**Macroeconomics**
 **Student Learning Reflection & Personalised Learning Checklist – Year 12**

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| **Subject/Course:** | [**Economics - Macroeconomics**](https://filestore.aqa.org.uk/resources/economics/specifications/AQA-7135-7136-SP-2015.PDF) |
| **Student Name:** |  |

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|  |  | **Self Assessment** |
| **Topic** | **Key knowledge/skills** | **Red** | **Amber** | **Green** |
| **The objectives of government economic policy**<https://www.youtube.com/watch?v=OPV1BOs1ISI&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU> | • The main objectives of government macroeconomic policy:Economic growth, price stability, minimising unemployment and a stable balance of payments on current account.• The possibility of conflict arising, at least in the short run, when attempting to achi.e.ve these objectives. |  |  |  |
| **Macroeconomic indicators** | • Data which is commonly used to measure the performance of an economy, such as: real GDP, real GDP per capita, Consumer Prices and Retail Prices Indices (CPI/RPI), measures of unemployment, productivity and the balance of payments on current account. |  |  |  |
| **Uses of index numbers**<https://www.youtube.com/watch?v=2WOB5AnCZt4&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=4> | • How index numbers are calculated and interpreted, including the base year and the use of weights.• How index numbers are used to measure changes in the price level and changes in other economic variables. |  |  |  |
| **The circular flow of income**<https://www.youtube.com/watch?v=2BINy9AzHhQ&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=3> | • What national income measures. • The difference between nominal and real income. • Real national income as an indicator of economic performance. • The circular flow of income concept, the equation income = output = expenditure, and the concepts of equilibrium and full employment income. • The difference between injections and withdrawals into the circular flow of income. • The effect of changes in injections and withdrawals on national income |  |  |  |
| **Aggregate demand and aggregate supply analysis**<https://www.youtube.com/watch?v=SunVMj-c_ak&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=12><https://www.youtube.com/watch?v=sSjg1tUBgbQ&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=13> | • Changes in the price level are represented by movements along the aggregate demand (AD) and aggregate supply (AS) curves. • The various factors that shift the AD curve and the short-run AS curve. • The factors which affect long-run AS distinguish them from those which affect short-run AS. • Underlying economic growth is represented by a rightward shift in the long-run AS curve. • How to use AD/AS diagrams to illustrate macroeconomic equilibrium. • How both demand-side and supply-side shocks affect the macroeconomy. |  |  |  |
| **The determinants of aggregate demand***Consumption*<https://www.youtube.com/watch?v=ts_GXGRLEcM&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=6>*Investment* <https://www.youtube.com/watch?v=TqzoMxGzjnU&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&>*Government Spending*<https://www.youtube.com/watch?v=bs2vhTNBaLc&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=9>*Net Exports*<https://www.youtube.com/watch?v=BvPiX2WX9CM&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=10> | •What is meant by AD. • The determinants of AD, i.e. the determinants of consumption, investment, government spending, exports and imports. • The basic accelerator process. • The determinants of savings. • The difference between saving and investment. |  |  |  |
| **Aggregate demand and the level of economic activity**<https://www.youtube.com/watch?v=25KlFCoDW34&t=6s> | • The role of AD in influencing the level of economic activity. • The multiplier process and an explanation of why an initial change in expenditure may lead to a larger impact on local or national income. |  |  |  |
| **Determinants of short-run aggregate supply**[**https://www.youtube.com/watch?v=BtgMwqHcRMc&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&**](https://www.youtube.com/watch?v=BtgMwqHcRMc&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&) | • The price level and production costs are the main determinants of the short-run AS. • Changes in costs, such as: money wage rates, raw material prices, business taxation and productivity, will shift the short-run AS curve. |  |  |  |
| **Determinants of long-run aggregate supply**<https://www.youtube.com/watch?v=BtgMwqHcRMc&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&> | • The fundamental determinants of long-run AS such as technology, productivity, attitudes, enterprise, factor mobility, and economic incentives. • The position of the vertical long-run AS curve represents the normal capacity level of output of the economy. |  |  |  |
| **Economic growth and the economic cycle***Economic Growth*<https://www.youtube.com/watch?v=5vDHdxjtSTU&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=18>*Economic Cycle* <https://www.youtube.com/watch?v=CBvM3YqsJYs&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=19>*Output Gaps*<https://www.youtube.com/watch?v=-es6BW0ytdg&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=16> | • The difference between short-run and long-run growth. • The various demand-side and supply-side determinants of short run growth of real national income and the long-run trend rate of economic growth. • The concept of the economic cycle and the use of a range of economic indicators, such as real GDP, the rate of inflation, unemployment and investment, to identify the various phases of the economic cycle. • The difference between positive and negative output gaps. • How demand-side and supply-side shocks, including those that occur in the global economy, affect domestic economic activity. |  |  |  |
| **Employment and unemployment***Measures of unemployment*<https://www.youtube.com/watch?v=ErOa47rsDcE&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=21>*Types and causes of unemployment* <https://www.youtube.com/watch?v=DWLv6JHa7YE&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=22>*Costs and benefits of unemployment*<https://www.youtube.com/watch?v=GyLxUlqxP6U&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=24> | • The main UK measures of unemployment, i.e. the claimant count and the Labour Force Survey measure. • The terms seasonal, frictional, structural and cyclical unemployment. • How employment and unemployment may be determined by both demand-side and supply-side factors. • How changes in the rest of the world affect employment and unemployment in the UK. |  |  |  |
| **Inflation and deflation***Causes of inflation*[*https://www.youtube.com/watch?v=q8LwZkid740&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=26*](https://www.youtube.com/watch?v=q8LwZkid740&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=26)*Costs and benefits of inflation*[*https://www.youtube.com/watch?v=wAvyRqmCE8g&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=27*](https://www.youtube.com/watch?v=wAvyRqmCE8g&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=27)*Deflation*<https://www.youtube.com/watch?v=PX9XdZGsFXs&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=28> | • The concepts of inflation and deflation. • Demand-pull and cost-push influences on the price level. • How changes in world commodity prices affect domestic inflation. • How changes in other economies can affect inflation in the UK. |  |  |  |
| **The balance of payments on current account**<https://www.youtube.com/watch?v=bel_y5ka80M>*Current account surplus*<https://www.youtube.com/watch?v=zMqGn4tIuTM>*Current account deficit* [*https://www.youtube.com/watch?v=wrJfPrZB4Jc*](https://www.youtube.com/watch?v=wrJfPrZB4Jc) | • The importance of international trade for an economy such as the UK. • The current account comprises trade in goods, trade in services, primary income and secondary income. • The meaning of a deficit and a surplus on current account. • The factors that influence a country’s current account balance such as productivity, inflation and the exchange rate and economic activity in other countries. |  |  |  |

