

## Welcome

This transition pack will provide you with a brief outline of the course structure and a reading list of sources and videos. It is recommended that you use these sources before and throughout the course to improve your wider understanding. This pack also contains some interesting activities to get you thinking ready for the first few weeks of the course.

If you have never studied Economics before, you probably don't know too much about Economics at this stage. The 2008/09 global recession, Eurozone crisis, BREXIT and COVID-19 means that there are always interesting economics articles appearing in the news for you to follow, apply, analyse and evaluate the economic impact these stories are having to individuals, households, firms and governments.

Economics is a challenging, technical, and theoretical subject. To be successful, you will need to have a thorough grasp of the theory covered at A-Level. However, the more you can place economic theory into real world scenarios, the better you will be able to analyse and evaluate economic concepts/ideas thus maximise your potential to obtain top grades. You will also get more out of the course if you have a good understanding of the prevailing economic climate in the UK, across Europe and in a global context. This pack gives you some ideas of how you can keep up to date.

You have activities to complete over the summer. These tasks should hopefully get you thinking about many Economics issues that are going on in the UK right now. As you think about the questions, always think about the reasons that justify an opinion.

## Basic course overview:

You will study the AQA A Level Economics course over 2 years which is assessed at the end of this time by three examinations, 2 hours per examination. The basic overview of the course content can be seen below:

A-level			
Component	Maximum raw mark	Scaling factor	Maximum scaled mark
Paper 1: Markets and market failure	80	x1	80
Paper 2: National and international economy	80	x1	80
Paper 3: Economic principles and issues	80	x1	80
Total scaled mark:			240

<http://filestore.aqa.org.uk/resources/economics/specifications/AQA-7135-7136-SP-2015.PDF>

## Activity 1

a) Create a Folder on your home computer or memory stick called 'Economics Transition work'. Save all your work (activities 1-13) in this folder for printing when in school in September 2026.

b) Using the link on page 1, download, save and browse the specification for AQA A level Economics.

Alternatively, if the link does not work, you can find the specification on the AQA website, click subjects in the top left-hand corner, Economics, scroll down to AS and A level Economics and then download and save the specification.

c) You will need to purchase a copy of the test book:

AQA A-level Economics Fifth Edition by Horner, Horner, Powell and Stoddard ISBN: 1398375195



## Activity 2

Watch the following videos on scarcity, choice and the economic problem.

a) Scarcity and Choice by mjmfoodie 4min.35 secs |

[https://www.youtube.com/watch?v=yoVc\\_S\\_gd\\_0](https://www.youtube.com/watch?v=yoVc_S_gd_0)

b) Scarcity, The Basic Economic Problem by Jason Welker mins secs |

[https://www.youtube.com/watch?v=1cYMW5d\\_bn4](https://www.youtube.com/watch?v=1cYMW5d_bn4)

Using your own words, explain the terms; **economics**, **scarcity**, **choice** and the phrase '**the economic problem**' giving clear examples.

## Activity 3

a) Watch the following video on Opportunity cost.

Scarcity, Opportunity Cost, Trade-Offs & the Production Possibilities Curve | Flipped Teacher Training <https://www.youtube.com/watch?v=IY8Lk2hB0qY>

In your own words, explain examples of opportunity cost situations facing: an individual, households (families), a firm (a business) and the government.

b) Find out about specialisation and the division of labour by watching the following two videos.

<https://www.youtube.com/watch?v=Meo0s54s1sw> | Division of Labor: Burgers and Ships

<https://www.youtube.com/watch?v=ATPxQih6Uag> Tutor2u

Using your understanding from the videos and supported by examples, write a detailed paragraph explaining the benefits of specialization and the division of labour.

## Activity 4

### Economics Terms Activity Match the economics terms and phrases with the statements

#### Statements

1. Reflects productivity and growth.
2. Rivalry among sellers for the customer's money.
3. Special quality of a competitive economic system.
4. Study of production, distribution and consumption.
5. Economy where the government has central control.
6. Someone who uses goods and services.
7. Amount left over after the costs of running the business have been paid.
8. Value of all goods and services produced in the country within a year.
9. Rules enforceable by law.
10. The use of goods/services for the production of capital goods or for the satisfaction of personal needs and wants.
11. Economic system characterized by private ownership of capital goods.
12. Making goods and providing services for human consumption.
13. A process by which unions establish higher wages and better working conditions.
14. Money that is collected from businesses and individuals to fund a government's budget.
15. Money used to start or expand a business.

#### Economic terms/phrases

A. Collective bargaining	I. Regulation
B. Standard of living	J. Tax
C. Freedom	K. Competition
D. Capital	L. Consumer
E. Communism	M. Economics
F. Production	N. Gross Domestic Product (GDP)
G. Profits	O. Consumption
H. Free enterprise	

**Research tip:** If you're trying to find further information on a topic, e.g. inflation, Google the term and one of the economics theory websites. So you would Google 'inflation economics help'.

