

A Level Economics

Year 11 Transition Pack



You are required to complete **ALL** of the activities in this transition pack for submission in the first week of the new academic year. **The A Level in Economics is a fun, embracing yet challenging qualification.** It will develop your numeracy and evaluative skills and vastly expand your knowledge of issues both in the UK and in the wider world. There will be ten taught lessons per fortnight. It is then expected that students do three to five hours per week of independent study at home and during their study periods in school.

Economics

This is a detailed and comprehensive assignment that you have been given. **Do not rush it.** We advise that you complete different parts of the transition pack at different points in the summer holiday, rather than leaving it all until the final week of your break. **You should expect to spend longer on these tasks than any homework you have completed before.** A Level Economics will be a significant step up from the work you have completed in Year 11.

Task One – Chancellors

The role of Chancellor of the Exchequer is an important one in government. The Chancellor has responsibility for the governing party's tax and spending policies. Look at the below photographs of politicians who have held the position of Chancellor. You must identify who they are and when they were Chancellor. Get your family involved in this task – your parents will remember many of these faces, and some of them might be better suited even to your grandparents!



1



2



3



4



5



6

Task One – Chancellors

	<u>Name</u>	<u>Years they were Chancellor</u>
1		
2		
3		
4		
5		
6		

Task Two – An introduction to Economics

Tutor2U is an excellent learning resource for A-Level economics students. Using the link below, work your way through some of the activities on this web page which will provide you with an introduction to some of the early topics that we learn about on the course.

<https://www.tutor2u.net/economics/reference/head-start-economics-introduction-to-macroeconomics>

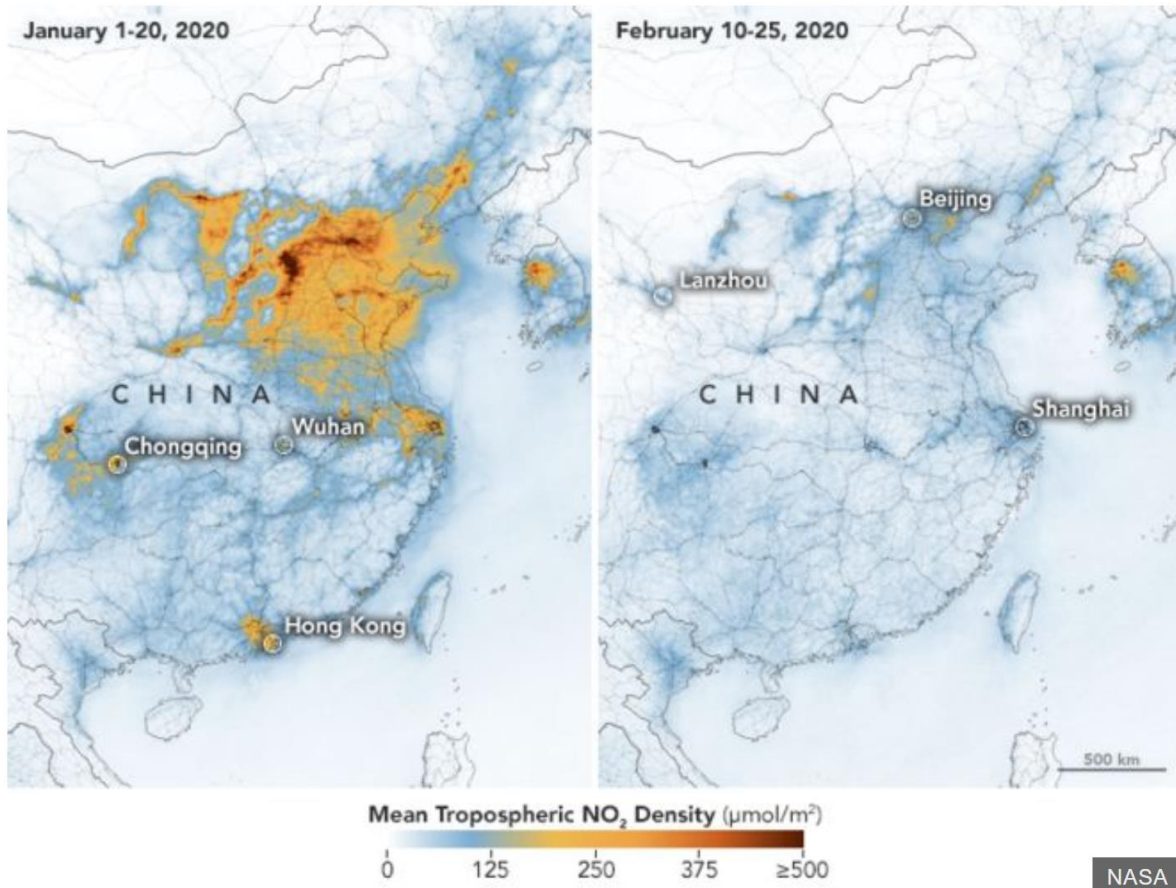
- What is the difference between Micro and Macroeconomics?
- Measuring Economic Activity - Gross Domestic Product
- The Changing World Economy
- TED Talks



