

SUMMER WORK ECONOMICS (Year 12) - Attachment

Task 1: Introduction to micro and macroeconomics

The following tasks use the link below:

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

1. Watch the video **the difference between microeconomics and macroeconomics**.
 - a) Define the terms '*microeconomics*' and '*macroeconomics*'.
 - b) Give two recent examples each of where microeconomics and macroeconomics have been in the news. Explain why they are micro or macro.
 - c) Explain why the closure of UK firms is a micro issue but also impacts the macro economy. Explain this in two paragraphs.

2. Watch the videos on **measuring economic activity** and **changing world economy**.
 - a) Explain the advantages and disadvantages of using GDP as a measure of economic activity.
 - b) What is meant by an *emerging market economy*?
 - c) Choose an emerging country that interests you – what are their main economic strengths and challenges?

Extension work:

- a) Have a go at the higher or lower and tug of war activities.
- b) Watch and take notes on:
'Why economists worry about the wrong things' by David Pilling
'How to take the future seriously' by Diane Coyle

Task 2: Macroeconomics

a) Complete the table below on the UK economy

Extension: What do the statistics tell us about the current state of the UK economy?

You may wish to compare these with statistics from another country to support your comments.

Macro Objective	Definition	How is it measured?	UK 2018 data	UK 2019 data	UK 2020 data
Economic Growth					
Unemployment					
Inflation					
Current Account					
Add in other statistics that you think are relevant.					

Task 3: Microeconomics

1. Define the following key terms:
 - Demand
 - Supply
 - Consumer surplus
 - Producer surplus
 - Market mechanism
 - Market failure

2. Read the article below and answer the following questions.
 - a) What are the **private benefits** to individuals of an active lifestyle?
 - b) What are the wider **benefits to the society** and UK economy of an active lifestyle outlined in the article.
 - c) Describe at least **two policies** the government could use to help promote healthier lifestyles?

Introduce tax breaks on gym memberships and home fitness equipment, Chancellor told



The UK is one of the least active countries, according to the World Health Organisation, ranking 123rd of 168 countries.

The Chancellor is being urged to introduce tax breaks on gym memberships and home fitness equipment. Health experts are calling for the expansion of the “Cycle to work” scheme - which offers bikes as tax-free benefits - to a range of activities, in order to boost Britain’s activity levels.

Research has found that sitting for eight hours a day could increase the risk of premature death by up to 60 per cent. The Lancet study found that one hour’s activity daily could offset the potential harm of a day spent at the desk.

But almost one in four adults in England fail to achieve even half an hour of activity a week.

In a letter to Philip Hammond, ahead of the budget, fitness experts and leading figures in the health sector called on the Treasury to introduce perks which might spur workers to take more exercise.

The signatories, which include former Health Secretary Andrew Lansley, Prof Sir Muir Gray, an advisor to Public Health England (PHE), and Baroness Grey-Thompson, chairman of fitness body UK active, say such measures could have a major impact on Britain’s activity levels.

The letter warns that the UK is now one of the least active countries in the world, ranking 123rd of 168 countries by the World Health Organisation.

And they say many employees who struggle to fit physical activity into long busy working days might be pushed into doing so if financial incentives were in place.

Their analysis suggests that while their proposed Workout from Work scheme would cost the Government and businesses around £145m annually, the economy would gain £2.60 for every £1 invested, in terms of improved health.

In the letter, they say: “Office-based employees in the UK now spend up to three quarters of their day sitting down – often for extended periods of time, and every year, employee ill-health negatively impacts UK businesses, despite the fact that much of it is preventable.”

Other signatories include leading figures from the Royal College of GPs, the Royal Society for Public Health and a number of gym operators.

Steven Ward, chief executive of ukactive, said: "Physical inactivity is the silent killer that has crept into our offices, so we need the government to work with the business community to reimagine workplace culture.

"The biggest barriers to physical activity for most people are convenience and cost. While Cycle to Work helped more than a million people to get active, we urgently need a broader scheme which offers tax breaks to more workers, with more options for exercise."



Official figures suggest that 1.3 million workers a year suffer from ill-health that is classed as work-related, equating to 26 million working days lost.

Sedentary lifestyles increase the risk of a host of diseases. The analysis forecasts that tax breaks on gym memberships and home activity equipment could push more than 200,000 adults into joining a gym or buying home fitness equipment.

In total, such moves could bring economic benefits of £240m annually by 2021, the report says, including productivity boosts and £210m in cost savings to the NHS.

Research suggests that moderate activity - around 30 minutes brisk walking, cycling or swimming, five times a week - can cut the risk of a host of diseases.

A review of the evidence by PHE found diabetes and high blood pressure risks were found to be 50 per cent lower among regular exercisers, with risks of heart disease down by 40 per cent, and rates of depression and cancer at least one quarter lower.

Earlier this week, the Health Secretary urged employers to give workers standing desks and get staff on their feet for meetings.

