

# Economics at

# BHASVIC



## Summer Tasks 2017

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## Aims:

- ✓ To enhance your knowledge and understanding of Economics
- ✓ To apply your understanding
- ✓ To develop your independent learning skills

**Macroeconomics** is the branch of economics that studies the behaviour and performance of an economy as a whole. It focuses on the total changes in the economy such as unemployment, growth rate, gross domestic product and inflation. Government and corporations use macroeconomic models to help in formulating of economic policies and strategies.

## Knowledge

1) What are the 4 main **objectives** of government **macroeconomic policy**?


2) Explain why each of these objectives is important to the economy as a whole and to individuals


- 3) What data is commonly used to measure whether these objectives are being met? They measure the performance of an economy (**Economic indicators**)


- 4) **Challenge Task:** Find out about at least 2 other macroeconomic objectives that a government would want to achieve. Why are each of these important?


**Application (You will need to do this on separate paper)**

- 1) Find trend data that tracks the performance of at least three of the objectives over the last 10 years.
- 2) Include a graph/chart to show the trend clearly (you can use one that has already been produced or make one from data you have collected)
- 3) Comment on the data and how it has changed over the last 10 years
- 4) **Challenge Task:** Highlight one significant point on each set of data and attempt to explain the performance of that objective at that significant point
- 5) **Super challenge task:** Can you see any links between the objectives? Do they move in the same or opposite directions? Can you think of any reasons for this?



**Microeconomics** is the study of individuals, households and firms' behaviour in decision making and allocation of resources. It generally applies to markets of goods and services and deals with individual and economic issues.

**Microeconomic** study deals with what choices people make, what factors influence their choices and how their decisions affect the goods markets by affecting the price, the supply and demand.



**Knowledge**

1) Use the image above to identify **six** ways the government would like people to change their behaviour:


2) Think of **two further** behaviours – by individuals or businesses that **you** think should be changed:


## Independent Research

1) Choose **one** of the issues from the previous page and explain why it is so important

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2) You will need to do some research to complete the remaining tasks. You can search online or go to the library and find some economics text books. Also, find some news articles about one or more of these microeconomic issues. Bring them to the first lesson and be prepared to show and explain them to other students.

3) Find out about **two** strategies to solve the problem. Explain what each one involves and how it works

1.
2.

4) For each strategy identify and explain one advantage and one disadvantage

1. Advantage	1. Disadvantage
2. Advantage	2. Disadvantage

5) Which strategy do you think would be the most effective? Why?

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