**How do you rate your subject knowledge for AS Micro?**

Remember in micro knowing your subject knowledge is only half the battle. It is what you do with it that counts. This exercise is a self assessment one in which you give yourself a rating out of ten (1 I know nothing, 10 I know everything) as to how confident you feel with each of the topic areas covered. By the time you get to your summer examinations you should be giving everything a rating of 10. You may find it useful to highlight areas that you feel you need to pay more attention to. Perhaps colour coding the boxes on the right. This way you will be able to see at a glance what you need to prioritise in your revision.

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| **Topic Areas** | **Rank** | **Rank** | **Rank** | **Rank** |
| **The Economic Problem** |  |  |  |  |
| Do you know the purpose of economic activity? |  |  |  |  |
| Do you know the economists classification of economic resources? |  |  |  |  |
| Do you know what the economic objectives are of firms, governments and individuals? |  |  |  |  |
| Do you understand why choices have to be made? |  |  |  |  |
| Do you understand how scarcity affects the allocation of resources? |  |  |  |  |
| Are you able to use a ppf to illustrate the fundamental economic problem and opportunity cost? |  |  |  |  |
| Are you able to distinguish between positive and normative statements? |  |  |  |  |
| **Production and Efficiency** |  |  |  |  |
| Do you know what specialisation is? |  |  |  |  |
| Do you understand why specialisation necessitates an efficient means of exchanging goods and services? |  |  |  |  |
| Are you aware of the use of money as a medium of exchange? |  |  |  |  |
| Do you understand what production does? |  |  |  |  |
| Do you understand the meaning of productivity? |  |  |  |  |
| Can you illustrate productive efficiency on a ppf and an average cost curve diagram? |  |  |  |  |
| Are you able to define economies and diseconomies of scale and provide examples of them? |  |  |  |  |
| Are you aware of the use of money as a medium of exchange? |  |  |  |  |
| **The Allocation of Resources in Competitive Markets** |  |  |  |  |
| Do you know what a demand curve shows? |  |  |  |  |
| Do you know what the determinants of demand are? |  |  |  |  |
| Do you know what causes a shift of the demand curve? |  |  |  |  |
| Do you know what causes a movement along the demand curve? |  |  |  |  |
| Are you able to calculate price, income and cross price elasticities of demand? |  |  |  |  |
| Do you understand the relationship between PED and a firm’s total revenue? |  |  |  |  |
| Do you know what the link is between income elasticity and inferior and normal goods? |  |  |  |  |
| Do you know what higher prices imply? |  |  |  |  |
| Do you know what shifts a supply curve? |  |  |  |  |
| Do you know how the interaction of demand and supply determines equilibrium prices in a market economy? |  |  |  |  |
| Do you know what price equilibrium is also known as? |  |  |  |  |
| Do you know what the term disequilibrium refers to? |  |  |  |  |
| Can you illustrate and explain what the terms excess demand and excess supply are? |  |  |  |  |
| Are you able to calculate price elasticity of supply? |  |  |  |  |
| Are you able to apply your knowledge of the basic model of demand and supply to different markets? |  |  |  |  |
| Do you understand the interrelationships between markets? |  |  |  |  |
| Do you know what the implications are of joint demand, demand for substitute goods, composite goods, derived demand and joint supply? |  |  |  |  |
| Are you able to explain the rationing, incentive and signalling functions of prices in allocating resources and co-ordinating decisions of buyers and sellers in a market economy? |  |  |  |  |
| Are you able to explain how the market mechanism allocates resources? |  |  |  |  |
| Are you able to explain how effective the market mechanism is in allocating resources? |  |  |  |  |
| **Market Failure** |  |  |  |  |
| Do you understand what market failure is? |  |  |  |  |
| Are you able to differentiate between complete market failure and partial market failure? |  |  |  |  |
| Do you understand how public goods, positive and negative externalities, merit and demerit goods, monopoly and other market imperfections and inequalities in the distribution of income and wealth can lead to market failure? |  |  |  |  |
| Do you know what the characteristics of public goods are? |  |  |  |  |
| Do you understand the difference between a public good and a private good? |  |  |  |  |
| Do you understand that externalities exist because of a divergence between costs and benefits? |  |  |  |  |
| Can you illustrate misallocation of resources resulting from externalities in consumption and production using diagrams? |  |  |  |  |
| Are you able to illustrate using a diagram the misallocation of resources resulting from the consumption of merit and demerit goods? |  |  |  |  |
| Are you able to explain how underprovision of merit goods and overprovision of demerit goods results from imperfect information? |  |  |  |  |
| Are you able to explain the basic model of monopoly? |  |  |  |  |
| Can you explain the sources of monopoly power? |  |  |  |  |
| Can you explain why the immobility of factors of production is likely to result in a misallocation of resources? |  |  |  |  |
| Are you able to explain why an unequal distribution of income and wealth an result in an unsatisfactory allocation of resources? |  |  |  |  |
| **Government Intervention** |  |  |  |  |
| Are you able to explain the reasons for government intervention in markets? |  |  |  |  |
| Are you able to use basic economic models to analyse the methods of government intervention to correct market failures? |  |  |  |  |
| Are you able to explain what government failure is and the reasons it occurs? |  |  |  |  |
| Are you able to assess the role of the government in areas such as health care, housing, agriculture and the EU’s Common Agricultural Policy, transport and the environment? |  |  |  |  |