

MIP|W

Birmingham

AS and A2 Level Course Outlines

Economics

The course covers the following topics that are common to all specifications:

Topic 1 (AS) - Basic Economic Problem and Basic Economic Concepts: Positive and normative economics; Scarcity and opportunity cost; The production possibility boundary or frontier; Specialisation and the division of labour; Free market and mixed economies; The supply of, and demand for, goods and services; The concept of elasticity with respect to both supply and demand; Consumer and producer surplus.

Topic 2 (AS) - Price Mechanism and its Application: The price mechanism as a means of allocating resources; The role of the price mechanism in resource allocation in free market and mixed economies; Application of the price mechanism in markets, such as goods, services, commodities and labour; Indirect taxes and subsidies; Determination of wage rate in the labour market.

Topic 3 (AS) - Market failures and Government Intervention: Types of market failure including public goods, externalities, imperfect information, labour immobility, unstable commodity markets; Government intervention in markets; Government failure.

Topic 4 (AS) - National Economic Performance: Measurements of performance including growth, inflation, employment and unemployment, balance of payments; Other measures of development; National Income and wealth; The circular flow of income.

Topic 5 (AS) - Aggregate Demand/Supply Analysis: Aggregate demand; Aggregate supply; Relationship between aggregate demand/supply and the price level; The equilibrium level of real output; Multiplier effect; Causes, costs and constraints on economic growth; Macro-economic policy objectives; Conflicts between objectives; the main macro-economic policy instruments-supply/demand side policies; Conflicts resulting from use of policy instruments.

Topic 6 (A2) - Business Economics-Concepts: The revenue of a firm; The costs of a firm; Productive and allocative efficiency; The profit of a firm; Firms' objectives.

Topic 7 (A2) - Market Structure and Contestability: Barriers to market entry and exit; Market concentration; The determination of firms' behaviour including perfect competition, monopoly, monopsony, oligopoly and monopolistic competition; Contestability.

Topic 8 (A2) - Competition policies: Company growth and efficiency; Government intervention to maintain competition in markets.

Topic 9 (A2) - The International Economy: Causes and effects of globalisation; International trade-why trade and how is trade recorded and financed; International competitiveness of a country.

Topic 10 (A2) - The developing world: Poverty and inequality of developed and developing countries; Limits to growth and development; Macroeconomic policy used to promote growth and development; Other measures used to promote growth development.