

Weeks	Topics	Key knowledge (AQA A level economics specification sections)	Key skills	Resources	Assessment
1 + 2	<p>3.2.1 The measurement of macroeconomic performance</p> <p>3.2.1.1 The objectives of government economic policy</p>	<ul style="list-style-type: none"> 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 achieve these objectives. 		Macroeconomics booklet 1	Transition work: return and give feedback – explain what we look for in economics A level written work Econ initial numeracy assessment test 1
3 + 4	<p>3.2.1.1 Macroeconomic indicators</p> <p>4.2.1.4 Uses of national income data- Y13 Content</p>	<ul style="list-style-type: none"> 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. The use and limitations of national income data to assess changes in living standards over time. The use and limitations of national income data to compare differences in living standards between countries. The importance of using purchasing power parity (PPP) exchange rates 			

		when making international comparisons of living standards.			
5 + 6	3.2.1.3 Uses of index numbers	<ul style="list-style-type: none"> • 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 	Calculating index numbers		End of unit assessment
7 + 8	<p>3.2.2 How the macroeconomy works</p> <p>3.2.2.1 The circular flow of income</p> <p>3.2.2.3 The determinants of aggregate demand</p>	<ul style="list-style-type: none"> • 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 $\text{income} = \text{output} = \text{expenditure}$, 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. <p>What is meant by AD.</p> <ul style="list-style-type: none"> • 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. 		Macroeconomics booklet 2	
Half	Term				

9 + 10	<p>3.2.2.4 Aggregate demand and the level of economic activity</p> <p>4.2.2.4 – Year 13 Content</p> <p>3.2.2.5 Determinants of short-run aggregate supply</p> <p>3.2.2.6 Determinants of long-run aggregate supply</p> <p>4.2.2.6- Year 13 content</p>	<p>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.</p> <p>The concept of the marginal propensity to consume and use the marginal propensity to consume to calculate the size of the multiplier. • Why the size of the marginal propensity to consume determines the magnitude of the multiplier effect.</p> <p>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 shortrun AS curve</p> <p>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</p> <p>The importance of the institutional structure of the economy in determining aggregate supply, such as the role of the banking system in providing business investment funds, should also be understood. • The Keynesian AS curve.</p>			
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11 + 12	3.2.2.2 Aggregate demand and aggregate supply analysis	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.			Assessment
13 + 14					
Christmas	Holidays				
15 + 16	3.2.3 Economic performance 3.2.3.1 Economic growth and the economic cycle	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		Macroeconomics booklet 3	
17 + 18	3.2.3.2 Employment and unemployment	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.			
19 + 20	3.2.3.3 Inflation and deflation	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.			
Half	Term				
21 + 22	3.2.3.4 The balance of payments on current account 3.2.3.5 Possible conflicts between macroeconomic policy objectives	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. 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.			
23 + 24		Revision / mop up weeks			Assessment
25 + 26					
Easter	Holidays				
27 + 28	3.2.4 Macroeconomic policy 3.2.4.1 Monetary policy	<ul style="list-style-type: none"> 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 		Macroeconomics booklet 4	

		<p>changes in bank rate to try to achieve 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.</p>			
29 + 30	3.2.4.2 Fiscal policy	<ul style="list-style-type: none"> • 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. 			
31 + 32	3.2.4.3 Supply-side policies	<ul style="list-style-type: none"> • 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.			
Half	Term				
33 + 34					
35 + 36					
37 + 38					

Weeks	Topics	Key knowledge (AQA A level economics specification sections)	Key skills	Resources	Assessment
1 + 2	4.2.6 The international economy 4.2.6.1 Globalisation	The causes of globalisation. • The main characteristics of globalisation. • The consequences of globalisation for less-developed and for more-developed countries. • The role of multinational corporations in globalisation.		Macroeconomics booklet 5	Homework 0: answer the other essay question from the y12 summer exam
3 + 4	4.2.6.2 Trade	The model of comparative advantage. • The distinction between comparative and absolute advantage. • The model shows that specialisation and trade can increase total output. • Other economic benefits of trade, such as the ability to exploit economies of scale and increased competition. • The costs of international trade.			
5 + 6	4.2.6.2 Trade continued	• The reasons for changes in the pattern of trade between the UK and the rest of the world. • The nature of protectionist policies, such as: tariffs, quotas and export subsidies. • The causes and consequences of countries adopting protectionist policies. • The main features of a customs union. • The main characteristics of the Single European Market (SEM). • The role of the World Trade Organisation (WTO).			
7 + 8	4.2.6.3 The balance of payments	The difference between the current, capital and financial accounts on the balance of payments. • The current account comprises trade in goods, trade in services, primary income and secondary income. • The meaning of a deficit and a surplus on the			