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| Possible conflicts between macroeconomic policy objectives | • How negative and positive output gaps relate to unemployment and inflationary pressures. • How economic policies may be used to try to reconcile possible policy conflicts both in the short run and the long run. |  |  |  |
| **Monetary policy***Instruments*<https://www.youtube.com/watch?v=uBaTPugw3M4&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=36>*Problems and evaluation*[*https://www.youtube.com/watch?v=leHUzW04iZ0&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=37*](https://www.youtube.com/watch?v=leHUzW04iZ0&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=37) | • Monetary policy involves the central bank taking action to influence the manipulation of interest rates, the supply of money and credit, and the exchange rate. • The current objectives of monetary policy, set by the government. • The role of the Monetary Policy Committee of the Bank of England (MPC) and how it uses changes in bank rate to try to achi.e.ve the objectives for monetary policy, including the government’s target rate of inflation. • The factors considered by the MPC when setting bank rate. • How changes in the exchange rate affect aggregate demand and the various macroeconomic policy objectives. |  |  |  |
| Fiscal policy<https://www.youtube.com/watch?v=NEcfy0HpewQ&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=31>*Types of tax*<https://www.youtube.com/watch?v=SZ2LDUCbETE&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=30>*Fiscal Policy Evaluation*<https://www.youtube.com/watch?v=vTE0MjiIVe0&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=32> | • Fiscal policy involves the manipulation of government spending, taxation and the budget balance. • Fiscal policy can have both macroeconomic and microeconomic functions. • How fiscal policy can be used to influence aggregate demand. • How fiscal policy can be used to influence aggregate supply. • How government spending and taxation can affect the pattern of economic activity. • The difference between direct and indirect taxes. • The difference between progressive, proportional and regressive taxes. • The relationship between the budget balance and the national debt. |  |  |  |
| Supply-side policies<https://www.youtube.com/watch?v=PvfdPfEd-gk&list=PLWeicFreBUYDlaLppnRTZpwgBASflf4lU&index=39> | • The difference between supply-side policies and supply-side improvements in the economy. • How supply-side policies can help to achieve supply-side improvements in the economy. • How supply-side policies, such as tax changes designed to change personal incentives, may increase the potential output of the economy and improve the underlying trend rate of economic growth. • How supply-side policies can affect unemployment, the rate of change of prices and UK external performance, as reflected in the balance of payments on current account. • Supply-side policies include measures such as government spending on education and training, cuts in income and corporation tax, welfare reform, and industrial policy. |  |  |  |