

Subject	Year	Term		
Economics (micro)	Year 12	Spring 2		
Topic				
4.1.2 - Individual economic decision making				
Content (Intent)				
Prior Learning				
<ul style="list-style-type: none"> Section 4.1.1, 4.1.3, 4.1.8 (parts 1 and 2) The following topics are particularly helpful: How markets function, market failure, traditional economic policies 				
This section of the syllabus is split into 4 topics (4.1.2.1 to 4.1.2.4)				
4.1.2.1. Consumer behaviour				
<ul style="list-style-type: none"> Rational economic decision making and economic incentives. Utility theory: total and marginal utility, and the hypothesis of diminishing marginal utility. Utility maximisation. The importance of the margin when making choices 				
4.1.2.2. Imperfect information				
<ul style="list-style-type: none"> The importance of information for decision making. The significance of asymmetric information 				
4.1.2.3. Aspects of behavioural economic theory				
<ul style="list-style-type: none"> Bounded rationality and bounded self-control. Biases in decision making - rules of thumb, anchoring, availability and social norms. The importance of altruism and perceptions of fairness 				
4.1.2.4. Behavioural economics and economic policy				
<ul style="list-style-type: none"> Choice architecture and framing. Nudges. Default choices, restricted choice and mandated choice. 				
Future Learning:				
This section of the syllabus outlines how individuals may not be rational. It increases the understanding of the determinants of demand. It provides further insights to policy making, and supports a more nuanced approach to recommending and evaluating policies in future sections.				
How will knowledge and skills be taught? (Implementation)	How will your understanding be assessed & recorded (Impact)			
This topic will involve, but not be limited to: <ul style="list-style-type: none"> Teacher led lesson content Independent learning tasks Group discussion/debates and questioning Using economic terminology Reference to economic examples throughout 	<ul style="list-style-type: none"> Past Paper responses and essays. Marked and feedback given. Verbal responses. Individual and class feedback given. 			
How can parents help at home?				
<ul style="list-style-type: none"> Discussing ideas and content at home & linking it to real world situations that they are aware of. Watch the news and/or read a good quality newspaper Watch any topical films or documentaries that link to economics e.g. Panorama and Dispatches. Support us with our department's high expectations of spelling, grammar, punctuation, and minimum standards. 				

Helpful further reading/discussion

Reading	Vocabulary Key Words	Careers Links
<ul style="list-style-type: none">• Nudge – Thaler & Sunstein• Drive – Daniel Pink• Search ‘Nudge’ on BBC sounds for a range of documentaries on behavioural economics• Economics A level textbooks• Tutor 2u website and YouTube channel• www.econplusdal.com• https://www.tutor2u.net• BBC website for current economics articles• Exam board subject website https://www.aqa.org.uk/subjects/economics/as-and-a-level/economics-7135-7136• CIA website for international economic data https://www.cia.gov/the-world-factbook/	<ul style="list-style-type: none">• Rationality• Rational economic decision making• Economic incentives• Utility theory• Total utility• Marginal utility• The hypothesis of diminishing marginal utility• Utility maximisation.• The margin• Asymmetric information• Bounded rationality• Bounded self-control• Biases• Rules of thumb• Anchoring• Availability• Social norms• Altruism• Fairness• Nudges• Framing• Choice architecture• Default choice• Restricted choice• Mandated choice	<p>This section helps students understand the importance of fully understanding costs and benefits when making employment decisions that maximise an individual's economic benefits.</p> <p>In general, A level economics develops skills and knowledge that help in a wide range of careers. An understanding of how changes in economic variables impacts the economic environment that firms operate in is useful for careers in a wide range of industries. Data handling and interpretation skills, along with the ability to construct alternative arguments to a problem before drawing conclusions are valued in many careers.</p>