

# Learner guide for a level economics

[Economics](#)



Learner Guide for Cambridge AS and A Level Economics  
 Learner Guide for Cambridge AS and A Level Economics  
 How to use this guide  
 The guide describes what you need to know about your Economics examination. It will help you to plan your revision programme and will explain what Cambridge International Examinations is looking for. The guide contains the following sections:  
 Section 1: How will you be tested? This section will give you information about the different examination papers you will take.  
 Section 2: Examination tips This section gives you advice to help you do as well as you can.

Some of the tips are general advice and some are based on the common mistakes that learners make in exams.  
 Section 3: What will be tested? This section describes the five assessment objectives in Economics  
 Section 4: What you need to know This shows the syllabus content so that you can check:
 

- which topics you need to know about
- details about each topic area in the syllabus
- how much of the syllabus you have covered

 Section 5: Useful Websites  
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 Learner Guide for Cambridge AS and A Level Economics  
 Section 1: How will you be tested?

The table below gives you information about the examination papers you will take.

Paper	Type	Duration	Number of Questions	Maximum Mark
1	Multiple Choice (Core)	1 hour	30	30
2	Data Response (Core)	45 minutes (recommended)	1	20
3	Structured Essay (Core)	45 minutes (recommended)	1	30
4	from a choice of	30	2	2

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 Section 2: Examination tips  
 General Advice • • • • •

- • • It is very important that you look very closely at the ‘ command’ or ‘ directive’ words used in a question.

These tell you what we are looking for. If a question asks you to ‘ identify’, ‘ state’ or ‘ calculate’ something, you should not write a very long answer. If, however, the question asks you to ‘ explain’ or ‘ discuss’ something, this will require you to go into much more detail and your answer should be longer. Very often, with a ‘ discuss’ question, you will be expected to look at something from two contrasting points of view and then come to a reasoned and well supported conclusion. It is also important that you look closely at the number of marks that are awarded for each part of a question.

This will give you guidance as to how long you should spend on each particular part. Some parts of a question will only gain you two or four marks while other questions will have sections worth eight and twelve marks. Remember to look very closely at the precise wording of each part of a question. You need to make absolutely certain that your answer clearly relates to what is specifically required. For example, you may answer a question about inflation and write all you know about how it is measured, but the actual question asked required you to write about the difference between two causes of inflation, cost-push and demand-pull.

Time management is crucial. Don’t spend too long on one question, or parts of one question, and then leave yourself towards the end of the examination with very little time to read through your answer and correct any mistakes and/or add anything that you feel is missing. Wherever possible, use diagrams to aid your explanations, but make sure that they are accurately and clearly drawn and correctly labelled. You should also make sure that you

refer to them in your answer. You should also try and bring in appropriate and relevant examples, wherever possible, of current economic issues and problems to support the points you are making.

Look back at the question every so often, just to make sure that you are answering the question correctly and staying ‘on track’. You do not need to write out the question; this is a waste of your time. Just make sure that you write the number of the question, and the sub-part, so that we know which question you have answered and there is no possibility of confusion as to which question has been answered. Do not answer more questions than you have to. For example in Paper 2, you are required to answer question 1 in Section A and then only one of the three questions in Section B. Cambridge International Examinations 2012 Learner Guide for Cambridge AS and A Level Economics An Example Paper 2 Section A: Question 1 This is the data response question which has to be answered. There are 20 marks available for this question. • • You need to spend time carefully reading through the information provided in Section A. In the example above the data response was concerned with the market for onions in Bangladesh. You need to be confident in what you have read so that you are able to identify, interpret and manipulate aspects of the data, depending on the particular questions asked.

You need to look at the title of the case study; this may well give you some clues as to what you will be required to do in answering the questions. © Cambridge International Examinations 2012 Learner Guide for Cambridge AS and A Level Economics • • • • • • • • • • • • • • • • You need to look at the data provided and appreciate its context. In the example above, this was

concerned with the prices of essential foodstuffs in Bangladesh and the implications of this for traders, consumers and the government.

If the data is in the form of a table, a chart or a diagram, look for the important features and see if you can identify any patterns, relationships or trends as some of the questions are likely to be drawn from these. Look for the economic theories or concepts around which the case study has been written; think about how and where these theories and concepts are embedded in the data as questions are likely to be drawn from these. In the example above, this was in relation to prices, demand and supply and government intervention in markets). See if there is a stated source for the case study; as this may help you to understand its context.

