**DIAGRAM PRACTICE – Key Concepts Checklist**

How well is your revision going? Can you draw the following and use them to explain concepts you have studied

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| **Micro**   1. Diminishing marginal returns (include average and marginal returns on diagram) 2. Average cost, marginal cost, average variable cost, average fixed cost, average total cost 3. Economies and diseconomies of scale with the minimum efficient scale (constant returns to scale) 4. Total revenue (for a price taker) 5. Total revenue for a (price maker) 6. Average revenue and marginal revenue for a firm in perfect competition 7. Average and marginal revenue for a firm in imperfect competition 8. Consumer and producer surplus 9. Profit maximisation (show for both monopoly and perfect competition) 10. Supernormal profit (show on monopoly and perfect competition diagrams) 11. Normal profit (show on monopoly and perfect competition diagrams) 12. Allocative efficiency and Productive Efficiency for both monopoly and perfect competition 13. Productive efficiency using a PPF 14. Deadweight welfare loss under monopoly 15. Monopolistic competition (short and long run) 16. Price discrimination 17. Oligopoly (one diagram to illustrate competitive oligopoly the other to illustrate collusive oligopoly) 18. Limit pricing (use monopoly diagram to illustrate) 19. Individual supply curve of labour 20. Wage determination in a competitive labour market (show a diagram for one firm and one for the whole market to aid your explanation) 21. Effect of a monopsony on wages and employment 22. Effect of trade union on a labour market (assume competitive) 23. Effect of trade union in a monopsony labour market 24. Effect of national minimum wage 25. Effect of wage discrimination using ‘perceived MRP’ and ‘crowding out’ 26. Wage differentials (use two diagrams one for pilots the other for aircraft cleaners) 27. Lorenz curve 28. Diminishing marginal utility 29. Externalities (positive and negative in consumption and production) 30. Taxes and subsidies 31. Maximum and minimum prices 32. Buffer stocks 33. Different elasticities of demand and revenue | **Macro**   1. Economic cycle 2. Circular flow of income 3. Economic growth (both short and long run) 4. Negative/positive output gaps 5. Equilibrium national income 6. Effect of demand side/supply side shock 7. Keynesian LRAS 8. Classical/real wage unemployment 9. Demand deficient/cyclical unemployment 10. Demand pull and cost push inflation 11. Deflationary pressures 12. Deflation 13. Effect of the multiplier 14. Natural rate of unemployment 15. Trade off between inflation and unemployment in the short run and long run 16. Expectations augmented Phillips curve 17. Effect of hysteresis 18. Effect of supply side policies (AD/AS and Philips Curve) 19. Effect of demand side fiscal policy 20. Effect of monetary policy 21. Effect of the use of protectionist policy (tariff) 22. Floating exchange rate 23. Fixed exchange rate 24. Effect of exchange rate shown on AD/AS diagram 25. Effect of a deprecation/devaluation on current account 26. Absence of a trade-off in achieving macro-economic objectives 27. Wage spiral – significant trade off in achieving macro-economic objectives 28. Laffer curve |