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| C:\Work\Website\Website Resources\School Logos\Toot Hill College\THSFC_Badge.pngSUBJECT: Economics  EXAM BOARD: Edexcel (A) |
| Summer tasks | I have attached the tasks below which will give you an insight into some of the fundamental concepts of Economics. This will help you to build confidence going into Year 12, whether you took the GCSE or not. It is split into 4 tasks under a theme of ‘Economics and the environment.’ I suggest completing 1 task per week and then have a go at one of the questions at the end once these are completed.**A Level Economics****Economics and the environment: How do we save the planet?**Key Economics AO principles to be covered in pursuit of this project: **L1:** Demonstrate knowledge and understanding of supply and demand and government policies to affect supply and demand**L2:** Apply knowledge and understanding of these concepts to real-life case studies in the UK**L3:** Analyse the effects of government policies to affect supply and demand of EVs**L4:** Evaluate different interventionist policies in combatting climate change in the UK**Week One:** * What is an economy, and what types of economy are there?
* Who are some of the key economic thinkers in history?
* Appreciate different economists’ views.

***Task :*** Economics is a ‘social science.’ What do we mean by this? Basically, one person puts forward their theory, whether it be about introducing a new tax policy or for a business to hire more labour, and another person can either agree with, modify or disregard the theory, provided they have evidence. Before we look at the economics of the environment and climate change, it would be a good idea to think about what the economy is and different views of what the ‘ideal’ economy looks like. This will lead us into key theories later, such as supply and demand, market failure and government policies. Your task is to research some of history’s most well-known economists. You should create a fact file of who they are, what they believed makes a good economy, and some of their key theories and solutions to what we term ‘the economic problem’ (how best to manage our limited resources to meet our unlimited wants). I have included an example structure below**Economists you should research: *Adam Smith, John Maynard Keynes, Karl Marx, Milton Friedman, Friedrich Hayek, David Ricardo, Irving FIsher*****Name** : Adam Smith (1723 - 1790), England.**Key ideas:** The importance of free markets, the invisible hand, specialisation and the division of labour, GDP**Summary of key ideas (choose 2/3)** : For example: The free market is an economic system whereby the allocation of resources and prices are determined by supply and demand, with no intervention.**Key critics:** **You will need to expand on these in more detail…*****Useful websites:***BBC Sounds ‘Thinking Allowed’ – Podcast about the life and work of Adam Smith <https://www.bbc.co.uk/sounds/play/b007s1vm>Introduction to Marxism: [https://www.youtube.com/watch?v=W0GFSUu5UzA](http://content.tfl.gov.uk/tflmayorsbudget.pdf?v=W0GFSUu5UzA)Background on John Maynard Keynes: <https://www.britannica.com/biography/John-Maynard-Keynes>**Week Two – Supply and demand** * Rational and irrational behaviour
* Factors affecting supply and demand
* Price/Income/cross elasticity of demand and price elasticity of supply

***Task :*** Petrol prices have risen to record highs since 2020. Your task is to find out why and the likely impact of this price rise. You should research the following areas:* **What is rational behaviour? How and why might consumers act rationally/irrationally?**
* **The factors affecting the demand for petrol**
* **Factors affecting the supply of petrol**
* **The impact of petrol price rises on the demand for other forms of transport**

***Useful websites:***Rational behaviour: <https://www.youtube.com/watch?v=FN7GBoYO1Xc> **Demand factors**<https://www.bbc.co.uk/news/business-52188448> - why are fuel prices so high?[**https://www.theguardian.com/commentisfree/2022/mar/20/high-petrol-prices-tempt-us-to-buy-electric-cars-but-were-less-put-off-by-surging-electricity-cost**](https://www.theguardian.com/commentisfree/2022/mar/20/high-petrol-prices-tempt-us-to-buy-electric-cars-but-were-less-put-off-by-surging-electricity-cost) **-** shift towards EVs**Supply factors** <https://www.bbc.co.uk/news/business-52188448> <https://www.bbc.co.uk/news/business-61775349> - cut in fuel duty <https://www.bbc.co.uk/news/business-60936468> - Biden orders release of oil reserves (USA)**Week Three – Demand-side policies to encourage electric vehicle consumption:** * What is meant by a mixed economy?
* What is fiscal policy?
* Identify UK demand-side policies to encourage electric vehicle consumption
* Appreciate the effectiveness of demand-side policies to encourage electric vehicle consumption