See if you can identify any limitations of the data; for example, there may be other information that you would have found useful, but which has been omitted. The instruction on the examination paper states: “ Brief answers only are required. ” You need to be able to quote selectively and answer concisely. You need to look closely at and follow the mark allocation in terms of the time to be taken to answer each part of a question. In the example above, all three parts of (a) were allocated two marks each, both parts of (b) were allocated four marks each, and part (c) was allocated six marks.

Half of the time allocated to the whole paper, 1 hour 30 minutes, should be spent on answering Question 1, i. e. 45 minutes. This means that between 13 and 14 minutes should be allocated to each of (a) and (c) and 18 minutes to (b). Where the ‘ command’ or ‘ directive’ word is calculate, you do not need to go into a great deal of detail. In Question 1 (a) (i), in the example above, you simply needed to calculate the approximate price per kilo of onions in

September 2003. Where the ‘command’ or ‘directive’ word is identify, you again do not need to go into a great deal of detail.

In Question 1 (a) (ii), in the example above, you simply needed to identify two reasons why prices might normally be expected to rise before the Holy Month of Ramadan; you were not required to explain, analyse or discuss these two reasons. A question will sometimes explicitly require you to include a diagram. This was the case in (b) (i) and (ii), in the example above, when candidates were required to include a demand and supply diagram. In the case of (i), this was to help explain how traders may benefit from reducing the supply of essential products.

In the case of (ii), this was to help analyse the effect on the market for onions of the introduction of an effective maximum price. Your diagrams would need to be neatly and accurately drawn and correctly labelled. You would also need to refer to the diagrams in your answers; that is why it says ‘with the aid of a demand and supply diagram’ in the question. The maximum mark that could have been awarded in each of these sections, if no diagram had been included, was three out of the available four. In some parts of questions, the ‘command’ or ‘directive’ word is explain or analyse.

In part (b), (i), in the example above, you were required candidates to ‘explain how traders may benefit from reducing the supply of essential foodstuffs’, while in (ii) candidates were required to ‘analyse the effect on the market for onions of the introduction of an effective maximum price’. It is very important that you fully understand what is meant by these words. Explain means to make clear how or why; analyse means to examine in

technical detail. In some parts of questions, the ‘command’ or ‘directive’ word used is discuss.

In Question 1 (c), in the example above, the question required candidates to ‘discuss the desirability of the Government’s intervention in the market for onions’. You would need to look at this from both points of view, i. e. firstly saying that it would be advantageous and then going on to consider some of the possible disadvantages. You would then be expected to reach a conclusion as to whether it would be particularly desirable for the government to intervene in such a market.

The maximum mark for only one side of the argument was four; the maximum mark for both points of view, but without a clear conclusion, was five. You should always try to leave time at the end of answering the question to read through what you have written so that you can check and correct any mistakes and add anything important that you have omitted.

Section B: Questions 2, 3 or 4 This is the essay question and you have to answer just one question from this section. There are 20 marks available for this question.

- Each question will be made up of two parts with eight marks for (a) and twelve marks for (b).

Part (a) will always require you to explain something. This means that you are required to give clear reasons for something or to make something clear in terms of how and/or why something is happening. For example, in Question 2 (a) you were required to explain how production possibility curves might be used in assessing a country’s economic performance. You would need to demonstrate knowledge of what is meant by a production possibility

curve and then go on to explain both the static position of the curve and a movement of it.

In Question 3 (a) you were required to explain the difference between absolute and comparative advantage. You would need to define the two terms and then go on to explain the terms and the assumptions which underpin the two concepts. In Question 4 (a) you were required to explain the difference between costpush and demand-pull inflation. You would need to demonstrate knowledge of what is meant by inflation and then go on to explain the two terms and, most importantly, the difference between them.

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Learner Guide for Cambridge AS and A Level Economics • • • • As has been said, there are eight marks available for part (a), 40% of the total for the question. You should, therefore, aim to spend about 40% of the time available for answering this part of the question. The time allocated to answering this question is 45 minutes, so you need to aim to spend about 40% of that time on part (a), i. e. about 18 minutes. Part (b) will always require you to discuss something. This means that you are required to give the important arguments, for and against, in relation to whatever is being asked.

