UXBRIDGE HIGH SCHOOL

Sixth Form Transition Pack

A-LEVEL ECONOMICS From September 2026 Y13 Teaching Update

COURSE UPDATE

Businesses, governments and individuals make economic decisions every single day. We see economics everywhere around us — when prices rise in supermarkets, when interest rates change, or when the government discusses inflation, unemployment and economic growth on the news. But how do economies work?

Our A-Level Economics course teaches you how economies operate and how decisions made by governments, businesses and consumers affect the wider world. One day you may be analysing inflation, unemployment and economic growth using economic data and diagrams; the next you could be evaluating whether the government should increase taxes, raise interest rates or increase spending to improve the economy.

Economics is both analytical and highly relevant to current affairs, helping you understand the world around you whilst developing skills such as evaluation, problem-solving, communication and numerical analysis.

"The study of economics does not seem to require any specialised gifts of an unusually high order. Yet good economists are the rarest of birds."

John Maynard Keynes

During Year 12, you have covered a range of AS Economics topics across both microeconomics and macroeconomics.

Of the topics undertaken, you have completed the following:

3.1 The operation of markets and market failure

3.2 The national economy in a global context

You are still to complete in Year 13 the following topics:

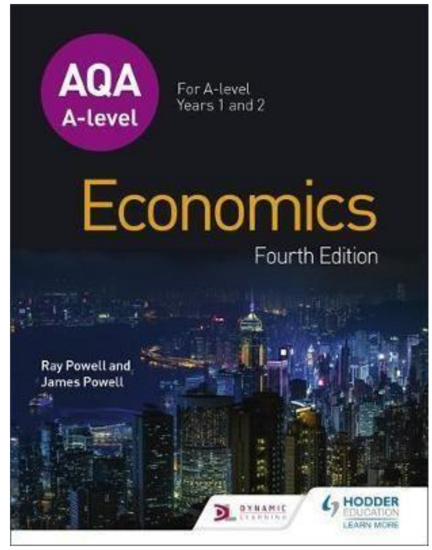
4.1 Individuals, firms, markets and market failure

4.2 The national and international economy

Upon successful completion of the A-Level Economics course, students often go on to university to study economics-related courses, or are well-placed to pursue careers in banking, finance, law, business management, accounting and consultancy.

Essential summer reading

There is an official textbook (covering the AS and A Level units) available for you to read ahead and develop an initial understanding of our topics.



As you are aware, we study for the AQA exam board qualification, utilize their website to see the specification.

http://www.aqa.org.uk/subjects/economics/as- and level/economics-7135-7136

And you can look online at additional resources, especially here: www.tutor2u.net/economics

Check the BBC News website for breaking news under the 'UK economy' tab once a week. Alternatively, the school has free Financial Times online access via the following link: https://www.ft.com/corp-signup/join?token=36fddb98-6bc1-4a7e-a735-3109a4e044a6 (Please note that you must be on the school's network to access this link. Print off stories that link specific areas of the course, read and annotate them, and add to your file at the relevant point. Keeping up to date with current affairs is essential for Business Studies and we expect students to regularly read newspapers and magazines and watch programmes like Newsnight and Question Time.

Tasks to be completed

If you've just finished your AS level in Economics, you'll be familiar with the exam technique and structure.

The following tasks are designed to develop your exam technique for A-level standards, highlight your current strengths in writing and developing an answer and provide you with an example of the types of questions you may be asked in an A-Level economics exam. You should attempt to answer all the questions. Questions and terminology you are unfamiliar with should be researched and an answer must be given to all questions.

Q1.

Extract E (lines 16–17) states that, 'Supermarkets set prices interdependently, and price wars look very likely.'

With the help of a diagram, analyse the impact on grocery consumers of interdependence between supermarkets.

[9 marks]

Q2.

Extract F (lines 13 – 14) states: 'Between 2010 and 2014, the ticket price for the northern festival rose from £85 to £119, during which time the number of tickets on sale increased from 8 000 to 14 000.'

Explain the factors that might determine the price elasticity of supply of tickets for this music festival.

[10 marks]

Q3.

Extract E (lines 15–17) states: 'In recent years, some of the BRICS+ countries, including China and India, have been responsible for large foreign direct investment (FDI) inflows into the G7.'

With the help of a suitable diagram, explain how increased inward foreign direct investment (FDI) can affect a country's level of employment.

[9 marks]

Q4.

