# 01 Introduction to Macro:

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| **Do you understand Introduction to Macro?** |  | | ✓ |
| **Basic Economics - Can you:** | | | |
| Explain the difference between micro and macro | |  |  |
| Explain the difference between positive and normative statements | |  |  |
| Explain what a value judgement is | |  |  |
| Explain the basic economic problem | |  |  |
| Identify and define the 4 factors of production | |  |  |
| **Opportunity cost & the PPF, can you:** | |  |  |
| Explain opportunity cost | |  |  |
| Use an example to explain opportunity cost | |  |  |
| Draw a PPF and explain it | |  |  |
| Illustrate constant opportunity cost using a PPF diagram | |  |  |
| Illustrate efficiency and inefficiency using a PPF | |  |  |
| Explain what causes a shift on a PPF diagram | |  |  |
| Explain what a movement along a PPF diagram means | |  |  |
| Explain using a PPF diagram when an economy is running beyond maximal output | |  |  |
| **Specialisation and Division of Labour can you:** | |  |  |
| Explain specialisation | |  |  |
| Explain the division of labour | |  |  |
| Explain the difference between production & Productivity | |  |  |
| List all the benefits & drawbacks of specialisation | |  |  |
| Explain the story of Adam Smith’s pin factory | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Read pages 59 & 60 from course textbook and answered the “mastered this topic questions” on Godalming Online | |  |  |
| Watched recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |

**Boost exam performance:**

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| Complete the multiple choice questions on Godalming online |  |  |
| Complete 4 & 9 marker questions on Godalming online |  |  |
| Read economics related news, and find articles on Macro economics |  |  |

# 02 Circular Flow of Y & Macro Objectives:

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| **Do you understand Circular flow of income & Macro objectives?** |  | | ✓ |
| **The Circular flow of income - Can you:** | | | |
| Draw a circular flow diagram for a closed economy | |  |  |
| Draw a circular flow diagram for an open economy | |  |  |
| List and explain all the injections | |  |  |
| List and explain all the leakages | |  |  |
| Link economic events to either a leakage or an injection to an economy | |  |  |
| **Income and wealth & the multiplier effect, can you:** | |  |  |
| Define income | |  |  |
| Define wealth | |  |  |
| Explain the difference between a flow concept and a stock concept | |  |  |
| Explain the link between income and wealth | |  |  |
| Define the multiplier effect | |  |  |
| Recall the formula for the multiplier | |  |  |
| Explain the Marginal propensity to consume (MPC) and MPS | |  |  |
| Evaluate using the multiplier effect (3 ways to evaluate) | |  |  |
| **Macroeconomic objectives can you:** | |  |  |
| Recall the 4 main macroeconomic objectives | |  |  |
| Recall the 3 other macroeconomic objectives | |  |  |
| Explain how economists evaluate each objective | |  |  |
| Evaluate whether the government can achieve all its objectives at one time | |  |  |
| Explain the three policy tools the government uses to achieve its objectives | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Read pages 138-149 from course textbook and answered the “mastered this topic questions” on Godalming Online | |  |  |
| Watched recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |

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| Complete 4 & 9 marker questions on Godalming online |  |  |
| Read economics related news, and find articles on Macroeconomics |  |  |

# 03 Macro Objectives:

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| **Understand Measuring Macro objectives?** |  | | ✓ |
| **Inflation - Can you:** | | | |
| Define inflation and deflation | |  |  |
| Recall the two measures of inflation and explain the differences between them | |  |  |
| Recall the limitations of inflation as a measure | |  |  |
| List and explain all the leakages | |  |  |
| Link economic events to either a leakage or an injection to an economy | |  |  |
| **Employment & Unemployment, can you:** | |  |  |
| Define unemployment | |  |  |
| Define employment | |  |  |
| Recall the 2 measures of unemployment & explain the differences between them | |  |  |
| Explain the limitations of unemployment measures | |  |  |
| Explain why so called “full employment” is unobtainable | |  |  |
| **Economic Growth, can you:** | |  |  |
| Define short run economic growth | |  |  |
| Define long run economic growth | |  |  |
| Define/explain GDP | |  |  |
| Explain the difference between “GDP” and “Real GDP” | |  |  |
| Define/explain the circular flow of income | |  |  |
| **Balance of Payments, can you:** | |  |  |
| Define the Current account of the BOP | |  |  |
| Explain how a current account deficit can be a cause for concern | |  |  |
| Explain the difference between a Budget deficit & a Current account deficit | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Read pages 149-165 from course textbook and answered the “mastered this topic questions” on Godalming Online | |  |  |
| Watched recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |

