Economics

Get ready for a successful start!

What will I study?	Through the study of A Level Economics, you will have the opportunity to develop a deeper understanding of the world around you and the economic issues and debates that impact our lives. You will develop skills that are highly valued by universities and employers, including data interpretation, analytical and evaluative skills, problem solving, and communication skills. You will have the opportunity to take part in group work, classroom discussions, analysing news articles, problem solving challenges as well as research into economic issues.
Who teaches this course?	Steven Beach (main contact)
What resources or equipment will I need?	
Reading List	
How can I extend my learning?	

Induction Activity: To be completed and brought to your first lesson

Resources needed to complete the activity:	• Pen and paper • Access to the Internet • Laptop/computer (optional)
Estimated time to complete the activity:	

Assignment details

- Complete the tasks below
- Write down your answers on paper or in a Word document

An Introduction to Economics

Microeconomics considers the economics of everyday life, the decisions that we as individuals in society take and the impact on businesses. In this Taster Activity we aim to build on this definition, by offering you the chance to explore two of the most fundamental concepts that all students meet early on in their economics careers, **scarcity** and **opportunity cost**.

The resource comprises a few problem and research-based activities that you can use to build your understanding and confidence and ensure that you have a strong foundation for when you start your year 12 studies in the autumn. Following completion of the tasks, you have the chance to access a few interactive games via the Tutor2u website to consolidate your knowledge and understanding.

Task 1 – Scarcity and Opportunity Cost

This activity worksheet aims to introduce you to some of the basic principles of microeconomics that you will first encounter in your Year 12 studies. To begin with read this blog entry and find definitions for the following key terms:

https://www.tutor2u.net/economics/blog/study-note-the-basic-economic-problemscarcity-and-choice

Key term_	Definition
Scarcity	
Trade off	
Opportunity cost	

Task 2 – Mike’s Situation

Read the following story then answer the questions which follow.

Mike Milne is in year 11 at Warton Academy. In his spare time, he plays a lot of sports. His favourite is tennis which he has played since he was 7, although he has recently joined a local judo club to try and develop his skills in another area and to further enhance his fitness. Despite his initial keenness, Mike has not bought any kit for judo yet, the suit costs around £30. The tennis schedule is quite gruelling. Training usually starts in late February and runs up until October of each year. There are two sessions each week. Judo takes place on a Friday evening in the hall at a local bowling centre, just near Mike’s house. It does not have a season, with classes running each week and further slots available if he wants to join the squad that enters competitions. Usually, one of Mike’s parents is available to take him to tennis practice. When they aren’t, he is able to get a lift with his friend Amy, but he must first get a bus to her house, which is a 10-minute ride away.

For the last two years, Mike has entered tennis tournaments and has recently seen success. At his latest competition, he won a prize, £50. His parents, due his good performance, gave him 1/2 of the value of his prize fund as a top up and told him to put it towards something that he has wanted.

A few weeks have passed since Mike’s success and he has a number of dilemmas on his mind. He wants to buy a new video game and a new tennis racket. The tennis racket costs £50 but the game costs £75. Furthermore, the issue of time has been playing on his mind. He has final exams approaching and these are due to start in 6 weeks’ time. Mike has carefully planned out a revision timetable but feels a little burnt out after 1 week on plan…

A. Explain how the problem of Scarcity applies to Mike
B. If Mike buys his video game, what must he give up?
C. If you were Mike, what decision would you make?
D. Explain how Mike is affected by opportunity cost

Task 3 - Decision Dilemmas

Scarcity and opportunity cost affect us all. Every decision has an alternative foregone action and there is a cost in this trade off. In the table below, think about some recent decisions that you have made. These could be decisions based around how you spend your time, or they could be monetary, in other words a spending decision. What did you choose and what did you give up?

Decision Dilemma	What did you choose?	What did you give up and why?