Study **Extracts A, B** and **C**, then use these and your knowledge of economics to help you answer this question.

To what extent, if at all, do the data suggest that people living in the South East (SE) of England are better off than people living in the North East (NE) of England?

[10 marks]

Q1

Extract E: Have Aldi and Lidl reached their peak?

Aldi and Lidl, the German discount grocers which primarily sell through physical stores, have missed out as more sales have moved online. They are now trying some small scale 'click and collect' and other online options, and are hoping to win back business as the economic downturn prompted shoppers to seek out lower prices. However, industry experts say their recent rapid growth and competition from traditional supermarkets would make it harder for the discounters to take more business from rivals. The 'big four' UK supermarkets – Tesco, Sainsbury's, Asda and Morrison's – have well-established home delivery infrastructure and were able to expand online delivery dramatically during the pandemic. This led to a doubling of the online share of the overall grocery market to 13% in just a few months.

Aldi and Lidl grew rapidly after 2008 as traditional supermarkets defended profit margins rather than sales. The discounters' combined market share in the UK grew from 4% to 14% in a decade. However, this time the traditional supermarkets are expected to put up a tougher fight. Andrew Porteous, analyst at HSBC, said the big four were "all very conscious of the mess they made of the last recession. They have done well through lockdown." "They will want to make sure they don't give people any reason to go back to split shops" he added, referring to the practice of shopping for basics at a discounter and topping up elsewhere. Supermarkets set prices interdependently, and price wars look very likely. Analysts estimate the price gap between discounters and conventional supermarkets is now about 10–12%, against more than 20% a few years ago. Tesco has pledged to match Aldi prices on key items, while Morrisons recently cut prices on 400 basics, and Asda has indicated it will not be holding back from price reductions. Competition and investment in more stores have reduced the discounters' profitability. Aldi's profit margin fell from above 5% in 2013 to just 1.75% in 2018.

Source: News reports, 2020

Q2.

THE UK CULTURAL ECONOMY – ENJOYING THE BRIGHTER SIDE OF LIFE

Extract F: If music be the food of love, play on

One aspect of arts and culture that has seen growing popularity in recent years is music festivals. Faced with falling incomes due to changes in the way consumers obtain music, artists have been forced to tour and perform live more often. Whilst on the one hand new artists have benefited from the removal of barriers to entry, such as the need for a recording contract, once in the industry it has become more difficult to achieve the 'superstar' lifestyle.

This is of course to the benefit of the many thousands of festival-goers who are able to enjoy a selection of their favourite bands for the price of a single festival ticket. It would cost fans much more to see these artists in separate concerts. However, there are concerns that, with ticket prices rising year on year, some fans are being priced out of the market.

The price of a ticket to attend one of the most well-known festivals in the UK increased by 130% between 2000 and 2013. A much smaller music festival, held in the north of England, has also seen ticket prices rise, but not as significantly, as it has moved to a larger site. Between 2010 and 2014, the ticket price for the northern festival rose from £85 to £119, during which time the number of tickets on sale increased from 8 000 to 14 000. Here too, the benefits provided by Arts Council England have been seen, as it has contributed money towards the construction of a new stage.

Q3.

The emergence of BRICS+

Extract E: BRICS+

The term 'BRIC' was first used by Jim O'Neill, an economist at Goldman Sachs, in a 2001 paper titled 'Building Better Global Economic BRICs'. The paper identified Brazil, Russia, India and China as the major emerging economies with the potential to significantly reshape the global economic landscape. This was due to their large populations, high economic growth rates and increasing influence in world affairs. By 2009, the group had adopted a formal identity, with their governments meeting annually.

South Africa joined in 2010, making it 'BRICS'. Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates were invited to join the BRICS in 2024, which is now referred to as 'BRICS+'. The group was designed to bring together the world's most important developing countries and to challenge the political and economic power of the G7 countries (a group of seven of the world's most advanced economies including the UK, Japan and the USA).

The middle-class populations of the BRICS+ countries are increasing fast, providing growing export markets for the G7. Firms based in the G7 can reduce their costs by outsourcing production to the BRICS+ countries. The G7 nations may benefit from investing in infrastructure, technology and energy industries in the BRICS+ economies. In recent years, some of the BRICS+ countries, including China and India, have been responsible for large foreign direct investment (FDI) inflows into the G7.

Source: News reports, 2024

Extract A: The regional problem

Many countries have regions that are significantly less prosperous than others. Economic development is always uneven; some areas of a country develop fast whilst others grow more slowly.