## Activity 5

### The Bank of England Research Activity

Look on the Bank of England's website (education page) to find out the following information:

<http://www.bankofengland.co.uk/education/Documents/resources/postcards/historycomp.pdf>

- When was the Bank of England founded?
- The nickname of the Bank of England.
- The main function and roles of the Bank of England.
- The present governor of the Bank of England.
- What happened to the Bank of England in 1997?
- The number of gold bars currently held in the vaults at the Bank of England.

## Activity 6

### Exchange Rate Research Activity

Mix and match exchange rates for the countries listed below:

#### Countries

China	Russia	Mexico	South Africa	India
Japan	Saudi Arabia	Thailand	Denmark	Sweden

#### Currencies

Baht	Krona	Riyal	Rand	Yen
Krone	Ruble	Rupee	Yuan	Peso

**Watch the following clip on exchange rates:**

Exchange rate - <https://www.youtube.com/watch?v=uWlm4-iF7W4>

- a. Explain what you understand by the term 'exchange rate'.
- b. Find out the exchange rate for the UK £:€ (pound to euro) and the exchange rate for UK £:\$ (pound to dollar).
- c. Plot exchange rates for the past 15 years:
  - i) Pound against the American dollar and
  - ii) Pound against the Euro
- d. Find out what is meant by the "gold standard".

## Activity 7

**Inflation Research Activity Watch the following clip:**

Exploring inflation - <http://www.bankofengland.co.uk/education/Pages/resources/films/default.aspx>

Now find out the following (you may need to look at other websites as well):

- a. The current government target for inflation
- b. How inflation is measured in the UK
- c. What has been put into this year's basket of goods and what has been taken out?
- d. The difference between CPI and RPI
- e. Reasons for inflation
- f. Reasons why it is important for inflation to remain stable
- g. Plot the rates of inflation since 2000
- h. How the Bank of England can control inflation
- i. The current interest base rate
- j. Reasons why it is important for inflation to not be too low or even negative (deflation)

## Activity 8

**GDP Research Activity Watch the following clips regarding GDP:**

[https://www.youtube.com/watch?v=FXWBS\\_sx-us](https://www.youtube.com/watch?v=FXWBS_sx-us)

<http://www.bbc.co.uk/news/10613201>-Dec Curry

Now find out the following:

- a. What GDP stands for
- b. What GDP measures
- c. What is meant by GDP per capita?
- d. The total value of GDP for the UK last year
- e. The UK's current GDP per capita
- f. The average growth rate for GDP in the UK
- g. The economic term used to describe a six-month period of negative growth
- h. The economic term used to describe exceptionally high growth
- i. Time periods of negative growth in the UK (go back 30 years)
- j. How much the UK economy grew by last year?
- k. Plot a chart showing the UK economic growth rate for the past 15 years

## Activity 9

**Interest Rate (Monetary Policy) Research Watch the following clip:**

**What are interest rates? - <https://www.bankofengland.co.uk/monetary-policy/the-interest-ratebank-rate>**

Now find out the following:

- a. What are interest rates?
- b. What is the bank rate?
- c. What is the purpose of the bank rate?
- d. How interest rates influence spending and saving
- e. Why do high street banks such as Barclays charge different rates of interest on savings accounts and loans?

## Activity 10

### Current Account Research Activity

Watch the following clips and read the articles (you may need to use other websites too):

<https://www.economicshelp.org/blog/glossary/current-account-bop/>

<https://www.youtube.com/watch?v=fifV6H4wIAo>

Now find out the following:

- a. What is the balance of payments?
- b. What is the current account of the balance of payments?
- c. What is meant by an export?
- d. What is meant by an import?
- e. What is the balance of trade?
- f. What is a current account deficit?
- g. What is a current account surplus?
- h. What is the UK's current account deficit?
- i. Which country has the biggest current account surplus?
- j. Which country has biggest current account deficit?

## Activity 11

### Unemployment Research Activity

Use the link below to help you:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics#unemployment>

Now find out the following:

- a. What is meant by unemployment?
- b. What is the claimant count?
- c. What is the labour force survey?