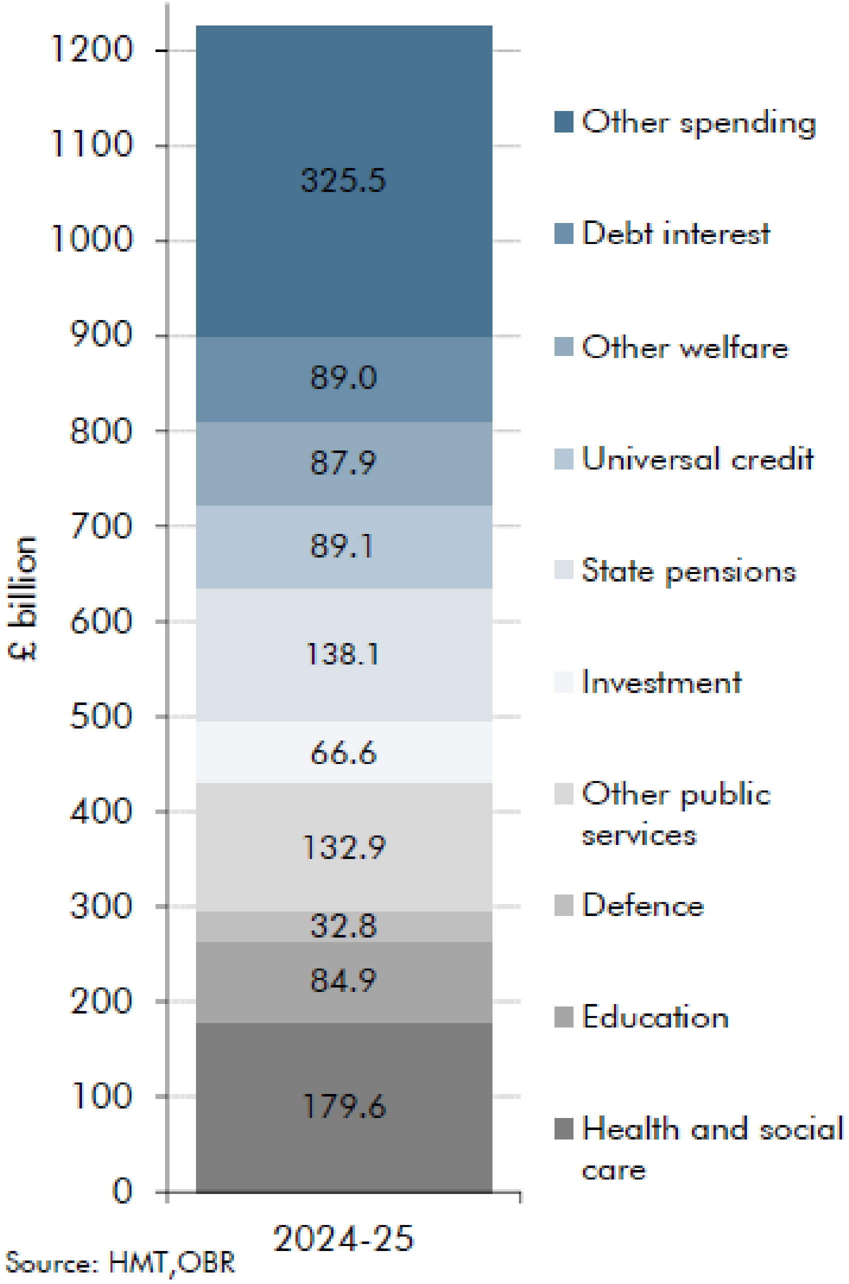
Task 4 - The Bigger Picture

The government is also affected by opportunity cost and scarcity. You have two charts: Public Sector Spending and Sources of Public Sector Receipts. These just refer to the areas where the government spends money and how it pays for its spending – in other words, the different taxes that the government applies (economists use the term 'levy') to pay for this spending. As you study the data, look at the total value of spending versus the total amount collected in tax. You should notice something.