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| Complete 4 & 9 marker questions on Godalming online |  |  |
| Read economics related news, and find articles on Macroeconomics |  |  |

# 04 Aggregate Demand:

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| **Do you understand Aggregate Demand?** |  | | ✓ |
| **AD the basics - Can you:** | | | |
| Recall the formula for AD | |  |  |
| Write down the % of each component of AD | |  |  |
| Define Consumption, Saving, Disposable income and interest rates | |  |  |
| Explain how Aggregate Demand is different to Demand in micro economics | |  |  |
| Explain what the MPC and MPS are and how they affect AD | |  |  |
| **Consumption & Investment:** | |  |  |
| Explain who invests and what they invest in | |  |  |
| Explain how confidence leads to increased consumption (C) in a logical chain | |  |  |
| Explain how an increase in house prices leads to increased C in a logical chain | |  |  |
| Explain how lower taxes lead to increased C in a logical chain | |  |  |
| Re-call the determinants of Investment | |  |  |
| Explain how confidence leads to increased Investment (I) in a logical chain | |  |  |
| Explain how lower interest leads to increased I in a logical chain | |  |  |
| Explain how reduced corporation tax leads to increased I in a logical chain | |  |  |
| **Government spending and (X-M):** | |  |  |
| Define Government spending, and the Budget | |  |  |
| Explain the difference between a budget deficit and a budget surplus | |  |  |
| Explain the difference between budget deficit & national debt | |  |  |
| Explain SPICED and how it’s effects on the economy (logical chains) | |  |  |
| Explain WIDEC and how it’s effects on the economy | |  |  |
| Explain how lower interest rates leads to fall in the exchange rate (Hot money) | |  |  |
| Explain changes in income of UK & foreign populations affect demand for X & M | |  |  |
| Explain how rise in quality of UK exports will improve (X-M) | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Watched recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |
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**Boost exam performance:**

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| Complete the multiple choice questions on Godalming online |  |  |
| Complete 4 & 9 marker questions on Godalming online |  |  |
| Read economics related news, and find articles on Macro economics |  |  |

# 05 Aggregate Supply:

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| **Do you understand Aggregate Supply fully?** |  | | ✓ |
| **Aggregate Supply, can you:** | | | |
| Define aggregate supply | |  |  |
| Explain why the AS curve is upward sloping | |  |  |
| Explain the factors that shift the AS curve | |  |  |
| Explain why the AS curve is relatively elastic | |  |  |
| Explain the difference between a micro supply curve and the macro AS curve | |  |  |
| **Long Run Aggregate Supply, can you:** | |  |  |
| Define Long run aggregate supply | |  |  |
| Explain why the classical model is a vertical line | |  |  |
| Identify another diagram that illustrates the same thing as the LRAS curve | |  |  |
| Explain what the LRAS curve demonstrates | |  |  |
| Explain the factors that shift the LRAS curve to the right | |  |  |
| Can you think of any policies the government may use to shift the LRAS curve right | |  |  |
| **Equilibrium, can you:** | |  |  |
| Explain and draw a negative output gap | |  |  |
| Explain and draw a positive output gap | |  |  |
| Explain what happens to equilibrium national output when AD increase beyond the LRAS | |  |  |
|  | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Read pages and answered the “mastered this topic questions” on Godalming Online | |  |  |
| Watched recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |

**Boost exam performance:**

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| Complete the multiple choice questions on Godalming online |  |  |
| Complete 4 & 9 marker questions on Godalming online |  |  |
| Read economics related news, and find articles on Aggregate Supply & LRAS |  |  |

