meant by a monopoly?
12. Three examples of non-price competition?
13. Diagram for monopolistic competition
14. Define oligopoly
15. What two ways can oligopolies be measured (defined)?
16. How can the concentration ratio be calculated?
17. What is the difference between a collusive and non-collusive oligopoly?
18. What is the difference between cooperation and collusion?
19. What is the benefit of collusion between firms?
20. 2 benefits and drawbacks of oligopolies
21. What causes the kinked demand curve?
22. Why does non-price competition exist in oligopolies?
23. Diagram for a monopoly
24. Causes of a monopoly
25. 2 benefits and 2 drawbacks of a monopoly

Macroeconomics

1. What is the Fisher equation? What does it mean?
2. How do expectations impact changes in the price level?
3. What are deflationary policies?
4. How can changes in world commodity prices affect domestic inflation?
5. How can changes in world economies affect UK inflation?
6. Outline 2 consequence on individuals and 2 consequences on the economy of inflation
7. Outline 2 consequence on individuals and 2 consequences on the economy of deflation
8. What are the four main macroeconomic objectives for the UK government?
9. What are the additional 2 objectives that the UK government sees as increasingly important?
10. Why do conflicts in objectives often occur?
11. What is the impact of a negative output gap on unemployment and inflation?
12. What is the impact of a positive output gap on unemployment and inflation?
13. What does the SR Phillips curve show?
14. What does the LR Phillips curve show?
15. What are the implications of the SR and LR Phillips curve for economic policy?
16. Why do monetarists believe that macroeconomic objectives are compatible in the LR?
17. How does fiscal policy have both demand side and supply side implications?
18. What is the difference between direct and indirect taxation?
19. What is an expansionary fiscal policy? What is the opposite?
20. Outline two reasons why governments levy taxation
21. What is the difference between direct and indirect taxation?
22. What is the difference between progressive, regressive and proportional taxation?
23. Outline the main principles (canons) of taxation
24. What economist set out most of the main principles?
25. What is meant by a budget deficit?
26. What is the difference between a cyclical and structural budget deficit/surplus?
27. How does the budget link to national debt?
28. Explain two reasons for government expenditure
29. Why does the multiplier effect often link to fiscal policy?
30. What is meant by the trickle-down effect?
31. What are the consequences of a government running a budget surplus?
32. What are the consequences of a government running a budget deficit?
33. Is the current national debt an issue?
34. How can the government rebalance the budget? What are the consequences of these actions?
35. What is the role of the Office for Budget Responsibility?

Half Term 2

- Assessment 2 – EAD: Micro - Week 9 – 2/11, Macro – Week 14 – 7/12
- Assessment Type: MCQs and 15 mark question

Micro Topics	**Key Concepts**	**R**	**A**	**G**
4.1.5.7 Price discrimination (4.1.5.11)	• The conditions necessary for price discrimination • The advantages and disadvantages of price discrimination • Real-world examples of price discrimination and be able to assess its impact on producers and consumers • A diagrammatic analysis of price discrimination is expected			
4.1.5.8 Dynamics of competition	• Both the short-run and long-run benefits which are likely to result from competition • That firms do not just compete on the basis of price but that competition will, for example, also lead firms to strive to improve products, reduce costs, improve the quality of the service provided • The process of creative destruction.			
4.1.8.7 Competition policy	• The general principles of UK competition policy and some awareness of EU competition policy • The costs and benefits of such policies			
4.1.5.9 Contestable and non-contestable markets	• The significance of market contestability for the performance of an industry • Concepts such as sunk costs and hit-and-run competition			

Macro Topics	**Key Concepts**	**R**	**A**	**G**
4.2.5.2 Supply-side policies	• The role of supply-side policies in reducing the natural rate of unemployment • Free market supply-side policies include measures such as: tax cuts, privatisation, deregulation and some labour market reforms • Interventionist supply-side policies include measures such as: government spending on education and training, industrial policy, subsidising spending on research and development			
4.2.6.1 Globalisation	• The causes of globalisation • The main characteristics of globalisation • The consequences of globalisation for less-developed and for more-developed countries • The role of multinational corporations in globalisation			
4.2.6.2 Trade	• The model of comparative advantage and absolute advantage • How specialisation and trade can increase total output • Other economic benefits of trade, such as the ability to exploit economies of scale and increased competition • The costs of international trade • The reasons for changes in the pattern of trade between the UK and the rest of the world • The nature of protectionist policies, such as: tariffs, quotas and export subsidies • The causes and consequences of countries adopting protectionist policies • The main features of a customs union and the main characteristics of the Single European Market (SEM) • The role of the World Trade Organisation (WTO)			

