

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

When you are revising use your folder and revision notes and text books, plus any class notes and any revision guides/ videos to support you together with this PLC to ensure you have covered everything you need for the exam / this topic.

Key Idea from specification	Initial assessment of my confidence/ understanding of this topic (RAG).	I have read revision guides / PowerPoint s/viewed videos for this section.	I have written notes.	I have made mind maps / flash cards and tested myself (Seneca)	Assessment of my confidence/ understanding of this topic after completing (RAG).
2.1 The UK economy – performance and policies					
2.1.1 Economic growth					
I can explain: Rates of change of real Gross Domestic Product (GDP) as a measure of economic growth					
I can explain the Distinction between: o real and nominal o total and per capita o value and volume and Gross National Income					
I can compare the rates of growth between countries and over time					
I understand Purchasing Power Parities (PPPs) and the use of PPP-adjusted figures in international comparisons					
I understand the limitations of using GDP to compare living standards between countries and over time					
I am aware of national happiness: o UK national wellbeing o the relationship between real incomes and subjective happiness					
2.1.2 Inflation					
I understand the difference between o inflation o deflation o disinflation					

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

I can calculate the rate of inflation in the UK using the Consumer Prices Index (CPI) and am aware of the limitation of CPI in measuring the rate of inflation.					
I understand how the Retail Prices Index (RPI) as an alternative measure of the rate of inflation					
I understand the causes of inflation: o demand pull o cost push o growth of the money supply					
I can explain the effects of inflation on consumers, firms, the government and workers					
2.1.3 Employment and unemployment					
I know the measures of unemployment: o the claimant count o the International Labour Organisation (ILO) and the UK Labour Force Survey					
I can distinguish between unemployment and under-employment					
I can assess the significance of changes in the rates of: o employment o unemployment o inactivity					
I can identify and explain causes of unemployment: o structural unemployment o frictional unemployment o seasonal unemployment o demand deficiency and cyclical unemployment o real wage inflexibility					
I understand the significance of migration and skills for employment and unemployment					
I can explain the effects of unemployment on consumers, firms, workers, the government and society					
2.1.4 Balance of payments					

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

I can identify and explain the components of the balance of payments, with particular reference to the current account, and the balance of trade in goods and services and current account deficits and surpluses					
I understand the relationship between current account imbalances and other macroeconomic objectives					
I can explain the interconnectedness of economies through international trade					
2.2 Aggregate Demand					
2.2.1 The characteristics of AD					
I know the components of AD: $C+I+G+(X-M)$					
I am aware of the relative importance of the components of AD					
I can draw and understand the AD curve					
I can explain the distinction between a movement along, and a shift of, the AD curve					
2.2.2 Consumption (C)					
I understand what disposable income is and its influence on consumer spending					
I understand the relationship between savings and consumption					
I can explain the impact of other influences on consumer spending: o interest rates o consumer confidence o wealth effects					
2.2.3 Investment (I)					
I know the difference between gross and net investment					
I can explain the Influences on investment: o the rate of economic growth o business expectations and confidence					

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

<ul style="list-style-type: none"> o Keynes and 'animal spirits' o demand for exports o interest rates o access to credit o the influence of government and regulations 					
2.2.4 Government expenditure (G)					
I understand the main influences on government expenditure: <ul style="list-style-type: none"> o the trade cycle o fiscal policy 					
2.2.5 Net Trade (X-M)					
I can explain the main influences on the (net) trade balance: <ul style="list-style-type: none"> o real income o exchange rates o state of the world economy o degree of protectionism o non-price factors 					
2.3 Aggregate Supply					
2.3.1 The characteristics of AS					
I can draw and explain the AS curve					
I can explain the distinction between movement along, and a shift of, the AS curve					
I understand the relationship between short-run AS and long-run AS					
3.3.2 Short-run AS					
I understand how the following factors influence short-run AS: <ul style="list-style-type: none"> o changes in costs of raw materials and energy o changes in exchange rates o changes in tax rates 					
2.3.3 Long-run AS					
I can recognise and understand the different shapes of the long-run AS curve: <ul style="list-style-type: none"> o Keynesian o Classical 					