For example, in Question 2 (b) you were required to discuss whether a mixed economy is the best way for a country to deal with the basic economic problem. You would need to demonstrate an understanding of both a mixed economy and the basic economic problem and then go on to discuss both the benefits and the drawbacks of a mixed economy. In Question 3 (b) you were required to discuss whether the principle of comparative advantage is a

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satisfactory explanation of the trade pattern of an economy with which you are familiar.

You would need to apply the principle of comparative advantage to a pattern of trade and discuss the limitations of comparative advantage theory. You would then need to go on to discuss other explanations of trade. This is a particularly interesting question because instead of requiring you to discuss a particular trade pattern between two economies, you are asked to discuss the trade pattern of an economy with which you are familiar, i. e. you are given the choice of deciding which economy to write about. In Question 4 (b) you were required to discuss whether a country experiencing inflation will always have a balance of payments problem.

You would need to explain the link between inflation and the balance of payments and then go on to discuss the conditions when inflation would be likely to bring about a balance of payments problem and the conditions when inflation would not be likely to cause such a problem. As has been said, there are twelve marks available for part (b), 60% of the total for the question. You should, therefore, aim to spend about 60% of the time available for answering this part of the question. The time allocated to answering this question is 45 minutes, so you need to aim to spend about 60% of that time on part (b), i. . about 27 minutes. You should always try to leave time at the end of answering the question to read through what you have written so that you can check and correct any mistakes and add anything important that you have omitted. © Cambridge International Examinations 2012 Learner Guide for Cambridge AS and A Level Economics Section 3: What will be tested? The syllabus sets out the five assessment objectives in Economics.

Number of Assessment Objective 1 Skill Demonstration of Skill Demonstrate  
Knowledge and Understanding 2 Interpret 3 Explain and Analyse 4 Evaluate  
5 Organise, Present and Communicate

You should be able to demonstrate knowledge and understanding of the specified content. You should be able to interpret economic information presented in: • verbal • numerical or • graphical forms. You should be able to explain and analyse economic issues and arguments, using relevant economic: • concepts • theories and • information. You should be able to evaluate economic: • information • arguments • proposals and • policies. You should be able to take into consideration relevant information and theory. You should be able to distinguish facts from: • hypothetical statements and • value judgements.

You should be able to organise, present and communicate economic ideas and informed judgements in a: • clear • logical and • appropriate form. The Multiple Choice component (Paper 1) will seek to test particularly Assessment Objectives 1, 2 and 3. The Data Response part of Paper 2 will seek to test particularly Assessment Objectives 2 and 3 and, to a lesser extent, Assessment objectives 1, 4 and 5. The Structured Essay part of Paper 2 will seek to test particularly Assessment Objectives 1, 3, 4 and 5 and, to a lesser extent, Assessment Objective 2. © Cambridge International Examinations 2012

Learner Guide for Cambridge AS and A Level Economics Section 4: What you need to know A table is provided below which describes the topics which will be tested in your examination papers. You can use the table throughout the course to check the topics you have covered. You can also use it as a  
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revision aid. The column headed ‘ comments’ can be used: • to add further information about the details of each bullet point, or to give appropriate examples • to highlight areas of difficulty which you might need to ask your teacher about. © Cambridge International Examinations 2012 Learner Guide for Cambridge AS and A Level Economics

Theme 1 Basic Economic Ideas Topic Scarcity, choice and resource allocation  
 Different allocative mechanisms Production possibility curve The margin  
 Positive and normative statements Ceteris paribus Factors of production  
 Division of Labour Money © Cambridge International Examinations 2012 You should be able to: • Define the meaning of scarcity • Explain the inevitability of choices at all levels: o individual o firm o government • Define and explain the concept of opportunity cost • Consider basic questions of: o what will be produced o how it will be produced o for whom it will be produced  
 Distinguish between: market economies • planned economies • mixed economies • and problems of transition Explain: • the shape of the production possibility curve • shifts of the production possibility curve  
 Explain decision making at the margin Distinguish between: • positive and • normative statements Explain the meaning of ceteris paribus Define the four factors of production: • Land • Labour • Capital • Enterprise Explain the meaning of division of labour Describe and explain: • the functions of money • the characteristics of money Comments Learner Guide for Cambridge AS and A Level Economics Theme 2 The Price System

Topic Individual Demand curves You should be able to: Explain the construction of individual demand curves Aggregation of individual demand curves to give market demand Factors influencing demand Explain how

individual demand curves are aggregated to give market demand  
 Movements along and shifts of a demand curve Price, income and cross elasticities of demand Firms' supply curves Factors influencing market supply Movements along and shifts of a supply curve Price elasticity of supply © Cambridge International Examinations 2012 Identify and explain the various factors that can influence market demand

