**RWS#7: Demand Side Policies**

**Due for Monday 09th March 2020**

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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 **2.25 to 3 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 maybe a few extras I want you to read.This revision worksheet should be taking you 2.25 hours minimum…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 COLLEGEALSO 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*** Course Textbook (access through library website or link from previous email) – pp 235-259 (skim read these pages; it should reinforce your learning from class)
* Class and PREP homework notes (in your bag!)

**EXTENSION (IF YOU HAVE TIME, TRY TO READ OR WATCH THESE)**Economics Help WebsiteTutor2U Website**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: RWS7 – Demand Side Policies****Introduction to Demand Side Policies (1/2 a side of A4)**1. Define monetary and fiscal policy
2. Using two diagrams, provide a detailed explanation of how monetary and fiscal policy might shift the AD curve to the left and to the right

**Monetary Policy (3/4 side of A4)**1. Provide a background to the Bank of England, MPC and explain how interest rates are decided
2. Explain how interest rates influence AD in the economy (remember to include the effect on consumers, firms and ‘foreigners’
3. What are the advantages and disadvantages of using monetary policy to control AD in the economy?
4. Has Quantiative Easing worked in the UK in response to the financial crisis of 2008? Provide arguments for and against this idea and reach a conclusion.

**Fiscal Policy (3/4 side of A4)**1. How do Government’s raise taxes and where do they spend their money? Provide a brief overview.
2. What is ‘national debt’ and ‘the budget deficit/surplus’ – how are they different and how are they linked?
3. What are the advantages and disadvantages of using fiscal policy to control AD in the economy?
4. Is the UK national debt sustainable? Should it be the Government’s priority to reduce it? Provide arguments for and against this idea and reach a conclusion.
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