Half Term 2 Revision Questions

Microeconomics

1. What is price discrimination?
2. What is a real-world example of price discrimination?
3. Draw a diagram illustrating price discrimination
4. 2 benefits and 2 drawbacks of price discrimination
5. How does the process of creative destruction take place?
6. Why do abnormal profits attract new entrants into the market?
7. What are the SR and LR benefits of competition?
8. What are contestable and non-contestable markets?
9. Define with examples the meaning of sunk costs
10. Define the meaning of hit-and-run competition
11. What are the general principles of UK competition policy?
12. How does the UK differ from the EU with competition policy? (no detail required)
13. Outline 2 benefits of UK competition policy
14. Outline 2 drawbacks of UK competition policy

Macroeconomics

1. What are supply-side policies?
2. Give examples of the main supply-side policies?
3. What are supply-side improvements? Where do these improvements often originate?
4. How do successful supply-side policies impact inflation?
5. How do successful supply-side policies impact unemployment?
6. How do successful supply-side policies impact the BOP?
7. How can supply-side policies such as tax changes help change personal incentives? How can supply-side policies reduce the natural rate of unemployment?
8. What is the impact of supply-side policies on the underlying trend rate of economic growth?
9. What are the main free market supply-side policies?
10. What are the main interventionist supply-side policies?
11. Explain why supply-side policies can have micro as well as macro effects
12. Define globalisation
13. Outline 3 causes of globalisation
14. Outline 3 characteristics of globalisation
15. What are the consequences of globalisation on less-developed countries?
16. What are the consequences of globalisation on more-developed countries?
17. How do multinational corporations impact globalisation?
18. What is the difference between comparative and absolute advantage?
19. Draw a numerical example to illustrate the principle of comparative advantage
20. What does the model suggest is the cause of an increase in global output?
21. Outline three benefits and three costs of international trade
22. What factors have influenced the level of trade between the UK and the rest of the world?
23. What is meant by free trade?
24. What are the three main protectionist policies undertaken?
25. Draw a diagram illustrating the effects of imposing a tariff on imports
26. Outline two reasons for adopting protectionist policies
27. Outline two consequences of adopting protectionist policies
28. What is the main role of the World Trade Organisation (WTO)?
29. What is meant by a customs union? What are the main features of a customs union?
30. What are the main characteristics of the Single European Market (SEM)?
31. Outline two benefits for the UK of its membership of the EU
32. Outline two drawbacks for the UK of its membership of the EU

Half Term 3

- Assessment 3 – Mock Exam 1 – Week 16 – 4/1
- Assessment Type: Section A Paper 2 (Macro - 2,4,9+25) + Section B Paper 1 (Micro - 15+25)

Micro Topics	**Key Concepts**	**R**	**A**	**G**
All topics covered in year 12 and HT 1-2				
4.1.6.1 Demand for labour and MRP	• The demand for a factor is derived from the demand for the product • The marginal productivity theory of the demand for labour • The demand curve for labour shows the relationship between the wage rate and number of workers employed • Causes of shifts in the demand curve for labour • Determinants of the elasticity of demand for labour.			
4.1.6.2 Influences on the supply of labour	• The supply of labour to a particular occupation is influenced by monetary and non-monetary considerations. Non-monetary considerations include job satisfaction and dissatisfaction and working conditions • The supply curve for labour shows the relationship between the wage rate and number of workers willing to work in an occupation • The causes of shifts in the market supply curve for labour			
4.1.6.4 Determinants of wage rates	• The economists' model of wage determination in a perfectly competitive labour market • Role of market forces in determining relative wage rates			
4.1.6.5 Determinants of wage rates in imperfect competition	• How various factors such as monopsony power, trade unions and imperfect information contribute to imperfections in a labour market • How, in a monopsony labour market, the employer can use market power to reduce both the relative wage rate and the level of employment below those that would exist in a perfectly competitive labour market			
4.1.6.6 The national minimum wage	• The effects of a national minimum wage upon labour markets • The advantages and disadvantages of a national minimum wage			
4.1.6.7 Discrimination in the labour market	• The conditions necessary for wage discrimination • The impact of gender, ethnicity and other forms of discrimination on wages, levels and types of employment • The advantages and disadvantages of wage discrimination for workers, employers and the economy as a whole			

Macro Topics	**Key Concepts**	**R**	**A**	**G**
All topics covered in year 12 and HT 1-2				
4.2.6.3 Balance of payments	• The difference between the current, capital and financial accounts on the balance of payments. • The consequences of investment flows between countries • The policies that might be used to correct a balance of payments deficit or surplus (expenditure-switching and expenditure-reducing policies) • The effect policies used to correct a deficit or surplus may have upon other macroeconomic policy objectives. • The significance of deficits and surpluses for an individual economy • The implications for the global economy of a major economy or economies with imbalances deciding to take corrective action • Thee difference between foreign direct investment (FDI) and portfolio investment.			