		<p>current account. • The factors that influence a country's current account balance such as productivity, inflation and the exchange rate. • The consequences of investment flows between countries. • The policies that might be used to correct a balance of payments deficit or surplus. • Expenditure-switching and expenditure-reducing policies. • The effect policies used to correct a deficit or surplus may have upon other macroeconomic policy objectives. • The significance of deficits and surpluses for an individual economy. • The implications for the global economy of a major economy or economies with imbalances deciding to take corrective action.</p>			
Half	Term				
9 + 10	4.2.6.4 Exchange rate systems	How exchange rates are determined in freely floating exchange rate systems. • How governments can intervene to influence the exchange rate.			
11 + 12	4.2.6.4 Exchange rate systems continued	• The advantages and disadvantages of fixed and floating exchange rate systems. • Advantages and disadvantages for a country of joining a currency union, e.g. the eurozone.			
13 + 14	4.2.6.5 Economic growth and development	<ul style="list-style-type: none"> • The difference between growth and development. • The main characteristics of less-developed economies. • The main indicators of development, including the Human Development Index (HDI). • Factors that affect growth and development, such as: investment, education and training. • Barriers to growth and development, such as: corruption, institutional factors, poor infrastructure, inadequate human capital, lack of property rights. • Policies that might be adopted to promote economic 			Assessment booklet 5

		growth and development. • The role of aid and trade in promoting growth and development.			
Christmas	Holidays				
15 + 16	4.2.4 Financial markets and monetary policy 4.2.4.1 The structure of financial markets and financial assets	The characteristics and functions of money. • Definitions of the money supply and the distinction between narrow money and broad money. • The difference between the money market, the capital market and the foreign exchange market. • The role of financial markets in the wider economy. • The difference between debt and equity. • Why there is an inverse relationship between market interest rates and bond prices.		Macroeconomics booklet 6	
17 + 18	4.2.4.2 Commercial banks and investment banks	The difference between a commercial bank and an investment bank. • The main functions of a commercial bank. • The structure of a commercial bank's balance sheet. • The objectives of a commercial bank, i.e. liquidity, profitability and security. • Potential conflicts between these objectives. • How banks create credit.			
19 + 20	4.2.4.3 Central banks and monetary policy	The main functions of a central bank. • That monetary policy involves the central bank taking action to influence 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 achieve the objectives for monetary policy, including the government's target rate of inflation. • The factors considered by the MPC when setting the bank rate. • How changes in the exchange rate affect aggregate demand and the various macroeconomic policy objectives. • The monetary policy transmission mechanism,			

		including the relationship between changes in interest rates and the exchange rate. • How the Bank of England can influence the growth of the money supply.			
Half	Term				
21 + 22	4.2.4.4 The regulation of the financial system	Regulation of the financial system in the UK, e.g. the role of the Bank of England, the Prudential Regulation Authority (PRA), the Financial Policy Committee (FPC) and the Financial Conduct Authority (FCA). • Why a bank might fail, including the risks involved in lending long term and borrowing short term. • Liquidity ratios and capital ratios and how they affect the stability of a financial institution. • Moral hazard. • Systemic risk and the impact of problems that arise in financial markets upon the real economy			Assessment booklet 6
23 + 24	4.2.3 Economic performance 4.2.3.1 Economic growth and the economic cycle 4.2.3.2 Employment and unemployment	Recap of Y12 content- see 3.2.3 Additional content- Sustainability of economic growth Causes of cyclical instability such as: excessive growth in credit and levels of debt, asset price bubbles, destabilising speculation and animal spirits or herding. Recap of Year 12 content plus: The concept of, and the factors which determine, real wage unemployment. • The concept of, and the factors which determine, the natural rate of unemployment. • The consequences of unemployment for individuals and for the performance of the economy.		Macroeconomics booklet 7	

25 + 26	4.2.3.3 Inflation and deflation 4.2.3.4 Possible conflicts between macroeconomic policy objectives	Recap of Year 12 content plus: Fisher's equation of exchange $MV = PQ$ and the Quantity Theory of Money in relation to the monetarist model. • The effects of expectations on changes in the price level • The consequences of inflation for both individuals and the performance of the economy. • The consequences of deflation for both individuals and the performance of the economy. Recap of Year 12 content plus: Both the short-run Phillips curve and the long-run, L-shaped Phillips curve. • The implications of the short-run Phillips curve and the longrun, L-shaped Phillips curve for economic policy			Assessment booklet 7
Easter	Holidays				
27 + 28	4.2.5 Fiscal policy and supply-side policies 4.2.5.1 Fiscal policy	Year 12 content recap plus: The types of and reasons for public expenditure. • Why governments levy taxes. The principles of taxation, such as that taxes should be equitable. • The role and relative merits of different UK taxes. • Cyclical and structural budget deficits and surpluses. • The consequences of budget deficits and surpluses for macroeconomic performance. • The significance of the size of the national debt. • The role of the Office for Budget Responsibility		Macroeconomic booklet 8	
29 + 30	4.2.5.2 Supply-side policies	Year 12 content recap plus:			Assessment booklet 8

		The role of supply-side policies in reducing the natural rate of unemployment. • Free market supply-side policies include measures such as: tax cuts, privatisation, deregulation and some labour market reforms. • Interventionist supply-side policies include measures such as: government spending on education and training, industrial policy, subsidising spending on research and development. • Supply-side policies can have microeconomic as well as macroeconomic effects.			
31 + 32		Revision			
Half	Term				
A	Level	Examinations			

***4.2.1 The measurement of macroeconomic performance- All Year 13 content taught in Year 12**