Economics is the SCIENCE of SCARCITY

- **What is *scarce?***
    - o   There are fewer economic resources (e.g. oil, clean water, skilled workers and finance) than are needed to fulfil <u>all</u> our wants & needs.
- ***So-what?*** Consumers, businesses and governments must make decisions on what, how & for whom to produce .. and what NOT to produce.
- **The subject of *'economics'*** explains how these scarce economic resources - raw materials/space, labour/skills, capital/technology & entrepreneurship – are allocated between the 3 economic agents (consumers, firms and governments) to achieve <u>maximum economic welfare</u>.

> ***Note****:* If resources were **un**limited, then economic decisions would not be needed i.e. we could all do whatever we wanted!

Why do I need to be good at READING?

To be able to explain **how** and **why** events & decisions occur within the global economy, students must be prepared to **read about, listen to** and **understand the impact of global economic events:**
- ⇒   The decision of one country (or even one city .. such as *Wuhan*) affects the economic wellbeing of many other countries.
- ⇒   So, we must study economic decisions all over the world.
- ⇒   Hence the cross-over with geography and history topics.

Why do I need to be good at MATHS and SCIENCE?

In A level economics, you will need explain a variety of **economic models**:
- A **model** is using a **diagram** to explain the likely **cause and effect** of an action ... explaining a cause and its likely effects is at the heart of economics.
- The 'predictions' of the model are then proved (or disproved) with reference to **real-life data** and **examples:**
    - o   Hence the need to read about, listen to and watch the 'roll out' of global economic events *(Note: link to English, geography & history)*
- To be able to explain the *workings* of an economic model you must use some very technical language *(Note: link to science)*
- It is not sufficient to just know WHAT has happened, instead the economist's skill is to **explain WHY** and **HOW an effect happened** (… or did **not** happen).

> ***Note****:* Economists must be ***polymaths*** i.e. good at maths, English, science, politics, geography and history.
>
> If you are:
> a)   **not interested** in understanding & explaining global economic events,
> b)   **not able to write** detailed explanations of economic events or,
> c)   **not able to calculate** percentages/ratios or interpret data charts
>
> **then you should not chose to study A level economics.**
>
> **A grade 6 in English & Maths GCSE is suggested to cope in A level economics.**

2021 SUMMER WORK_Preparation for Yr 12 Economics (50 marks)

These 3 summer tasks tests your ability to:
a) **Research & read** about the likely impact of a global event (i.e. Covid19)
b) **Use** new technical & accurate scientific language to **explain** yourself
c) **Interpret economic data**
d) **Structure** your research analysis & final **writing** in a logical and coherent way

You must carry out **significant online research**, using multi-media sources to be able to complete the **three tasks** listed below. Please hand in this work **electronically – share or email to** (shobbs@jfk.herts.sch.uk) **before Lesson 1**.

1. **Fill in the empty boxes in this table (20 marks)**

   a. Find **definitions** for these 6 economic measures
   b. Collect **actual data** for UK, US & China

Complete the economic measure definition …	**UK** (collect 2019 **pre Covid** data)	**UK** (collect 2020 UK **during Covid** data)	**USA** (collect 2019 data)	**China** (collect 2019 data)
1. **Economic growth** as measured by *the percentage change in Gross Domestic Product (GDP) in one year*	**1.1%** *Source:* www.ons.gov.uk/economy		**2.1%** *Source:* www.bea.gov www.statista.com	**6.1%** *Source:* data.worldbank.org
2. **Unemployment** as measured by … (units: percentage of active labour force)				
3. **Inflation** as measured by …				
4. **Fiscal deficit** as measured by … (units: percentage of GDP in one year)				
5. **Net debt** as measured by … (units: percentage of GDP in one year)				
6. **Investment** is measured by **…** (units: percentage of GDP in one year)				

*(**Note:** these are all economic keywords that enable the economist to measure the relative success of an economy)*

2. **To analyse** the **meaning of data** collected for question 1 **(15 marks)**:
   a. Briefly explain **what each measure tells you** about any economy – e.g. how it affects the overall economic wellbeing & living standards of its citizens (5 marks)
   b. Identify which economic measures are **relative strengths** for each country and **what impact** this may have on economic wellbeing & living standards (5 marks)
   c. Identify which economic measures that are **relative weaknesses** for each country and what impact this may have on economic wellbeing & living standards (5 marks)

Note: Qu 2 essay length: One typed sheet of A4 (Min 500 words)

3. **To write an essay (15 marks):**
   a. *"Assess three likely economic impacts of Covid19 on the UK economy"*
   b. **Assess** means that you must consider **the advantages and disadvantages** of CV19.
   c. Make sure you use three well-structured PEEL paragraphs.
   d. Your essay must include reference to data from at least 4 of the economic measures listed above **PLUS** **any other relevant data that is interesting.**

Note: Qu 3 essay length: One typed sheet of A4 (Min 500 words)

I have provided a few general economics **source suggestions,** as well as a few **specific sources** below each essay title. But the aim of this summer work is to force you to **develop your own research skills**: to start to identify & get used to using some of the best global sources of economic information that exist across many platforms. You will spend a lot of time searching before you find the 'best' sources – this is usual! Start by following links from within online documents that you read and also follow the results of google searches.

Typical sources of quality economic information

Sign up to a **quality daily newsfeed** on your smartphone:
- E.g. *The Economist website (Register FREE for first 12 weeks)*
https://www.economist.com/news/essays/21600451-finance-not-merely-prone-crises-it-shaped-them-five-historical-crises-show-how-aspects-today-s-fina
- E.g. BBC news

Subscribe & listen to **economics related podcasts** (BBC sounds, TED talks etc)
- **More or Less** (BBCRadio4)
  https://www.bbc.co.uk/programmes/p02nrss1/episodes/downloads
- **Economics101** (BBC) https://www.bbc.co.uk/sounds/play/b0bbtbcs
- **50 Things that Made the Modern Economy** (Tim Harford – also see below)
https://www.bbc.co.uk/programmes/p04b1g3c/episodes/downloads

READ! Suggested wider reading (try your local library or Googlereads)

- **The Economics Users Guide** – Ha Joon Chang
- **The Undercover Economist** – by Tim Harford
- **Talking to my Daughter about the Economy** *'A brief history of capitalism'* – by Yanis Varoufakis (Published by Bodley Head)
- **Too Big to Fail** *'Inside the battle to save Wall St'* – by Andrew Sorkin (Published by Penguin)

Researching the economic impact of Covid 19

For essay 3, you must try to EXPLAIN using illustrative data/examples how Covid19 will affect at least 3 of the key economic keywords listed above (Note: these keywords are all measures of economic success, so they allow you to measure how Covid19 is affecting economic success in an economy).

There is LOTS in the news about how Covid19 will affect the economy. In fact, there is not much else in the news at the moment! There are no books out yet, but you will also find plenty of videos on Youtube discussing the impact of Covid19.

Read articles *such as these* by searching quality newspaper websites (The Times, The Economist, The Guardian, The New York Times etc):

1. **David Smith** – a excellent economic journalist for The Times & The Sunday Times – you can find his articles on his free-to-access blog
   http://www.economicsuk.com/blog/.
2. **BBC: Coronavirus – The impact** https://www.bbc.co.uk/news/business-51706225
3. **The Economist** The Economist How high Will Unemployment go?
4. **JP Morgan (Bank)** https://www.jpmorgan.com/global/research/coronavirus-impact
5. **The Guardian**
   https://www.theguardian.com/business/2020/mar/17/how-best-to-fight-the-economic-impact-of-the-coronavirus-pandemic