

## Preparation for A level Economics from Year 11 to 12

The following are suggestions for you to start to understand what economics is about, the sorts of things you may study and how economics exists beyond the classroom. This time is a great opportunity to do some extra enrichment activities to really understand and hopefully enjoy the subject. You could keep a record of what you find out/read as you wish.

We follow the A level **Economics Edexcel Specification B** which you can look at here:

<https://qualifications.pearson.com/en/qualifications/edexcel-a-levels/economics-b-2015.html>

### 1 What is the economy?

The economy is about the relationship between us as consumers, the firms or businesses who make what we buy, the labour we provide as a workforce to those businesses and the degree to which the government is involved in that process.

### 2 How is the economy organised?

Most countries are run along capitalist lines; entrepreneurs take the risk to set up firms to provide the goods and services we need, and the successful ones survive and make a profit. This is the 'free market' supplying goods and services that us consumers demand. Governments provide some goods and services, but this varies between economies. For example, in the USA you are expected to insure yourself for your health needs, whereas in the UK, most people use the National Health Service.

These books would be good starting points to read about how economies work and help you to form an informed view about how far you think 'free market economics' or capitalism works or whether governments should provide more services such as free care for elderly people, free nursery care for all babies and children, free eye check and dentistry for all, more affordable houses to rent from the local government.

**The Economics Book – Big Ideas Simply Explained - Niall Kishtainy**

**Undercover economist - Tim Harford**

**Undercover economist strikes back- Tim Harford**

**Talking to my daughter about the economy: a brief history of capitalism – Yanis Varoufakis**

**Economics – The User's Guide – Ha-Joon Chang**

**23 Things They don't tell you about Capitalism – Ha-Joon Chang**

### 3 Measuring the economy [GDP]

At the moment, there is a lot of news about the economy and the fact that, the main political parties are relying on economic growth to fund their spending plans. Research what is meant by GDP [which is how economies are measured] The BBC is always a great starting point [What is GDP and how is it measured? - BBC News](#)

**The Growth Delusion, by David Pilling** questions whether measuring an economy in this way is still relevant. This is very topical now given the virus, and the impact that economic activity has on the environment and the degree to which consumerism is a 'good thing'.

#### 4 Prices / inflation

As I write this, prices are rising but at a slower rate and the rate of inflation is 3.5% Find out what this means, how it is measured and why it matters.

[What is the UK's inflation rate and why is the cost of living going up? - BBC News](#)

#### 5 Globalisation

Another big part of studying economics is globalisation; i.e. the fact that economies are dependent on other economies for goods, services, customers and workers. This book:

- **The Almighty Dollar, Dharshini David**

is superb for understanding the importance of globalisation and the interdependence of economies on each other. Again, the current climate is putting a question mark over the idea that economies can't survive without other countries. Eg we were relying on a plane from Turkey to bring over PPE during the pandemic; why couldn't we just make our own?

Do countries benefit from international trade? Do some gain more than others? Look at the impact of trade on some countries in Africa or Ecuador.

Multinationals can have a massive impact on a country- some of this is positive and some of this is negative. Investigate a multinational and explain the impact it could have.

Some examples could be

- Coca Cola
- Nike
- Primark
- Nestle

Finally, dare we mention BREXIT? We were in a trade bloc called the European Union but have now left.

Find out what trade blocs are, [there are lots and different sorts] and try to form your own view of the benefits and problems of being in one.

#### 6. You could do a biography on a famous economist. Some suggestions are

John Maynard Keynes  
Adam Smith  
Ann Pettifor  
Milton Friedman  
Karl Marx  
David Ricardo  
Frederich Hayek  
Christine Lagarde

Esther Dufflo

## **7. You could also watch some TED talks:**

The dirty secret of capitalism

[https://www.ted.com/talks/nick\\_hanauer\\_the\\_dirty\\_secret\\_of\\_capitalism\\_and\\_a\\_new\\_way\\_forward](https://www.ted.com/talks/nick_hanauer_the_dirty_secret_of_capitalism_and_a_new_way_forward)

Why do competitors open their stores next to each other?

[https://www.ted.com/talks/jac\\_de\\_haan\\_why\\_do\\_competitors\\_open\\_their\\_stores\\_next\\_to\\_one\\_another](https://www.ted.com/talks/jac_de_haan_why_do_competitors_open_their_stores_next_to_one_another)

What causes an economic recession?

[https://www.ted.com/talks/richard\\_coffin\\_what\\_causes\\_an\\_economic\\_recession](https://www.ted.com/talks/richard_coffin_what_causes_an_economic_recession)

If you only do some of this, you will be a much better-informed economics student and citizen!