

Bridging Work for Year 12 Economics

Paper 1: Markets and business behaviour***Paper code: 9EC0/01**

- Externally assessed
- Availability: May/June
- First assessment: 2017

35% of the total qualification**Overview of content**

Paper 1 will assess microeconomics and questions will be drawn from Themes 1 and 3.

Overview of assessment

- Written examination.
- The paper comprises three sections. Students answer all questions from Section A and Section B, and one from Section C.
- Section A comprises a range of multiple-choice and short-answer questions.
- Section B comprises one data response question broken down into a number of parts.
- Section C comprises a choice of extended open-response questions; students select one from a choice of two.
- Duration: 2 hours.
- 100 marks available.

Paper 2: The national and global economy***Paper code: 9EC0/02**

- Externally assessed
- Availability: May/June
- First assessment: 2017

35% of the total qualification**Overview of content**

Paper 2 will assess macroeconomics and questions will be drawn from Themes 2 and 4.

Overview of assessment

- Written examination.
- The paper comprises three sections. Students answer all questions from Section A and Section B, and one from Section C.
- Section A comprises a range of multiple-choice and short-answer questions.
- Section B comprises one data response question broken down into a number of parts.
- Section C comprises a choice of extended open-response questions; students select one from a choice of two.
- Duration: 2 hours.
- 100 marks available.

Paper 3: Microeconomics and macroeconomics***Paper code: 9EC0/03**

- Externally assessed
- Availability: May/June
- First assessment: 2017

30% of the total qualification**Overview of content**

Paper 3 will assess content across all four themes.

Students are required to apply their knowledge and understanding, make connections and transfer higher-order skills across all four themes.

Overview of assessment

- Written examination.
- The paper comprises two sections.
- Each section comprises one data response question broken down into a number of parts, including a choice of extended open-response questions; students select one from a choice of two.
- Duration: 2 hours.
- 100 marks available.

Bridging Work

- You need to complete the following tasks prior to September. I will be looking for evidence of this when we arrive back.
- Questions are highlighted in yellow, you need to answer these.

Behavioural Economics (intro)

Objective: understand the assumptions of neo-classical economics and think about how actual humans may differ

To think about: are you rational?

... **Rational** comes from the Latin word *rationalis*, **meaning** reasonable or logical. If you're **rational**, you do things based on logic, as opposed to impulse.

- Are you a rational human being out to maximise your own well-being?
- Think of two examples of your own behaviour in the past when you have done something, knowing that it is bad for you.
- Do you have habits which you find very difficult to break and which you know, rationally, are reducing your well-being?

'Homo economicus'

- Latin for "economic human". A term used in economic theories to describe humans as rational and self-interested beings capable of making judgments towards subjectively defined ends (such as accumulation of wealth and resources). This is used as a basic for the majority of economic models, where they assume that all human beings will act like homo economicus.
- "An econ can make any calculation perfectly accurately, has no self-control problems, makes accurate forecasts. He's not over-confident. Has no emotions."

Reading/listening suggestions: choose one and make some brief notes*

1. <http://freakonomics.com/podcast/should-we-really-behave-like-economists-say-we-do-a-new-freakonomics-radio-podcast/>

Right click
and open

2. Dan Ariely: *Predictably Irrational*
3. Daniel Kahneman: *Thinking, Fast and Slow*
4. Richard H. Thaler: *Misbehaving: The Making of Behavioral Economics*

* If you don't have time to listen to the whole podcast/read the whole book, I'd prefer you chose a chapter or section and read that carefully, rather than skimming

Watch these video's and take notes on each:

- <https://www.youtube.com/watch?v=34yVBDvhAgc&list=PLPyIFM6OV7isW5jifTehATo2PMxn8ZvwE>
- <https://www.youtube.com/watch?v=mZTRRvIuapg>
- <https://www.youtube.com/watch?v=02mrxL8IBDM>
- <https://www.youtube.com/watch?v=AoVeeadJqkA>

Why has the iPod been so successful?



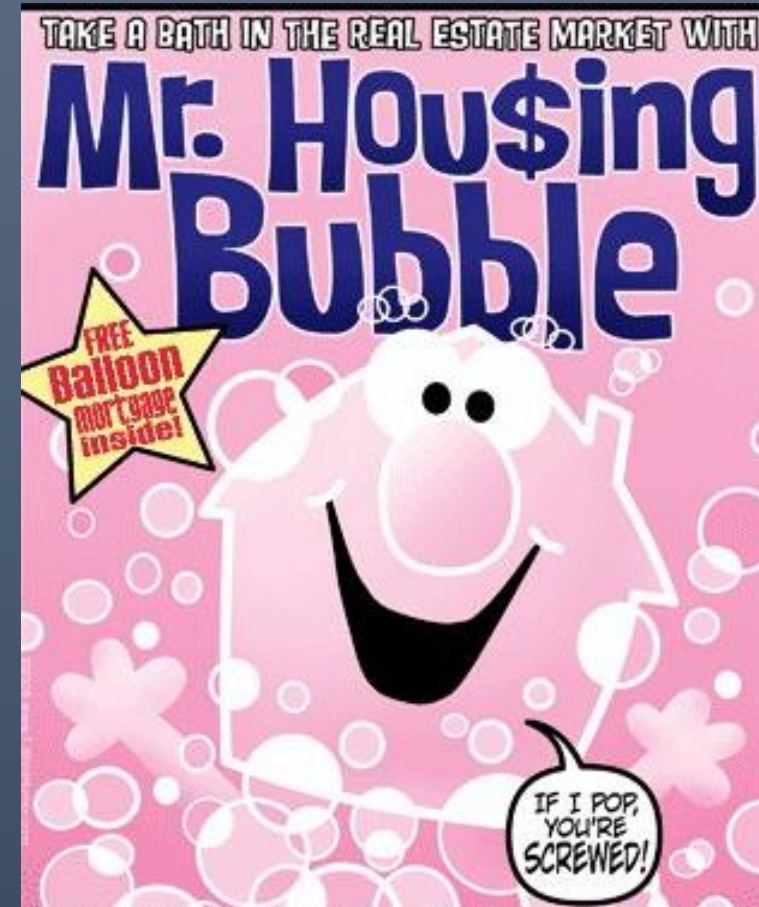
What determines the market price?
How has the iPod changed the economics of the music industry?

The success of ebaY



Auctions are transforming the way that markets work
What lies behind the success of ebaY?

Will there be a housing crash?



What are the threats to the housing market?

Who benefits from globalisation?



Why have some countries become richer under globalisation and others much poorer?