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

I can understand and explain the impact of factors influencing long-run AS: o technological advances o changes in relative productivity o changes in education and skills o changes in government regulations o demographic changes and migration o competition policy					
<u>2.4 National Income</u>					
2.4.1 National Income					
I can draw and explain the circular flow of income					
I can understand the distinction between income and wealth					
2.4.2 Injections and withdrawals					
I can explain the impact of injections into, and withdrawals from, the circular flow of income					
2.4.3 Equilibrium levels of real national output					
I understand the concept of equilibrium real national output					
I can use and explain AD/AS diagrams to show how shifts in AD or AS cause changes in the equilibrium price level and real national output					
2.4.4 The multiplier					
I understand the multiplier ratio					
I can explain the multiplier process					
I can explain the effects of the multiplier on the economy					
I understand marginal propensities and their effects on the multiplier: o the marginal propensity to consume (MPC) o the marginal propensity to save (MPS) o the marginal propensity to tax (MPT) o the marginal propensity to import (MPM)					

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

I can calculate the multiplier using the formulae $1/(1-MPC)$ and $1/MPW$, where $MPW=MPS+MPT+MPM$					
I can explain the significance of the multiplier for shifts in AD					
2.5 Economic growth					
2.5.1 Causes of growth					
I understand the factors which could cause economic growth					
I can distinguish between actual and potential growth					
I understand the importance of international trade for (export-led) economic growth					
2.5.2 Output gaps					
I understand the difference between actual growth rates and long-term trends in growth rates					
I have an understanding of positive and negative output gaps and the difficulties of measurement					
I can use an AD/AS diagram to illustrate an output gap (level of spare capacity) in an economy					
2.5.3 Trade (business) cycle					
I have an understanding of the trade (business) cycle					
I can identify: Characteristics of a boom Characteristics of a recession					
I can explain the benefits and costs of economic growth and the impact on: o consumers o firms o the government o current and future living standards					
2.6 Macroeconomic objectives and policies					
2.6.1 Possible macroeconomic objectives					
Knowing that the main economic objectives are: <ul style="list-style-type: none"> Economic growth Low unemployment Low and stable rate of inflation 					

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 2: The UK economy – performance and policies

<ul style="list-style-type: none"> • Balance of payments equilibrium on current account • Balanced government budget • Protection of the environment • Greater income equality 					
2.6.2 Demand-side policies					
I know the difference between monetary and fiscal policy					
I am aware that Monetary policy instruments are: <ul style="list-style-type: none"> o interest rates o asset purchases to increase the money supply (quantitative easing) 					
I know that Fiscal policy instruments include: <ul style="list-style-type: none"> o government spending and taxation 					
I can distinguish between government budget (fiscal) deficit and surplus					
I can distinguish between, and give examples of, direct and indirect taxation					
I am aware of the role of the Bank of England: <ul style="list-style-type: none"> o the role and operation of the Bank of England's Monetary Policy Committee 					
I am aware of demand-side policies in the Great Depression and the Global Financial Crisis of 2008 <ul style="list-style-type: none"> o different interpretations o policy responses in the US and UK 					
I understand there are strengths and weaknesses of demand-side policies					
2.6.3 Supply-side policies					
I know the difference between market-based and interventionist methods					
I understand how market-based and interventionist policies can: <ul style="list-style-type: none"> o to increase incentives o to promote competition o to reform the labour market o to improve skills and quality of the labour force o to improve infrastructure 					
I can use AD/AS diagrams to illustrate supply-side policies					
I can explain the strengths and weaknesses of supply-side policies					
2.6.4 Conflicts and trade-offs between objectives and policies					
I can identify the potential conflicts and trade-offs between the macroeconomic objectives					
I understand the short-run Phillips curve					
I understand and explain the potential policy conflicts and trade-offs					

Targets / Next steps...