In more-economically developed countries, regional inequality often results from the decline in regions which were once prosperous. In the UK, the decline in traditional industries such as coal mining, shipbuilding, steel and other manufacturing enterprises meant that regions that depended on these industries fell behind other parts of the country.

Some studies show that the UK is one of the most geographically unequal countries in the developed world. There are substantial regional differences in income, wealth, productivity, health and education. However, inequality does not only exist between regions but also within regions. Even the poorest regions have areas of prosperity and the more-prosperous regions, such as London, have pockets of poverty.

Source: News reports, February 2023

Extract B: Selected economic indicators for the North East (NE) and South East (SE) regions of the United Kingdom (UK)

Figure 1: Population and internal migration, 2020

	Population (millions)	Internal migration		
		Inflows	Outflows	Net
North East	2.7	51 586	46 958	4 628
South East	9.2	257 712	240 029	17 683
United Kingdom	67.1			

Figure 2: Employment and unemployment, seasonally adjusted, July to September 2022

	Employment rate (%) aged 16 to 64	Unemployment rate (%) aged 16 years and over	Economic inactivity rate (%) aged 16 to 64 years
North East	71.7	4.2	25.2
South East	78.2	3.0	19.4
United Kingdom	75.5	3.6	21.6

Source: ONS – Labour Force Survey, accessed February 2023

Note: The economic inactivity rate is the proportion of the population, aged between 16 and 64, that is not in the labour force.

Figure 3: Income and productivity

	Gross domestic product (GDP) per head (£), in 2020	Gross disposable household income (GDHI) per head (£), in 2020	Median weekly earnings (£), full-time employees, in 2022	Labour productivity, index of output per hour, in 2020 (UK=100)
North East	23 109	17 416	580	88.9
South East	34 516	24 551	685	110.8
United Kingdom	31 972	21 440	640	100.0

Figure 4: Fiscal indicators, 2020/21

	Public sector revenue per head (£)	Public sector expenditure per head (£)	Net fiscal balance per head (£)
North East	8 699	16 662	–7 963
South East	14 013	15 650	–1 637
United Kingdom	11 837	16 575	–4 737

Figure 5: Other economic indicators

	House prices, October 2022		Share of employment in the public sector, April–June 2022, % of all jobs	Share of employment in manufacturing, April–June 2022, % of all jobs
	Average, (£000)	% change on year		
North East	163	11.6	21.2	8.8
South East	402	10.0	14.9	5.7
United Kingdom	295	10.3	17.2	7.3

Source: House of Commons Library, accessed February 2023

Differences in the prices of goods and services affect the real value of people's money income. Data published in 2016 showed that in London, the region with the highest price level, prices were 7% higher than the UK average. Northern Ireland had the lowest relative price level, which was 2.3% lower than the UK as a whole.

Extract C: The 'levelling up' agenda

In its 2019 election manifesto, the Conservative Party said it would be 'levelling up every part of the UK'. In February 2022, it published a White Paper that presented its plans for tackling regional and local inequalities that focused on increasing investment and growth in the less-prosperous parts of the country. The policy is not just about productivity, earnings and employment, it also aims to narrow the regional divide in terms of health, educational attainment, housing quality and other social inequalities. The policy aims to improve opportunities for growth and development in the less-prosperous areas of the UK whilst preserving and building on the successes of the already prosperous regions.

Investment in physical capital, human capital and innovation are identified as important factors in driving improvements in the prosperity of people in the poorer regions but they are not all that is required. Effective local management, access to finance and strong local community relationships are also needed if a sustained improvement in prosperity is to be achieved.

Poor connectivity is a significant reason why productivity in parts of the UK is lower than the national average. Inadequate transport infrastructure, in particular an outdated rail network, mean that, for example, businesses in Manchester can find it hard to recruit workers from a city as close as Bradford, restricting their ability to expand. Investment in providing fast broadband and other digital infrastructure is needed to improve communications and efficiency. Investment in infrastructure can help to boost short-run growth and bring about a long-run improvement in productivity. Improvements in productivity should lead to higher wages and an increase in living standards.

Source: News reports, February 2023

Check and send

When you've finished the work, proof-read it. If you are unsure, please utilize some resources such as the presentations we have or the previous exercises we did.

Save your work with your full name and bring to it to Miss D'Abreo & Mr Turkut – The Economics Teachers on the first day back at school in September.