***Task :*** We now know that there is a problem with the supply and demand of electric cars in a free market. In many economies, governments intervene to affect demand if they know that there are extra benefits or costs to society when consumers buy these goods.Your task is to research how the UK government aim to shift consumer demand to electric vehicles.You should research the following areas:* **Fiscal policy. What is it and what does it include?**
* **Potential policies to increase consumption (spending by consumers) of EVs.**
* **How the UK government budget 2020 aims to tackle the problem of underconsumption of EVs.**
* **Criticisms of the government approaches to fiscal policies in EV market.**

***Useful websites:***What is fiscal policy?: [https://www.youtube.com/watch?v=Jo96oMQe-lk](https://www.parliament.uk/business/committees/committees-a-z/commons-select/business-energy-industrial-strategy/inquiries/parliament-2017/inquiry9/?v=Jo96oMQe-lk)How 2021 budget will affect motorists: <https://www.whatcar.com/news/budget-2021-what-does-it-mean-for-motorists/n22744> **Government spending:** Plug-in grants for UK consumers: <https://www.edfenergy.com/electric-cars/government-grants>**Taxation policy:** Vehicle Excise Duty for petrol and diesel: [https://www.bbc.co.uk/news/business-39224680](https://www.bbc.co.uk/sounds/play/b007s1vm)**Taxation policy:** TfL Ultra-Low Emission Zones: [https://www.youtube.com/watch?v=hifT4uv0z6k](https://www.autocar.co.uk/car-news/industry/budget-2020-how-government%E2%80%99s-plans-will-affect-motorists?v=hifT4uv0z6k) & <http://content.tfl.gov.uk/tflmayorsbudget.pdf> (page 8).**Week Four – UK government’s 2050 net zero target:** ***Task :*** In 2008, the Climate Change Act was signed, with a target of reducing UK carbon emissions by 80% by 2050. In 2019, much tougher targets were introduced to target a ‘net-zero’ economy by 2050. So far, we have looked at electric vehicles as ***one solution… but the government’s plans go much further.*** Your task is to research the range of government initiatives to bring carbon emissions to ‘net zero.’You should research the following areas:* **What do we mean by a ‘net zero’ economy?**
* **Examples of government initiatives:**
* **Investment in repurposing and refurbishing existing buildings to make them more energy efficient**
* **Initiatives on better land use, such as better soil management**
* **UK Carbon Capture Usage and Storage (CCUS)**
* **Plus… one more strategy that you have found yourself.**

**For each method, you will need to provide an explanation of each plan, including how the plan will work, dates to be implemented by, and criticisms of the plans (or what it depends on to be successful).** **It might be a good idea to do a PPT on this (one slide per initiative).*****Useful websites:***What is ‘net-zero?’ <https://www.youtube.com/watch?v=47cUhKOslWI>Introduction to government initiatives: <https://www.theguardian.com/environment/2019/jun/12/what-will-it-take-for-the-uk-to-reach-net-zero-emissions>How can we reach ‘net zero?’ <https://www.youtube.com/watch?v=oAV1Xa0YzBU>Buildings of the future: <https://www.youtube.com/watch?v=bi-Zu09vX3o>Strategies to improve land usage: [https://www.theccc.org.uk/2020/01/23/major-shift-in-uk-land-use-needed-to-deliver-net-zero-emissions/](https://www.tutor2u.net/economics/reference/positive-externalities-revision-presentation)Carbon capture: Humanity’s last hope? [https://www.youtube.com/watch?v=ecxCL84n26g](https://www.bbc.co.uk/news/business-39224680?v=ecxCL84n26g)**THC Project titles (students choose one):**1. Explain the likely economic impacts on consumers, firms and government of reducing the petrol duty by 5p per litre (one paragraph for each group).
2. One key policy to encourage consumption of EVs is the ‘plug-in grant.’ Discuss the strengths and weaknesses of this approach. Is it likely to be successful?
3. Consider the view that ***“the government’s pledge to reach “net zero” carbon emissions by 2050 is not drastic enough”*** (Guardian website). To what extent do you agree with this view?
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