



Year 12 Economics A Level Course outline

Microeconomics 2020-2021

Students have 4 lessons per cycle/fortnight Homework is set every 2 lessons and is available on Firefly			
Term	Topic and approximate duration	Key learning areas	Homework Options Students will be guided by the class teacher as to which level to complete (according to target level)
Autumn Term 1 (8 weeks)	Introduction to course (1 week)	- Exam skills required to be successful economist - Study skills	
	1.1. Nature of Economics (4 weeks)	- Students should know that economics is a social science and that there are similarities to and differences in methodology from natural and other sciences. - They should be able to explain the difference between positive and normative statement and how value judgements influence economic decision making and policy - Students should understand the role of value judgements in influencing key economic decisions and policies - Students will be able to understand the central purpose of economic activity is the production of goods and services to satisfy needs and wants - They will understand the problem of scarcity and how society has unlimited needs and wants with finite resources - They will be able to differentiate between renewable and non-renewable resources and understand the concept of opportunity costs to economic agents (consumers, producers and government) - They will be able to classify economic resources into land, labour, capital and enterprise, which are the factors of production and understand that the environment is a scarce resource. - They will be able to draw and shift production possibility diagrams which illustrates different features of the fundamental economic problem. They will be able to draw diagrams to depict: opportunity cost, economic growth or decline, efficient or inefficient	Task 1: Flipped Learning - Positive & Normative Statements https://www.tutor2u.net/economics/reference/positive-and-normative-statements Task 2: Assessed homework base on an article Task 3: Revision for interim assessment Task 4: Flipped Learning for specialisation and division of labour and a productivity article to read through and answer questions https://www.tutor2u.net/economics/reference/specialisation https://www.tutor2u.net/economics/reference/division-of-labour

		allocation of resources - Students will be able to make a distinction between renewable and non-renewable resources - Students will understand the difference between capital and consumer goods - Students will understand the concept of specialisation and the division of labour, with reference to Adam Smith - They will also look at the advantages and disadvantages of specialisation	Task 5: Flipped learning on the demand curve
	1.2. How Markets Work (3 weeks)	- Students will understand the concept of rational decision making and how this is different for the different economic agents e.g. consumers aim to maximise utility and firms aim to maximise profits - Students will understand why consumers may not behave rationally: consideration of the influence of other people's behaviour, the importance of habitual behaviour, consumer weakness at computation - Students will make the distinction between movements along a demand curve and shifts of a demand curve - They will also understand the factors that may cause a shift in the demand curve (the conditions of demand) - They will understand the concept of diminishing marginal utility and how this influences the shape of the demand curve - Students will make the distinction between movements along a supply curve and shifts of a supply curve - Students will know the factors that may cause a shift in the supply curve (the conditions of supply) - They will also understand the equilibrium price and quantity and how they are determined - Students will understand the use of supply and demand diagrams to depict excess supply and excess demand - Students will be able to explain the operation of market forces to eliminate excess demand and excess supply - They will understand how to use supply and demand diagrams to show how shifts in demand and supply curves cause the equilibrium price and quantity to change in real-world situations - Students will understand that the rationing, incentive and signalling functions of prices in allocating resources and coordinating the decisions of buyers and sellers in a market	Preparation tasks will include flipped learning on supply and demand curves, equilibrium prices and factors which change these aspects. Consolidation tasks including: - Multiple Choice Practice Questions - Recall and short answer questions - Portfolio of data analysis of key macroeconomic indicators - Case study application questions - Quantitative skills tests

		economy and that the price mechanism is the way in which the basic economic problem is resolved in a market economy	
	Nature of landmark assessment	Multiple choice and data context exam paper questions	
Autumn 2 (7 weeks)	1.3.How Markets Work (continued) (7 weeks)	• They will be able to calculate price, income and cross elasticities of demand and explain the relationship between income elasticity of demand and normal and inferior goods; between cross elasticity of demand and substitute and complementary goods and between price elasticity of demand and firms' total revenue (total expenditure). • They will explain the factors that influence these elasticities of demand. • They will also be able to calculate price elasticity of supply and explain the factors that influence price elasticity of supply. Students will then explain how the interaction of demand and supply determines equilibrium prices in a market economy and the difference between equilibrium and disequilibrium. • Students will be able to explain the relationship between price elasticity of demand and total revenue (including calculation) • Students will be able to explain how price determination is can be illustrated on a demand and supply curve and how this causes movements along the curve • Students will be able to know the distinction between consumer and producer surplus and use supply and demand diagrams to illustrate this • Students will be able to discuss how changes in supply and demand might affect consumer and producer surplus • Students will be able to understand the impact of indirect taxes on consumers, producers and government and explain the incidence of tax • Students will be able to understand the significance of elasticities of demand to firms and government in terms of: the imposition of indirect taxes • They will be able to understand the supply and demand analysis, elasticities, and: the impact of subsidies on consumers, producers and government and illustrate the area that represents the producer subsidy and consumer subsidy • Students will understand the significance of elasticities of demand to firms and government in terms of: the imposition of subsidies • The students will understand the different types of economies and link this with the price mechanism.	Task 1: Flipped Learning on Price Elasticity of Demand https://www.tutor2u.net/economics/reference/price-elasticity-of-demand-and-total-revenue Consolidation homework of PED Task 2: Flipped Learning on Price Elasticity of Supply https://www.tutor2u.net/economics/reference/price-elasticity-of-supply https://www.economicshelp.org/microesays/equilibrium/elasticity-supply/ Task 3: Flipped Learning on Price Elasticity of Supply https://www.khanacademy.org/economics-finance-domain/microeconomics/elasticity-tutorial/price-elasticity-tutorial/a/elasticity-in-the-long-run-and-short-run Task 4: Flipped Learning on Price Determination