Explain and distinguish between: • movements along a demand curve • shifts of a demand curve • Explain the meaning of • Calculate • Analyse the factors affecting • Assess the implications for revenue and business decisions of o price elasticity of o demand o income elasticity of o demand o cross elasticity of o demand Explain how individual firms' supply curves are aggregated to give market supply Identify and explain the various factors that can influence market supply, including: • indirect taxes and • subsidies Explain and distinguish between: • movements along a supply curve • shifts of a supply curve

Explain: • the determinants of the price elasticity of supply • the implications of price elasticity of supply for speed/ease with which businesses react to changed market conditions Comments Learner Guide for Cambridge AS and A Level Economics Theme Topic Interaction of demand and supply Equilibrium price and quantity Consumer and producer surplus Prices as rationing and allocative mechanisms 3 Government Intervention in the Price System Externalities Social costs and social benefits Decision-making using costbenefit analysis Private goods and public goods Merit goods and demerit goods

Government intervention © Cambridge International Examinations 2012 You should be able to: Explain: • the meaning of equilibrium and disequilibrium • the effects of changes in supply and demand on equilibrium price and quantity • the applications of demand and supply analysis Explain the meaning of consumer and producer surplus Analyse how prices can be used as: • rationing and • allocative mechanisms Explain and distinguish between: • positive and • negative externalities Explain social costs as the sum of: • private costs and • external costs Explain social benefits as the sum of: • private benefits and external benefits Explain decision-making using cost-benefit analysis Explain and distinguish between: • private goods and • public goods Explain and distinguish between: • merit goods and • demerit goods Explain government intervention through: • maximum price controls • price stabilisation • taxes • subsidies • direct provision of goods and services

Comments Learner Guide for Cambridge AS and A Level Economics Theme 4 International Trade Topic Principles of absolute and comparative advantage Other explanations and determinants of trade flows Arguments for free trade and motives for protection

Types of protection and their effects Economic integration 5 Measurement in the Macroeconomy Terms of Trade Balance of Payments Different forms of measurement in the macroeconomy General price level Price indices © Cambridge International Examinations 2012 You should be able to: Explain the principles of: • absolute advantage • comparative advantage and • their real-world limitations Explain the opportunity cost concept allied to trade Account for other explanations and determinants of trade flows Explain: •

arguments for free trade and • motives for protection Explain: • types of protection and • their effects

Explain the features of, and the differences between, a: • free trade area • customs union • economic union • monetary union Explain the meaning of the terms of trade Explain the components of the balance of payments

Explain different types of measurement: • Employment statistics • Size and components of labour force • Labour productivity • Definition of unemployment • Unemployment rate; patterns and trends in employment and unemployment • Difficulties involved in measuring unemployment

Explain: • the general price level • price indices, such as the consumer price index and the retail price index money and real data Comments Learner

Guide for Cambridge AS and A Level Economics Theme Topic Shape and determinants of AD and AS You should be able to: Interaction of AD and AS:

determination of level of output, prices and employment 6 Macroeconomic

Problems Inflation Define inflation Explain the: • degrees of inflation • types of inflation • causes of inflation • consequences of inflation Explain the: •

meaning of balance of payments equilibrium and disequilibrium • causes of balance of payments disequilibrium • consequences of balance of payments

disequilibrium on the domestic and external economy

Define exchange rates and explain: • the measurement of exchange rates – nominal, real, tradeweighted exchange rates • the determination of

exchange rates – fixed, floating, managed and ‘dirty’ float • the factors underlying fluctuations in exchange rates • the effects of changing exchange

rates on the economy Analyse policies designed to: • correct balance of payments disequilibrium or • influence the exchange rate Comment on the

possible conflicts between these three policy objectives Balance of Payments Problems Fluctuations in Foreign Exchange Rates 7 Macroeconomic Policies

Macroeconomic policies Conflicts between policy objectives on inflation, balance of payments exchange rate © Cambridge International Examinations 2012 Comments Learner Guide for Cambridge AS and A Level Economics Section 5: Useful Websites General Economics sites <http://www.tutor2u.net> This is probably one of the best of the various internet sites that are currently available for students of Economics. It provides a great deal of information on a wide range of topics and one section that is particularly useful is a range of revision notes on different areas of the syllabus.