Task 3:

How will the coronavirus pandemic shape the future of economics?

Amid the bad news about the shrinking global economy, there is also the trade-off that levels of pollution are falling rapidly, and with them, the associated negative externalities. These images from NASA show that, ironically, the levels of nitrous oxide pollution in February over China were far lower than just four weeks earlier.



This picture is repeated around the world, and it is not only air pollution that is reducing. Swans have been seen gliding through the newly-clear canals of Venice, which are full of fish, and The Guardian has also reported that the [Coronavirus lockdown has boosted the numbers of Thailand's rare sea turtles](#), as the tourism industry has been suspended.

Covid-19 is a respiratory disease. There is increasing evidence that its effects are worsened in areas of high air pollution – this report from the World Economic Forum explains that link: <https://www.weforum.org/agenda/2020/04/the-deadly-link-between-covid-19-and-air-pollution/> Is it possible, therefore, that government action to restart economies when the pandemic recedes, could also be used to prolong this temporary lull in production of pollution?

This idea is taken much further in a report published in The Guardian before Easter, about city government officials in Amsterdam planning to create a sustainable recovery, using economist Kate Raworth's model of 'doughnut economics'. "Amsterdam to embrace 'doughnut' model to mend post-coronavirus economy" (https://www.theguardian.com/world/2020/apr/08/amsterdam-doughnut-model-mend-post-coronavirus-economy?CMP=Share_iOSApp_Other) The article outlines the model, in which the goal

of economic activity should be about meeting the core needs of all but within the means of the planet. It is notable that the authorities in Amsterdam see the period of rebuilding in a post-Covid-19 world as a time to embrace this sustainable approach.

There has been much said about the enforced economic and social slowdown giving an opportunity for rethinking our approach to all manner of things. Using the links above and your own research, answer the following question:

To what extent does the coronavirus pandemic give economies the opportunity to change direction?

Task Four – Falling price of oil



Back in early March 2020, Ian King of Sky News reported on dramatic falls in global oil prices, their impact on global stock markets and on consumer sentiment (<https://news.sky.com/story/plunging-oil-price-firmly-in-bear-market-territory-11951154>). That now seems like ancient history – by the 20th April, futures contracts for a barrel of West Texas Intermediate (WTI), the benchmark for US oil, fell as low as **minus \$37.63** a barrel. That means that owners of oil futures would pay someone – anyone – to take those contracts off their hands.

Oil is a good which is used extensively in production and transportation to drive the global economy. This makes its price volatile – but to reach a negative price is without precedent. Low prices might sound like a good thing for industry and consumers, but is that true? And what about producers - the excellent graphics in this report from Visual Capitalist (<https://www.visualcapitalist.com/subzero-oil-price-crash-covid-19/>) show that many of the biggest oil exporters, who rely on oil income, need prices which are much higher than those currently available to balance their budgets – Russia is estimated to need \$40 a barrel, Iraq \$64, and Saudi Arabia \$85.