Half Term 3 Revision Questions

Microeconomics

1. What is derived demand?
2. What does the demand for labour show the relationship between?
3. What is the marginal productivity theory of the demand for labour?
4. What are the causes of shifts in the demand curve for labour?
5. What are the determinants of the elasticity of demand for labour?
6. What influences the supply of labour?
7. What does the supply of labour show the relationship between?
8. What causes shifts in the market supply curve for labour?
9. How are wages determined in a perfectly competitive market?
10. How do market forces determine wage rates?
11. What is a monopsony?
12. What factors cause imperfections in a labour market?
13. How are wages determined in a monopsony market?
14. What is the difference between collective and individual bargaining?
15. Explain with a diagram how trade unions influence wages in a perfectly competitive market
16. Explain with a diagram how trade unions influence wages in a monopsonistic market
17. How does the national minimum wage impact labour markets?
18. A benefit and drawback of the national minimum wage
19. What is meant by wage discrimination?
20. What real world examples are there to illustrate wage discrimination?
21. How can discrimination impact wages, levels and types of employment for those discriminated?
22. Draw a diagram illustrating discrimination in the labour market
23. Outline one benefit and one drawback of wage discrimination for workers, employers and the economy as a whole

Macroeconomics

1. What are the main differences between the current, capital and financial accounts?
2. What four elements does the current account comprise of?
3. What is meant by a deficit on the BOP?
4. Outline the main impact on an economy of having a BOP deficit?
5. Outline the main impact on an economy of having a BOP surplus?
6. Is a BOP deficit always a concern?
7. Why is international trade important to the UK economy?
8. Name 3 factors that will influence a country's current account balance
9. What is the difference between FDI and portfolio investment?
10. Outline three policies used to correct a BOP deficit or surplus
11. What is the difference between expenditure-switching and expenditure-reducing policies?
12. What impact might policies to correct a BOP imbalance have upon the other macroeconomic objectives?
13. What one impact on the global economy might take place if a major economy decided to take corrective actions to reduce their imbalance?

Half Term 4

- Assessment 4 – Mock Exam 2 – Week 25 – 15/3
- Assessment Type: Section A Paper 1 (Micro - 2,4,9+25) + Section B Paper 2 (Macro - 15+25)

Micro Topics	**Key Concepts**	**R**	**A**	**G**
All topics covered in year 12 and HT 1-3				
4.1.7.1 Distribution of income and wealth	• The difference between income and wealth • The various factors which influence the distribution of income and wealth • The difference between equality and equity in relation to the distribution of income and wealth • Whether or not a given distribution of income is equitable (fair and just) involves a value judgement • The Lorenz curve and Gini coefficient • The likely benefits and costs of more equal and more unequal distributions • Understand that excessive inequality is both a cause and consequence of market failure.			
4.1.7.2 Problem of poverty	• The difference between relative and absolute poverty • The causes and effects of poverty			
4.1.7.3 Policies to alleviate poverty	• The policies which are available to influence the distribution of income and wealth and to alleviate poverty • The economic consequences of such policies including the moral and political perspectives			
4.1.8.3 Tragedy of the commons	• Understand the relevance of the 'tragedy of the commons' for environmental market failures			
4.1.8.4 Absence of property rights	• Why the absence of property rights leads to externalities in both production and consumption and hence market failure			
4.1.8.7 Government intervention	• The general principles of UK competition policy and some awareness of EU competition policy • The costs and benefits of such policies			
4.1.8.8 Public ownership, privatisation, regulation and deregulation of markets	• The arguments for and against the public ownership of firms and industries • The arguments for and against the privatisation of state owned enterprises • The arguments for and against the regulation of markets • The arguments for and against the deregulation of markets • The problem of regulatory capture			