		Students will be able to make the distinction between free market, mixed and command economies: reference to Adam Smith, Friedrich Hayek and Karl Marx. They will explain the advantages and disadvantages of a free market economy and a command economy. They will also be able to explain the role of the state in a mixed economy	Task 5: Revision for Interim assessment Task 6: Flipped learning on indirect taxes https://www.tutor2u.net/economics/reference/government-intervention-indirect-taxes
Spring Term 1 (6 weeks)	Nature of landmark assessment	Multiple choice and data context exam paper questions	
	1.3 Market Failure (5 weeks)	- Students will explore what is meant by a misallocation of resources and that this leads to market failure - Students will explain that externalities exist when there is a divergence between private and social costs and benefits and why negative externalities are likely to result in over-production and that positive externalities are likely to result in under-production - Students will be able to use an external costs diagram to the external costs of production using marginal analysis, the distinction between market equilibrium and social optimum position, identification of welfare loss area - Students will be able to use an external benefits diagram to the external costs of consumption using marginal analysis the distinction between market equilibrium and social optimum position, identification of welfare gain area - Students will explain the impact on economic agents of externalities and government intervention in various markets - Students will explore various other market failures such as public goods and distinguish between public and private goods using the concepts of non-rivalry and non-excludability. They will look at how public may not be provided by the private sector, which is the free rider problem - Students will look at how the market can fail through asymmetric information. They will understand the difference between symmetric and asymmetric information and how imperfect market information may lead to a misallocation of resources	Task 1: Independent research task: Market Failure Task 2: Independent research task: Externalities

	Nature of landmark assessment	Multiple choice and data context exam paper questions	
Spring Term 2 (5 weeks)	1.4 Government Intervention & Government Failure (5 weeks)	- Students will also understand that in the absence of government intervention, the market mechanism is likely to result in a very unequal and inequitable distribution of income and wealth and that in a market economy, an individual's ability to consume goods and services depends upon their income and wealth and an inequitable distribution of income and wealth is likely to lead to a misallocation of resources and hence market failure. - They will learn different forms of government intervention in order to prevent or correct market failure. The existence of market failure, in its various forms, provides an argument for government intervention in markets. - Students will learn the purpose of intervention with reference to market failure and using diagrams in various contexts: indirect taxation (ad valorem and specific), subsidies, minimum and maximum prices - Students will also know other methods of government intervention: trade pollution permits, state provision of public goods, provision of information, regulation - Students will understand that government failure occurs when government intervention in the economy leads to a misallocation of resources and that inadequate information, conflicting objectives and administrative costs are possible sources of government failure - They will learn that government failure as intervention results in a net welfare loss and the cause of government failure: distortion of price signals, unintended consequences, excessive administrative costs, information gaps	Task 1: Government failure flipped learning Task 2: Revision for Landmark assessment
	Nature of landmark assessment	Multiple choice and data context exam paper questions	
Summer 1 Term (7 weeks)	3.1 Business Growth (2 weeks)	- Students will learn reasons why some firms tend to remain small and why others grow. - They will understand the significance of the divorce of ownership from control: the principal-agent problem and how that can affect the working of a firm - Students will distinguish between public and private sector organisations and between	Task 1: Flipped learning on business growth, and the advantages and disadvantages of each

		profit and not-for-profit - Students will explain how businesses grow: organic growth, forward and backward vertical integration, horizontal integration, conglomerate integration. They will understand the advantages and disadvantages of each of these types of growth - They will understand the constraints on business growth: size of the market, access to finance, owner objectives, regulation - Students will learn about demergers, the reason they happen and how they impact business, workers and consumers	
	3.2. Business Objectives (1 week)	- Students will learn the business objectives: different business objectives and reasons for them: profit maximisation, revenue maximisation, sales maximisation, satisficing - Students will also look over the formula and diagrams which answer illustrate the different business objectives	Task 1: Flipped learning of diagrams of different business objectives
	3..2 Business Objectives & 3.3. Revenues, Costs and Profits (4 weeks)	- Students will discuss revenue and how to calculate revenue: total revenue, average revenue and marginal revenue - Students will explain the costs: total costs, total fixed cost, total variable cost, average fixed cost, average variable cost, marginal cost - They will also understand the concept of normal and abnormal profits - Students will look at the condition of profit maximisation and the short-run and long-run shut-down points using a diagrammatic analysis - Students will understand the types of economies and diseconomies of scale and the minimum efficient scale - They will also understand the difference between the short-run costs from the assumption of diminishing marginal productivity - Students will understand the difference between short-run and long-run average curve costs	Task 1: Flipped learning of economies of scale and diseconomies of scale Task 2: Consolidation homework of costs practice
Summer Term 2 (7 weeks)	Theme 1 Revision (4 weeks)	- Students will revise content from Theme 1, in preparation for their end of year assessment - Students will practise exam question structures in class to assist them with their preparation	Task 1: Revision questions and case study work

	Nature of End of Year Assessment	Multiple choice and data context exam paper questions	
	Market Structures (3 weeks)	- Students will understand the different types of efficiency: allocative, productive, dynamic x-inefficiency and efficiency/inefficiency in different market structures - Students will know the characteristics of perfect competition and profit maximising equilibrium in the short run and the long run - Students will be able to draw and explain perfect competition using diagrammatic analysis	Task 1: Flipped learning of efficiencies within the economy Task 2: Consolidation homework of perfect competition