# 06 Macro Objectives:

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| **Do you understand Macro Objectives fully?** |  | | ✓ |
| **Inflation: Can you** | | | |
| Define Inflation, explain how it’s measured, and what the UK target is | |  |  |
| Explain who is in charge of achieving the inflation target and the main tools used | |  |  |
| Define Demand pull inflation and illustrate on an AD/AS diagram | |  |  |
| Identify the main causes of demand pull inflation & methods of correction | |  |  |
| Define Cost push inflation and illustrate on an AD/AS diagram | |  |  |
| Identify the main causes of cost push inflation & methods of correction | |  |  |
| Define Deflation and explain the consequences | |  |  |
| **Unemployment: Can you** | |  |
| Identify the two main measures of unemployment | |  |  |
| Explain the concepts of voluntary and involuntary unemployment | |  |  |
| Identify the four main types of unemployment | |  |  |
| Identify the consequences of unemployment | |  |  |
| Illustrate unemployment on a range of diagrams (4 minimum) | |  |  |
| **Economic Growth: can you** | |  |
| Explain the difference between short run and long run economic growth | |  |  |
| Explain Demand side causes of SR growth and draw it on a diagram | |  |  |
| Explain Supply side causes of SR growth and draw it on a diagram | |  |  |
| Explain the cause of LR growth and draw it on a diagram | |  |  |
| Explain the benefits and drawbacks of economic growth | |  |  |
| **Balance of Payments (current Account): Can you** | |  |
| Can you identify the three main accounts of BOP | |  |  |
| Identify the four components of the current account | |  |  |
| Explain the difference between a current account deficit and a budget deficit | |  |  |
| Understand the difference between a deficit and a surplus on the current account | |  |  |
| Identify the four main factors that influence a country’s current account balance | |  |  |
| Explain the benefits & drawbacks of running a current account deficit | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Read pages 217 – 227 in the year 1 text book | |  |  |
| Watched recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |

**Boost exam performance:**

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| Complete the multiple choice questions on Godalming online |  |  |
| Complete 4 & 9 marker questions on Godalming online |  |  |

# 07 Macroeconomic Policy:

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| **Do you understand Macroeconomic Policy fully?** |  | | ✓ |
| **Fiscal Policy:** can you | | | |
| Write out the 7 macro-economic objectives | |  |  |
| Explain who organises Fiscal policy in the UK | |  |  |
| Define fiscal policy | |  |  |
| Explain what a budget deficit and a budget surplus are | |  |  |
| Define national debt & give details of the UK national debt as a % of GDP | |  |  |
| Explain what the difference is between a budget deficit & a current account deficit | |  |  |
| Write down the three types of government spending | |  |  |
| Explain expansionary fiscal policy and link how it might be used to macro objectives | |  |  |
| Explain contractionary fiscal policy and link how it might be used to macro objectives | |  |  |
| **Monetary Policy:** can you | |  |  |
| Explain the three tools of monetary policy | |  |  |
| Explain the main target of the Bank of England | |  |  |
| Explain what happens to macro economic objectives if there’s a rise in interest rates | |  |  |
| Explain what happens to macro economic objectives if there’s a rise in interest rates | |  |  |
| Explain how QE works to boost the economy and evaluate it’s usage (negative impacts) | |  |  |
| Explain Forward Guidance | |  |  |
| **Supply-side Policies:** Can you | |  |  |
| Define Supply side policies | |  |  |
| Illustrate the effect of supply side policies using a diagram | |  |  |
| Explain what is supposed to happen to the factors of production | |  |  |
| Explain the impact on macroeconomic objectives after supply side policies implemented | |  |  |
| Evaluate supply side policies – come up with three minimum | |  |  |
| **Help can be found in the following places … ?:** | |  |  |
| Read course text book Monetary P 234-244, Fiscal P 244- 258 & Supply Side P 259-266 | |  |  |
| Watch recommended videos from Godalming online | |  |  |
| Attended a support session in rm 206 (Mon, Wed and Fri 1300) | |  |  |