**RWS#1: Introduction to Microeconomics (Market Analysis)**

**Due for:**

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| **GENERAL INSTRUCTIONS:***Please complete a revision worksheet summarizing the work from the last two weeks. The work should be taking you* ***up to 2 hours*** *to complete and should consist of a 1 A4 double paged summary based on the questions below. Please print out a double sided version to be handed in and marked on the date above (emails will not be accepted so make sure you are printing off your sheet before the lesson).**Remember to use all of the space over your two sides of A4 and make sure the ‘margins’ in Word are put as ‘narrow’. Feel free to reduce the size of the font if you are running out of space but nothing less than size 10. A better way to reduce would be to reread what you have written and try to be more succinct; it must fit onto two sides of A4 only!**You should be reading and using all the compulsory resources below (remember you will have already read an awful lot of these for homework and in class but there are a few extras I want you to read.**This revision worksheet should be taking you 2.5 hours…I suggest you spend 45 minutes writing up all your notes from class into a rough draft. Then, spend the next hour reading any extra information or clarifying concepts if you do not understand them. Then use the final 45 minutes to edit the work, make it look pretty and print it off.**REMEMBER THAT IF YOU DO NOT HAVE A PRINTER AT HOME YOU MUST FIND TIME BEFORE THE LESSON TO PRINT IT OFF AT COLLEGE**ALSO MAKE SURE THAT AS WELL AS STORING A COPY ON A MEMORY STICK, YOU ALSO EMAIL YOURSELF SO THERE CAN BE NO COMPUTER ISSUES WHEN IT COMES TO PRINTING OFF YOUR WORK* |
| **SOURCES****COMPULSORY (YOU MUST USE)*** Notes you have taken in class
* Course textbook – pages 5 to 16
* PREP homework – notes we reviewed in class which you prepared at home
* Extra articles you must read:
	+ The UK – A Free Market
	+ With a little bit of fairness…

**EXTENSION (IF YOU HAVE TIME, TRY TO READ 1 or 2 OF THESE – I am not sure you will be able to read all of them!!!)*** Football and capitalism
* The success of China?
* Why capitalism is good for the soul
* Definitions
* Are the rich world to blame for the poverty in other countries?
* The Failure of Socialism

**ALL OF THESE RESOURCES CAN BE FOUND ON GODALMING ONLINE – ANY ISSUES, EMAIL OLLY on** **ods@godalming.ac.uk** |

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| **SPECIFIC INSTRUCTIONS:****TITLE: Introduction to Microeconomics****What is Economics (1/2 side of A4)*** Define Economics: Why is Economics considered a social science rather than a natural science and why do Economists sometimes suffer from ‘Physics envy’?
* Explain the difference between micro and macro economics.
* What is the difference between normative and positive statements and provide one example of each
* Define a ‘market’ and explain who the two main agents are and what their objectives are. Also explain how there is a third agent that sometimes interferes with the market – what is the name of this agent and what is their objective?

**The Economic Problem (1/2 side of A4)*** Define ‘resources’ and ‘wants’
* Explain the two assumptions economists make about ‘agents’ in the economy: ‘scarcity’ and ‘unlimited desires’
* Can you challenge these assumptions in any way?
* Explain what the economic problem is.
* Define opportunity cost and explain how it relates to the economic problem using a real life example

**Production Possibility Frontiers (1/2 side of A4)*** Draw a production possibility frontier diagram (model) for a firm producing laptops and mobile phones.
* Explain how this model demonstrates the following concepts: opportunity cost, scarcity, productive efficiency and productivity
* Define the concept of allocative efficiency and explain why the production possibility frontier does not tell us whether a good is allocatively efficient
* Explain the shape of the production possibility frontier (why it is a curve and not a straight line) using the concept of ‘diminishing returns’?

**Solving the Economic Problem: Capitalism or Socialism? (1/2 side of A4)*** Define the concepts of capitalism and socialism and explain how each of them would solve the economic problem
* Make a list of three key arguments for and against the idea that Capitalism is the only method to solve the economic problem (maybe in a table!). Use examples to illustrate your points.
* For each argument you make (both for and against above), try and write a brief counter argument using examples if you can.
* Reach a conclusion – do you think Capitalism is the only method to solve the economic problem? Remember your own opinion is needed here and I do not care what that opinion is as long as you can justify your point of view in writing.
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