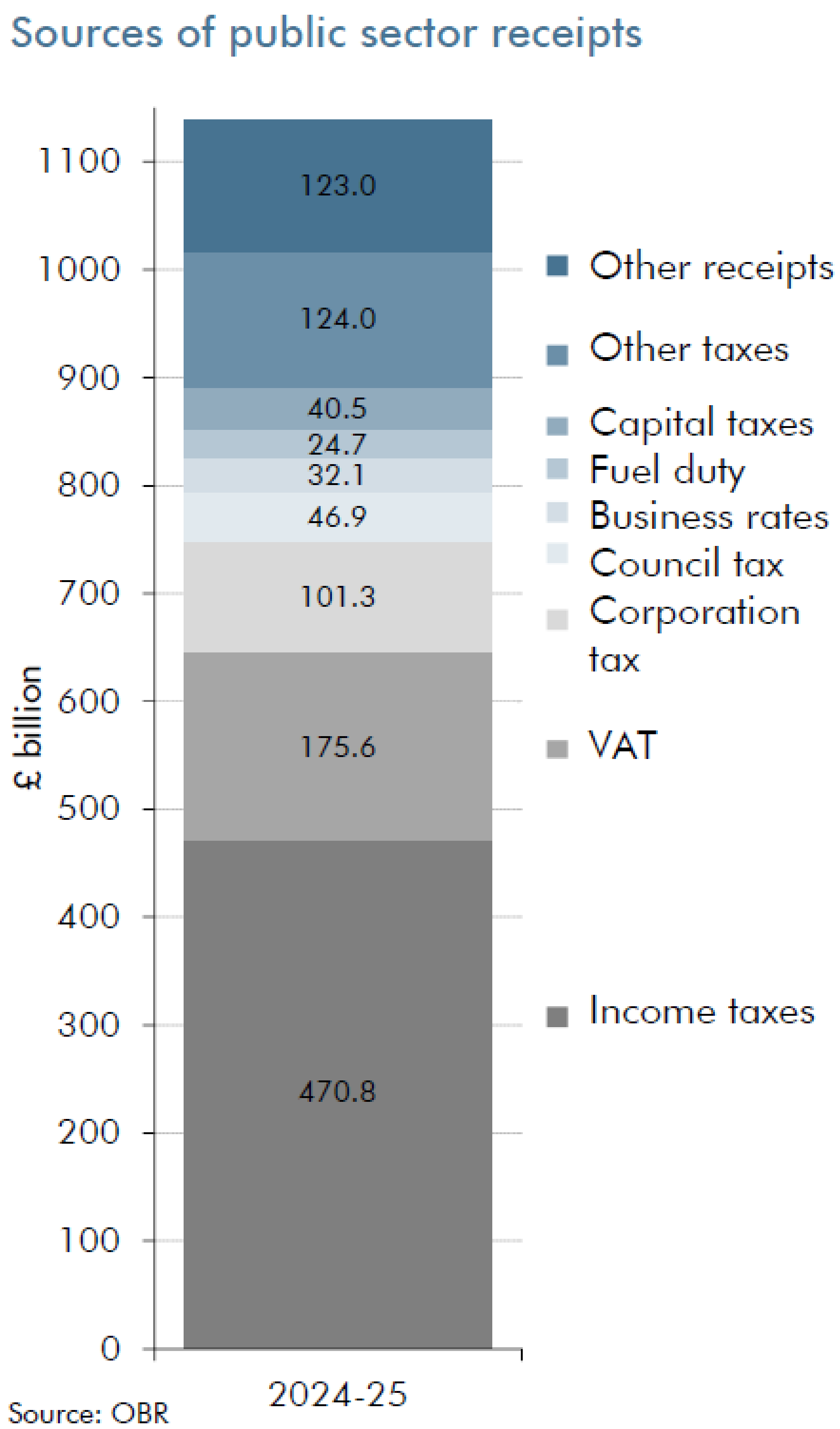
Use the data below to explain some of the choices facing the UK government.

How is the government is affected by scarcity?

Public sector spending



Source: HMT,OBR



Task 5 - The Factors of Production

In Task 2, we saw that Mike suffered from the problem of scarcity. The resources that Mike had available to him were limited and he had to make choices.

In Task 4, we saw that the government faces the same issue but just on a bigger scale.

When economists talk of scarcity, they refer to resource scarcity. Resources are can also be called 'factor inputs', they are what are used to produce the goods and services that we take for granted in our lives.

