

Economics Summer Work

Project:

**Understanding the
Economics of a Household**

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This pre-course task is to be completed by first day in school, in September 2024. The aim of this task is to help you develop a practical-based knowledge and research in Economics concepts and theories.

It gives you lots of opportunity to direct your own research and produce a rich and interesting outcome.

You should be mindful that it will, in part, form the basis of the first '*attitude to learning*' report grade that you will receive early in the Autumn term.

To be submitted to ***Mr Y. Adeoye***

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Task 1: Income and Expenditure

- a) Identify and list at least four different sources of income for a typical household.

- b) Categorize household expenditures into fixed and variable costs, providing at least three examples of each.

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Task 2: Budgeting and Decision-making

- a) Construct a monthly budget for a hypothetical household, allocating expenses across different categories.
- b) Describe two scenarios where the household might need to adjust their budget and explain the factors that could lead to such adjustments.
- c) Discuss two potential opportunity costs the household might face when making financial decisions.

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Task 3: Economic Concepts in Action

- a) Explain how the principles of scarcity and choice apply to a household's financial management.
- b) Analyse how a change in income or prices might affect the household's demand for certain goods and services, using the concept of elasticity.
- c) Discuss the role of incentives and disincentives in influencing the household's consumption and saving behaviour.

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Task 4: Reflection

Write a brief reflection (approximately 250 words) on how the concepts and principles you learned in this project could be applied to your own household or personal finance situation.

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THE END