There are also a number of essay plans on different topics and there is an active forum and advice section, as well as regular news updates. There are interactive quizzes and a VLE (virtual learning environment) site. There are also PowerPoint presentations on many topics and a very useful Economics blog. <http://brynsaseconomicsblog.blogspot.com> This site is updated regularly and shows the list of topics covered down the left hand side with the number of entries for each topic in brackets. There are useful links to a wide range of resources including not only articles but also video clips. <http://www.bized.co.uk/> This is a particularly useful site if you are looking for up-to-date facts about various companies, prepared by the companies themselves but with learners in mind. It also includes a range of learning materials that will be useful across all areas of the syllabus. It has a number of virtual reality exercises in the Virtual Worlds section of the site, including Virtual Economy, Virtual Factory and Virtual Developing Country. <http://www.>

s-cool. co. uk This is one of the better websites, providing a lot of useful information for Economics students.

It covers eighteen topic areas and in each of these there is a checklist of the main principles, a QuickLearn section that explains the main elements of that part of the syllabus, with some very helpful diagrams, and revision summaries that go over the main terms and concepts in that particular topic area. [http://www. jusbiz. org](http://www.jusbiz.org) This site is somewhat distinctive in that it aims to focus on the global and ethical dimensions in Economics. There is a lot of useful material and a very good glossary of key terms and concepts. There are also useful links to other sites. [http://www. revisionguru. co. uk/economics](http://www.revisionguru.co.uk/economics)

This site provides an Economics textbook which has definitions and explanations of the key terms and concepts across all parts of the syllabus. It also contains some very useful diagrams. © Cambridge International Examinations 2012 Learner Guide for Cambridge AS and A Level Economics [http://economix. blogs. nytimes. com](http://economix.blogs.nytimes.com) This site, linked to the New York Times, uses Economics as a framework for thinking about many events taking place all over the world. [http://en. wikipedia. org](http://en.wikipedia.org) This internet encyclopaedia has some very good entries on many economic concepts and is helped by the links in blue to many other sections.

Television, Newspaper and Magazine sites [http://www. bbc. co. uk](http://www.bbc.co.uk) This is the website of the BBC and is updated regularly. You need to go to the bottom of the home page and click on ‘ Business & Money’. There is then a menu on the left hand side of the home page; you just need to go to ‘ Business’ and click on ‘ Economics’. It provides convenient links to a wide range of related <https://assignbuster.com/learner-guide-for-a-level-economics/>



sites including video and audio links as well as articles. There are useful ‘Country Profiles’ providing economic information about countries all over the world and a number of ‘Special Reports’, many of which are of interest to the Economics learner. <http://www.cnn.com> This website has a range of articles and video clips on many aspects of economics. You can click on your geographical area of the world or on world business. <http://www.economist.com> There are many magazines and newspapers with websites which will be particularly helpful in gaining up-to-date information about Economics. This is one of the better sites and contains some very good articles, covering all parts of the world, which will help you to consider the application of economic theories to particular events and issues.

Some access is limited to subscribers only. <http://businesscasestudies.co.uk/> This site provides a wide range of case studies featuring a number of internationally known companies. The information is wide ranging and applies many economic theories to particular business situations. <http://www.businessweek.com> <http://www.ft.com> <http://www.guardian.co.uk/> <http://independent.co.uk> © Cambridge International Examinations 2012 Learner Guide for Cambridge AS and A Level Economics <http://www.telegraph.co.uk> <http://www.the-times.co.uk> <http://www.thesundaytimes.co.uk/sto/>

All of these newspapers and magazines will have a great deal of economic information that is regularly updated. You should also get into the habit of looking at the websites of the most important newspapers and magazines in your own country and geographical region. Some access is limited to subscribers only. UK focussed sites <http://www.statistics.gov.uk> This site is

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particularly useful if up-to-date economic information is required on such topics as taxation, balance of payments, employment, productivity and inflation. It is primarily concerned with statistics that relate to the UK economy. <http://www.bankofengland.org.uk> This site is very useful for information concerning monetary policy and how it works, such as decisions about interest rates. It is also useful in relation to the role and function of a central bank. The Bank of England will focus on UK matters, but each central bank in the world is likely to have its own site. You will need to find out what is the website for the central bank of your country. <http://www.ifs.org.uk/> This is the website of the Institute for Fiscal Studies. It covers a range of issues related to fiscal policy, but tends to be focused mainly on the UK. © Cambridge International Examinations 2012