

Subject	Year	Term
Economics (macro)	Year 12	3
Topic		
Macroeconomic Policy (3.2.4)		
Content (Intent)		
<p>Prior Learning – Students should already be aware of the key macroeconomic objectives and how changes in economic variables affect these. They can then learn how the different economic policies can look to influence economic activity.</p>		
3.2.4.1	Monetary policy	<ul style="list-style-type: none"> • Monetary policy involves the central bank taking action to influence the manipulation of interest rates, the supply of money and credit, and the exchange rate. • The current objectives of monetary policy, set by the government. • The role of the Monetary Policy Committee of the Bank of England (MPC) and how it uses changes in bank rate to try to achieve the objectives for monetary policy, including the government’s target rate of inflation. • The factors considered by the MPC when setting bank rate. • How changes in the exchange rate affect aggregate demand and the various macroeconomic policy objectives
3.2.4.2	Fiscal policy	<ul style="list-style-type: none"> • Fiscal policy involves the manipulation of government spending, taxation and the budget balance. • Fiscal policy can have both macroeconomic and microeconomic functions. • How fiscal policy can be used to influence aggregate demand. • How fiscal policy can be used to influence aggregate supply. • How government spending and taxation can affect the pattern of economic activity. • The difference between direct and indirect taxes. • The difference between progressive, proportional and regressive taxes. • The relationship between the budget balance and the national debt.
3.2.4.3	Supply-side policies	<ul style="list-style-type: none"> • The difference between supply-side policies and supply-side improvements in the economy. • How supply-side policies can help to achieve supply-side improvements in the economy.

	<ul style="list-style-type: none"> • How supply-side policies, such as tax changes designed to change personal incentives, may increase the potential output of the economy and improve the underlying trend rate of economic growth. • How supply-side policies can affect unemployment, the rate of change of prices and UK external performance, as reflected in the balance of payments on current account. • Supply-side policies include measures such as government spending on education and training, cuts in income and corporation tax, welfare reform, and industrial policy.
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Future Learning: These topics are addressed again in Year 13, often with more depth and scope than they are in this section of the syllabus.

How will knowledge and skills be taught? (Implementation)	How will your understanding be assessed & recorded (Impact)
This topic will involve links to the four assessment objectives throughout and will include, 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?

- 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, dispatches etc.
- 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"> • Economics A level textbooks • Tutor 2u website and YouTube channel • www.econplusdal.com • https://www.tutor2u.net/ • BBC website for current economics articles 	<ul style="list-style-type: none"> • Monetary policy • Interest rates • Money supply • Exchange rates • Monetary Policy Committee • Fiscal policy • Budget balance • Direct taxes • Indirect taxes • Progressive taxes • Regressive taxes • Proportional taxes • National debt • Supply side policies • Supply side improvements • Welfare reform • Industrial policy 	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.