

Subject		Year	Term
Economics (macro)		Year 12	2
Topic			
Factors affecting macroeconomic performance			
Content (Intent)			
<p>Prior Learning – In term 1 students were introduced to the key measures of macroeconomic performance.</p> <p>Approach – The next two terms now look at the various factors that influence macroeconomic indicators and how there is an inter-relationship between them.</p>			
Circular Flow of Income			
4.2.2.1	d	The circular flow of income concept, the equation income = output = expenditure, and of the concepts of equilibrium and full employment income	
4.2.2.1	e	The difference between injections and withdrawals into the circular flow of income.	
4.2.2.1	f	The effect of changes in injections and withdrawals on national income.	
The Economic Cycle			
4.2.3.1	e	The economic cycle and the use of economic indicators, such as real GDP, inflation, unemployment & investment, to identify the various phases of the economic cycle.	
4.2.3.1	f	The difference between positive and negative output gaps	
4.2.3.4	a	How negative and positive output gaps relate to unemployment and inflationary pressures.	
Aggregate Demand			
4.2.2.3	a	What is meant by AD	
4.2.2.4	a	The role of AD in influencing the level of economic activity	
4.2.2.3	b	The determinants of AD, ie the determinants of consumption, investment, government spending, exports and imports.	
4.2.2.3	d	The determinants of savings	
4.2.2.3	e	The difference between saving and investment.	
Aggregate Supply			
4.2.2.5	a	The price level and production costs are the main determinants of the short-run AS	
4.2.2.5	b	Changes in costs, such as: money wage rates, raw material prices, business taxation and productivity, will shift the short-run AS curve.	
Aggregate Supply and Demand Diagrams			
4.2.2.2	e	How to use AD/AS diagrams to illustrate macroeconomic equilibrium.	
4.2.2.2	b	The various factors that shift the AD curve and the short-run AS curve.	
4.2.2.2	a	Changes in the price level are represented by movements along the AD and AS curves.	
Long-Run Aggregate Supply			
4.2.2.2	c	Factors which affect long-run AS & distinguish them from those which affect short-run AS.	
4.2.2.6	a	The fundamental determinants of long-run AS such as technology, productivity, attitudes, enterprise, factor mobility, and economic incentives	

4.2.2.6	c	The importance of the institutional structure of the economy in determining aggregate supply, such as the role of the banking system in providing business investment funds.
4.2.2.6	b	The position of the vertical long-run AS curve represents the normal capacity level of output of the economy.
4.2.2.2	d	Underlying economic growth is represented by a rightward shift in the long-run AS curve.

Short and Long-Run Economic Growth

4.2.3.1	a	The difference between short-run and long-run growth.
4.2.3.1	b	The various demand-side and supply-side determinants of short-run growth of real national income and the long-run trend rate of economic growth.

Keynesian AS Curve

4.2.2.6	d	The Keynesian AS curve.
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Future Learning: The concepts of aggregate demand and aggregate supply are used to look at how they impact the macroeconomic performance of the economy.

How will knowledge and skills be taught? (Implementation)	How will your understanding be assessed & recorded (Impact)
<p>This topic will involve links to the four assessment objectives throughout and will include, but not be limited to:</p> <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.econplustal.com • https://www.tutor2u.net/ • BBC website for current economics articles 	<ul style="list-style-type: none"> • Circular flow of income • Equilibrium and full employment income • Injections • Withdrawals • Economic Cycle • Boom • Recession • Depression • Recovery • Trend Growth • Positive (inflationary) output gaps • Negative (deflationary) output gaps • Aggregate demand 	<p>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</p>

	<ul style="list-style-type: none">• Consumption• Investment• Exports• Imports• Exchange rate• Savings• Aggregate Supply• Short-run aggregate supply• Long-run aggregate supply• Keynesian AS curve	handling and interpretation skills, along with the ability to construct alternative arguments to a problem before drawing conclusions are valued in many careers.
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