Matt Hancock called on businesses to help employees to build activity into their days, in a bid to counter deadly sedentary lifestyles.

The health secretary said he uses a standing desk - finding it boosted his increased his activity levels, and boosted productivity.

Source: <https://www.telegraph.co.uk/news/2018/10/21/introduce-tax-breaks-gym-memberships-home-fitness-equipment/>

Task 4: Introduction to Globalisation

The following tasks relate to the link below.

<https://www.tutor2u.net/economics/reference/globalisation-head-start-to-a-level-economics>

1. Define globalisation and give 4 ways it can be measured.
2. Using the coloured map, list the countries that have a large part of their GDP as trade.
3. List three goods that are traded internationally and three services that are traded internationally.

Extension: Complete the true or false game.

Watch the videos on 'what is globalisation' and the 'factors driving globalisation'.

4. What are the benefits of globalisation?
5. What is the benefit of a global supply chain?

Extension: Complete the 'leading exporters' and 'clear the deck' games.

Watch the video on the threats to globalisation.

6. What are the main threats to globalisation?
7. Watch this clip and explain how an I-phone represents globalisation.

<https://www.cnbc.com/2018/12/13/inside-apple-iphone-where-parts-and-materials-come-from.html>

Extension

Watch the video from Prof. Ian Goldin.

There are also areas of suggested further reading and research listed at the end of the webpage.

Task 6: Wider Reading to Prepare for the Course

Students should spend some of their summer holiday reading around their new choice of subjects to develop their evaluation skills. It is not the intention that students read the entire list, but they should choose one or two that interest them so they return in September with the ability to talk with maturity on certain key topics. Many of these books can be purchased for a reasonable price second-hand from *Amazon*. Students can then swap with other classmates to reduce the costs per head. This task can make the difference between grades at the end of course.

Introductory books to get you think like an economist:

- Books by **Tim Harford** (**The Undercover Economist / Logic of Life / Fifty Things that Made the Modern Economy / Adapt**) - all Harford's books are highly readable and introduces basic economic concepts into real world scenarios.
- **Nudge – Thaler and Sunstein** - this illustrates a number of key principles of behavioural economics, and then delves into a range of social issues that could benefit from nudges such as our finances, the environment and health.
- **Freakonomics – Levitt and Dubner**. This book became so popular that there is now some academic snobbery against it, but it is still an interesting and easy read.

ESSENTIAL ACADEMIC READING MATERIAL:

Choose one or two from the following list:

1. **A Little History of Economics – Niall Kishtainy** – This book is essential reading for all students. It is a master class in explaining complex concepts in simple and understandable terms. Niall Kishtainy does a commendable job of synthesizing centuries of economic thinking into a series of concise chapters, all of which are relevant to the course and beyond.
2. **How Markets Fail – John Cassidy** – a journey through the key ideas in economics, and those that discovered them. It's a bit stodgy in places, but if you stick with it then it will really give you an insight into the thinkers whose ideas have ended up on your A Level syllabus. Worth briefly noting the ideas of Adam Smith, Keynes, Friedman, Pigou and Coase, all of whom turn up at A Level. (Add Walras and the Arrow-Debreu model if you feel like showing off to your teacher).
3. **Doughnut Economics – Kate Raworth** – develops a new model for economics, based around the 'doughnut', which values human well-being and advocates for a 'regenerative and distributive economy'. There are a number of evocative metaphors and examples to convey economic concepts in accessible terms.
4. **23 Things they don't tell you about capitalism – Ha Joon Chang** – a serious book by a serious academic, despite the title. Very easy to read; broken down as the title suggests into 23 short chapters.
5. **Why Nations Fail: The Origins of Power, Prosperity and Poverty – Acemoglu and Robinson** – Draws on the historical context to how nations achieve economic success and the importance of inclusive economic institutions.

Additional blogs for wider reading

- David Smith Economics Editor of The Sunday Times: <http://www.economicsuk.com/blog/>
- Tutor2u economics blog www.tutor2u.com
- Tim Harford <http://timharford.com/articles/undercovereconomist/>
- Economics Help blog <https://www.economicshelp.org/blog/>
- John Kay leading economist, writes for the Financial Times <https://www.johnkay.com/>
- BBC Economics Correspondent Faisal Islam <https://www.bbc.co.uk/news/correspondents/faisalislam>
- BBC Politics Correspondent Laura Kuenssberg <https://www.bbc.co.uk/news/correspondents/laurakuenssberg>

Additional podcasts for wider material

- Weekly podcast from editors' picks from The Economist: <https://www.economist.com/podcasts/2020/04/20/is-china-winning-saudi-arabia-looks-for-an-exit-to-the-war-in-yemen-and-glossy-mags-adapt-to-gloom>
- Freakonomics radio (podcasts) <https://freakonomics.com/podcast/rent-control-rebroadcast/>
- BBC Podcasts (only available for 30 days, so best to keep up to date) <https://www.bbc.co.uk/programmes/p002vsxs/episodes/downloads>