**How much do you remember of your first term content**

1. What are automatic stabilisers and what impact do they have on the economic cycle?
2. What is fiscal policy?
3. Distinguish between expansionary and contractionary fiscal policy (use diagrams to illustrate)
4. What is resource crowding out? Draw a diagram
5. What is financial crowding out? Draw a diagram
6. What is crowding in?
7. What are the economic consequences of running a budget deficit/surplus?
8. What are the principles of taxation?
9. What are the different types of taxation system?
10. What are supply side policies?
11. Draw the effects of supply side policies from the classical and Keynesian perspective.
12. What is a laffer curve?
13. How might a supply side economist use a laffer curve to support their arguments?
14. Outline at least five supply side policies.
15. What are the limitations of supply side policies?
16. What is monetary policy?
17. What are the main instruments of monetary policy currently employed by the Bank of England?
18. Explain QE with the use of diagrams (both money supply and AD/AS)
19. How effective is the use of monetary policy?
20. What is the link between interest rates and exchange rates? (use a diagram)
21. Sketch diagrams to help you explain the difference between good and bad deflation.
22. What is the quantity theory of money?
23. What is the Fisher equation?
24. What do you understand by the term the natural rate of unemployment?
25. Explain the main types of unemployment.
26. How might a government seek to reduce the rate of unemployment and what problems might arise (you should include references to Phillips curve in your explanation)
27. Distinguish between short and long run economic growth using diagrams to illustrate.
28. How are UK financial markets regulated?
29. What do you understand by the term moral hazard?
30. What is the relationship between bond prices and yields?
31. How do banks create credit?
32. What are liquidity and capital ratios?
33. What role do commercial and investment banks play?
34. What is the difference between debt and equity?
35. What makes up the money supply?
36. Draw a diagram showing the main financial markets in the UK.
37. Loans including mortgages would appear where on a commercial banks balance sheet?
38. What are the main functions of a central bank?
39. What causes economic growth?
40. Explain what is meant by the law of diminishing returns.
41. Sketch diagram showing marginal and average returns.
42. Explain the concept of returns to scale.
43. Explain using a diagram the link between SRAC and LRAC.
44. Distinguish between internal and external economies of scale.
45. Sketch marginal and average cost curves.
46. What is the relationship between average and marginal?
47. What is marginal revenue?
48. What is the difference between supernormal and normal profit?
49. Why is profit important?
50. What is the difference between invention and innovation?
51. What is creative destruction? Illustrate with examples of industries that have been/are likely to be affected.
52. What are barriers to entry (include as many examples as you can).
53. What do you understand by the expression the divorce of ownership and control? How might this influence a firms objectives?
54. What is the profit maximising condition?
55. What is satisficing?
56. Using diagrams explain each of your market structures. You should make reference to profit maximisation, short run and long run.
57. Distinguish between collusive and competitive oligopoly.
58. What are the advantages and drawbacks of monopoly?
59. Explain allocative efficiency and relate it to market structures.
60. Explain productive efficiency and relate it to market structures.
61. What do you understand by the term dynamic efficiency?
62. What do you understand by the term X-inefficiency. Draw a diagram to illustrate.
63. What is a concentration ratio?
64. Why is the kinked demand theory of oligopoly criticised?
65. What do you understand by the term price leadership? What is it an example of?
66. With the use of diagrams distinguish between the three different types of price discrimination.
67. What conditions must exist for price discrimination to occur?
68. What do you understand by limit and predatory pricing?
69. What is a contestable market?
70. What do you understand by the term hit and run competition?