There are plenty of reports commenting on the causes of this price crash. A few of them are listed below, including two items from the Tutor2u blog:

- Too Much Oil: How a Barrel Came to Be Worth Less Than Nothing <https://www.nytimes.com/2020/04/20/business/oil-prices.html>
- Why oil is still most important price in the world <https://www.bbc.co.uk/news/business-52382552>
- Who wins and who loses when oil prices fall? <https://www.bbc.co.uk/news/business-52375422>
- Oil prices dip below zero as producers forced to pay to dispose of excess <https://www.theguardian.com/world/2020/apr/20/oil-prices-sink-to-20-year-low-as-un-sounds-alarm-on-to-covid-19-relief-fund>
- <https://www.tutor2u.net/economics/blog/oils-amazing-moment-as-crude-prices-fall-below-zero>
- <https://www.tutor2u.net/economics/blog/should-petrol-prices-now-be-less-than-1-a-litre>

Using a selection of the links above and of your own research, answer the following question:

What is the most significant reason for crashing oil prices?

Suggested reading and listening

High-performing students enjoy reading about their subject and invest lots of their time finding out more about it. Below is a list of books that are relevant to what you will be studying in Year 12. They are all readily available to purchase relatively cheaply either online or from your local bookshop. Why not choose one to read over the summer holidays and then swap your book with another student studying the course.

<u>Title</u>	<u>Author</u>	<u>Amazon link</u>
Doughnut Economics	Kate Raworth	https://www.amazon.co.uk/Doughnut-Economics-Seven-21st-Century-Economist/dp/1847941397/ref=sr_1_5?dchild=1&keywords=economics&qid=1588237163&sr=8-5
The Undercover Economist	Tim Harford	https://www.amazon.co.uk/Undercover-Economist-Tim-Harford/dp/0349119856/ref=pb_sbs_14_6/257-0194077-3512763?encoding=UTF8&pd_rd_i=0349119856&pd_rd_r=3eae1f69-fa74-432c-ae98-985d68029248&pd_rd_w=UAlgx&pd_rd_wg=zixtv&pf_rd_p=2773aa8e-42c5-4dbe-bda8-5cdf226aa078&pf_rd_r=CZV5A06NCYGVVBQB603&psc=1&refRID=CZV5A06NCYGVVBQB603
Misbehaving	Richard H Thaler	https://www.amazon.co.uk/Misbehaving-Behavioural-Economics-Richard-Thaler/dp/0241951224/ref=sr_1_9?dchild=1&keywords=economics&qid=1588237384&sr=8-9
The Value of Everything	Mariana Mazzucato	https://www.amazon.co.uk/Value-Everything-Making-Taking-Economy/dp/0141980761/ref=sxbs_sxwds-stvp?cv_ct_ct=economics&dchild=1&keywords=economics&pd_rd_i=0141980761&pd_rd_r=24f947c0-4d76-4c47-995c-3dec8c810698&pd_rd_w=e3c1l&pd_rd_wg=ljzUY&pf_rd_p=d9b87ec0-c7c2-464c-b8a6-2e7b5576127a&pf_rd_r=42ATY8XM1F8JKARBYCVH&psc=1&qid=1588237468&sr=1-4-718396de-69ac-46a0-9195-9669ab0086b2
Inside the Banking Crisis	Hugh Pym	https://www.amazon.co.uk/s?k=high+pym&i=stripbooks&ref=nb_sb_noss_2

Podcasts

Listening to podcasts are a great way to broaden your knowledge of economics. Why not listen to one while you are travelling to school, walking the dog or during a study period? Here are some great podcasts that I would recommend you tune into:

Money Talks from the Economist radio <https://player.fm/series/money-talks-from-economist-radio>

LSE: Public lectures and events <https://player.fm/series/london-school-of-economics-public-lectures-and-events>

BBC Sounds – various programmes (search economics) <https://www.bbc.co.uk/sounds>

If you have any further questions while you are enjoying your summer holiday, my email address can be seen below 😊

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