There are four main resources that are used to satisfy our wants and needs. These are:
• Land
• Labour
• Capital
• Enterprise

Watch the video accessible via the link below and complete the table. You need to define and give examples of each of the different types of factors of production.

https://www.tutor2u.net/economics/reference/factors-of-production

Factor of production	Meaning	Example
Land		
Labour		
Capital		
Enterprise		

Task 6 - how the factors of production work together

Some resources are renewable, and others are non-renewable. Renewable resources include solar and wind power. These resources do not deplete. Wind itself is not a scarce commodity. However, the means of producing solar and wind energy do have opportunity costs – the material used to produce a wind farm have alternative uses. Non-renewable resources such as fossil fuels deplete and are a scarce resource.

When we buy goods, they are the result of the factors of production working together to produce the end outcome. Pick one the goods from the list below and write a paragraph explaining how the factors of production work together in its production. 1. Car 2. Mobile phone 3. Dress 4. Chair The following clips aim to give you an insight into their production. You don't need to watch all of them but might support your learning!

Car:

https://www.tutor2u.net/economics/blog/how-porsches-are-made

https://www.youtube.com/watch?v=P7fi4hP_y80

Chair:

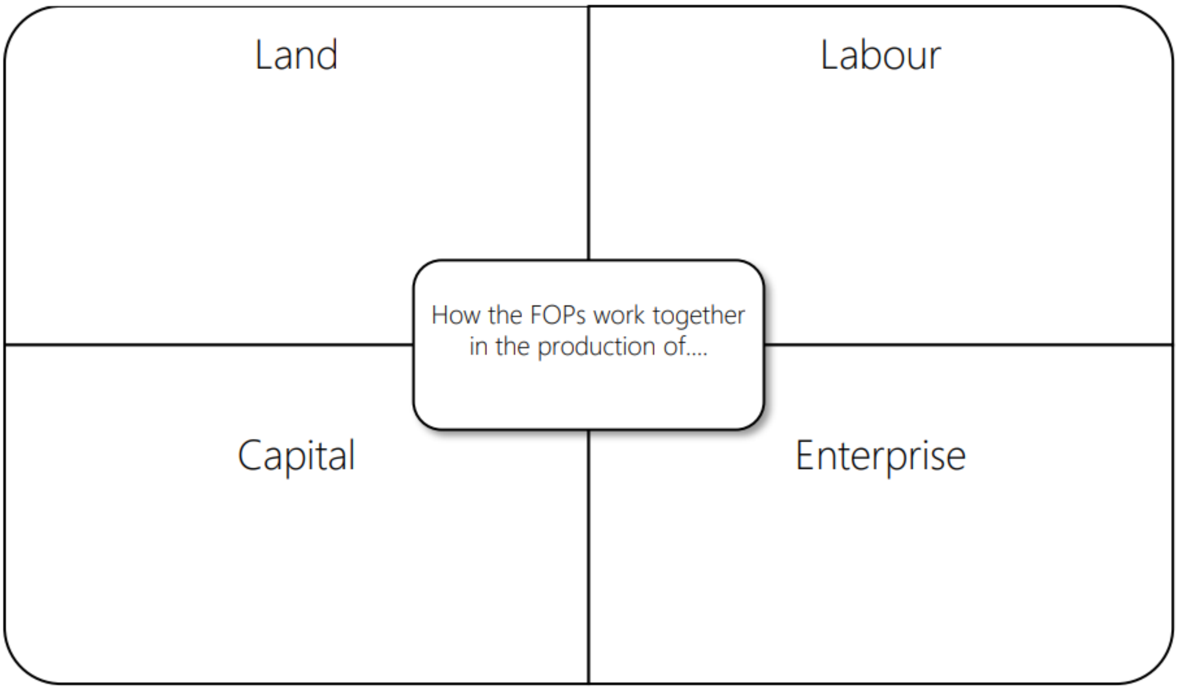
https://www.youtube.com/watch?v=FiCePhT5RoY

Dress:

https://www.youtube.com/watch?v=9ctD5jjMeY8

Mobile phone:

https://www.youtube.com/watch?v=AdeDy6vJcb



Having completed this introductory activity set looking at scarcity, opportunity cost and the factors of production, have a go at these knowledge retrieval games to consolidate your understanding:

Clear the deck:

https://www.tutor2u.net/economics/reference/introduction-to-economics-clear-the-deckkey-term-knowledge-activity

Loose Change:

https://www.tutor2u.net/economics/reference/foundations-of-economics-loose-changeactivity