Macro Topics	Key Concepts	R	A	G
All topics covered in year 12 and HT 1-3				
4.2.6.4 Exchange rate systems	• How exchange rates are determined in freely floating exchange rate systems • How governments can intervene to influence the exchange rate • The advantages and disadvantages of fixed and floating exchange rate systems • Advantages and disadvantages for a country of joining a currency union, e.g. the eurozone.			
4.2.1.4 Uses of national income data	• The use and limitations of national income data to assess changes in living standards over time • The use and limitations of national income data to compare differences in living standards between countries • The importance of using purchasing power parity (PPP) exchange rates when making international comparisons of living standards			
4.2.3.1 Economic growth and economic cycle	• The costs and benefits of economic growth • The impact of growth on individuals, the economy and the environment • The causes of changes in the various phases of the economic cycle, including both global and domestic demand-side and supply-side shocks			
4.2.6.5 Economic growth and development	• The difference between growth and development • The main characteristics of less-developed economies • The main indicators of development, including the Human Development Index (HDI) • Factors that affect growth and development, such as: investment, education and training • Barriers to growth and development, such as: corruption, institutional factors, poor infrastructure, inadequate human capital, lack of property rights • Policies that might be adopted to promote economic growth and development including market-based strategies and interventionist strategies • The role of aid and trade in promoting growth and development			

Half Term 4 Revision Questions

Microeconomics

1. Explain the difference between income and wealth
2. What is the distribution of household income and wealth in the UK?
3. Outline 3 factors that influence the distribution of income and wealth
4. Outline the difference between equality and equity
5. Why does the ability to judge whether the distribution of income and wealth involve a value judgement?
6. What does the Lorenz curve show?
7. How does the Lorenz illustrate inequality?
8. What does a Gini coefficient figure of 1 mean?
9. Outline 2 benefits of more equal distributions of income and wealth
10. Outline 2 drawbacks of more equal distributions of income and wealth
11. Why is inequality of income and wealth seen as a market failure?
12. What is the difference between absolute and relative poverty?
13. Outline 2 causes of poverty
14. Explain 2 effects of poverty
15. Analyse two policies that governments could adopt to influence the distribution of income

and wealth and alleviate poverty – consider the moral and political consequences of each
16. Explain the tragedy of the commons
17. Why does the tragedy of the commons cause environmental market failures?
18. Why does the absence of property rights lead to externalities in both production and consumption?
19. What are the general principles of UK competition policy?
20. How does the UK differ from the EU with competition policy? (no detail required)
21. Outline 2 benefits of UK competition policy
22. Outline 2 drawbacks of UK competition policy
23. Explain the main argument for the public ownership of firms and industries
24. Explain the main argument against the public ownership of firms and industries
25. Explain the main argument for privatisation of state-owned enterprises
26. Explain the main argument against privatisation of state-owned enterprises
27. Explain the main argument for regulation of markets
28. Explain the main argument against regulation of markets
29. Explain the main argument for deregulation of markets
30. Explain the main argument against deregulation of markets
31. Define regulatory capture

Macroeconomics

1. What is the difference between a floating and fixed exchange rate?
2. How are exchange rates determined in freely floating exchange rate systems?
3. How can governments intervene to influence the exchange rate?
4. Outline a benefit and drawback of a floating exchange rate
5. Outline a benefit and drawback of a fixed exchange rate
6. What is meant by a currency union?
7. What is an example of a currency union?
8. Outline 2 benefits and 2 drawbacks of a currency union
9. What does national income measure?
10. How is real national income an indicator of economic performance?
11. What are index numbers? How are they used to measure changes in price levels or other economic variables?
12. Outline a benefit and drawback of national income when assessing living standards over time
13. Outline a benefit and drawback of national income when comparing living standards between countries
14. What is meant by purchasing power parity (PPP)?
15. How is PPP helpful when making international comparisons of living standards?
16. Outline two benefits of economic growth
17. Outline two drawbacks of economic growth
18. Is economic growth sustainable?
19. What is the impact on the price level of an increase in consumer's disposable income? Draw a diagram illustrating this
20. What are demand side shocks?
21. Illustrate the impact of a demand side shock on an AD/AS diagram
22. How does your diagram in question 40 illustrate (demand deficient) cyclical unemployment?
23. What are supply side shocks?
24. Illustrate the impact of a supply side shock on an AD/AS diagram
25. What is the main difference between growth and development?
26. Outline the main characteristics of less-developed economies
27. Outline three methods used to measure development
28. What is meant by the HDI?
29. Outline 3 factors that impact/encourage growth and development
30. Outline 5 factors that are a barrier to growth and development
31. Outline 3 policies that might be adopted to promote economic growth and development
32. What is the difference between market-based and interventionist strategies?
33. What are the different types of aid?
34. What is the difference between debt relief and aid?
35. Explain how trade can promote growth and development