- d. Which groups of people are not counted in the unemployment figures?
- e. The current UK unemployment rate
- f. The highest rate of unemployment in the UK in the last ten years
- g. The lowest rate of unemployment in the UK in the last ten year

## Activity 12

**Taxation and Government Spending (Fiscal Policy) Research Activity Complete the missing letters;**

I N \_ E \_ \_ T \_ \_ C \_ TAX                      \_ A \_ \_ E - A \_ \_ E \_ TAX                      \_ \_ C \_ \_ \_ TAX  
 \_ \_ P \_ T \_ \_ G A \_ \_ S TAX                      \_ O \_ P \_ O \_ \_ T I O \_ TAX                      S \_ \_ \_ \_ D \_ \_ \_  
 \_ A \_ I O \_ \_ L I \_ S U \_ A \_ C \_

**Use the links below to find out the following (you may need to use other websites too):**

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183408/A\\_guide\\_to\\_UK\\_taxation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183408/A_guide_to_UK_taxation.pdf)

<https://www.gov.uk/government/organisations/hm-revenue-customs>

- a. The top five areas of expenditure for the UK government and the amount spent on them
- b. The top five taxes for the UK government and the amount they bring in
- c. The amount spent by the government each year for the past 10 years; calculate the year on year percentage changes
- d. What is income tax?
- e. The four different income tax bands in the UK
- f. What is corporation tax?
- g. Current rate of corporation tax in the UK
- h. The four G20 countries with the lowest rates of corporation tax
- i. What is national insurance?

- j. How much per week can be earned before paying national insurance contributions?
- k. What is VAT?
- l. Current rate of VAT
- m. Goods exempt from VAT
- n. What is capital gains tax?
- o. The top rate of capital gains tax in the UK
- p. What is stamp duty?
- q. What are the different rates of stamp duty?

### Activity 13

**Tutor2u have a Transition programme for Year 11 students planning to take A-Level Economics and its live!**

**Head Start in A-Level Economics** is a structured transition or bridging programme for students to help them make the most of their time during the summer term and enable them to start A-Level Economics with greater confidence. It is a free online transition work and each session comprises a sequenced collections of short videos, interactive tasks and research activities.

Work your way through each new topic as it is added. To access click [Head start in Economics](#) or copy and paste in a search browser of your choice the link below.

[https://www.tutor2u.net/economics/collections/head-start-for-alevel-economics-transition-resource-year-11-students?utm\\_medium=email&utm\\_campaign=CM-Econ-HeadStartLaunch-200420&utm\\_content=CM-Econ-HeadStartLaunch-200420+CID\\_dec3ee13979b23a24aba1e49ce133c8a&utm\\_source=CampMonitor&utm\\_term=Head%20Start%20in%20A-Level%20Economics](https://www.tutor2u.net/economics/collections/head-start-for-alevel-economics-transition-resource-year-11-students?utm_medium=email&utm_campaign=CM-Econ-HeadStartLaunch-200420&utm_content=CM-Econ-HeadStartLaunch-200420+CID_dec3ee13979b23a24aba1e49ce133c8a&utm_source=CampMonitor&utm_term=Head%20Start%20in%20A-Level%20Economics)

## Reading List & Recommendations

### Recommended reading and watching for the summer:

#### Websites:

Great for A level Economics theory:

- Tutor2u - <http://www.tutor2u.net/economics>
- Economics Help – <http://www.economicshelp.org>
- EconplusDal – <http://www.econplusdal.com>
- Economics Online - <http://www.economicsonline.co.uk/>
- Investopedia – <http://www.investopedia.com>
- YouTube – there are a wide range of YouTube revision videos available on all A Level Economics topics, popular channels include EconplusDal and Khan Academy

#### Great for economics in the news:

- BBC News (economy section) - <http://www.bbc.co.uk/news/business/economy>
- The Guardian (economics section) – <https://www.theguardian.com/business/economics>
- The Telegraph (economy section) – <http://www.telegraph.co.uk/business/economy/>
- The Independent (money section) – <http://www.independent.co.uk/money>
- This is money – <http://www.thisismoney.co.uk>

#### Great for economics data:

- Office for National Statistics - <https://www.ons.gov.uk/>
- Trading Economics – <http://www.tradingeconomics.com>

## Books:

- The Economics Book by Niall Kishtainy
- Economics: The User's Guide: A Pelican Introduction by Ha-Joon Chang
- Cracking Economics by Tejvan Pettinger
- Freakonomics: A Rogue Economist Explores the Hidden Side of Everything by Levitt, Steven D., Dubner
- The Undercover Economist by Tim Harford
- The Euro by Joseph Stiglitz
- Capital in the Twenty First Century by Thomas Piketty
- Doughnut Economics by Kate Raworth
- GDP: A Brief but Affectionate History by Professor Diane Coyle

## Magazines:

- Economic Review
- The Economist

## Films:

- The Big Short (2015) – biographical drama-comedy film
- Margin Call (2011) – drama film
- Rogue Trader (1999) – biographical drama film
- Boiler Room (2000) – crime, drama film
- Wall Street (1987) – drama film
- Enron: The Smartest Guys in the Room (2005) - documentary
- Inside Job (2010) – documentary Online