

# Economics @ Appleton - Personal Learning Checklist (PLC)

## Theme 3: Business behaviour and the labour market

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).
<b>3.1 Business growth</b>					
<b>3.1.1 Sizes and types of firms</b>					
I can identify and explain reasons why some firms tend to remain small and why others grow					
I understand the significance of the divorce of ownership from control: the principal-agent problem					
I can distinguish between public and private sector organisations					
I can distinguish between profit and not-for-profit organisations					
<b>3.1.2 Business growth</b>					
I understand how businesses grow: o organic growth o forward and backward vertical integration o horizontal integration o conglomerate integration					
I can explain the advantages and disadvantages of: o organic growth o vertical integration o horizontal integration o conglomerate integration					
I understand the constraints on business growth: o size of the market o access to finance o owner objectives					

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o regulation					
<b>3.1.3 Demergers</b>					
I understand the reasons for demergers					
I understand the impact of demergers on businesses, workers and consumers					
<b><u>3.2 Business objectives</u></b>					
<b>3.2.1 Business objectives</b>					
I can identify the different business objectives and the reasons for them: o profit maximisation o revenue maximisation o sales maximisation o satisficing					
I can use diagrams and formulae to illustrate the different business objectives: o profit maximisation o revenue maximisation o sales maximisation					
<b><u>3.3 Revenues, costs and profits</u></b>					
<b>3.3.1 Revenue</b>					
I can use formulae to calculate and understand the relationship between: o total revenue o average revenue o marginal revenue					
I understand price elasticity of demand and its relationship to revenue concepts (calculation required)					
<b>3.3.2 Costs</b>					
a) Formulae to calculate and understand the relationship between: o total cost o total fixed cost o total variable cost o average (total) cost o average fixed cost					

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o average variable cost					
o marginal cost					
I understand the derivation of short-run cost curves from the assumption of diminishing marginal productivity					
I understand the relationship between short-run and long-run average cost curves					
<b>3.3.3 Economies and diseconomies of scale</b>					
I know the types of economies and diseconomies of scale					
I can explain the minimum efficient scale					
I can distinguish between internal and external economies of scale					
<b>3.3.4 Normal profits, supernormal profits and losses</b>					
I can identify the condition for profit maximisation					
I understand and can explain normal profit, supernormal profit and losses					
I can illustrate short-run and long-run shut-down points: annotate a diagrammatic analysis					
<b>3.4 Market structures</b>					
<b>3.4.1 Efficiency</b>					
I can understand and explain the difference between: <ul style="list-style-type: none"> <li>o Allocative efficiency</li> <li>o Productive efficiency</li> <li>o Dynamic efficiency</li> <li>o X-inefficiency</li> </ul>					
I can identify efficiency/inefficiency in different market structures					
<b>3.4.2 Perfect competition</b>					
I know the characteristics of perfect competition					
I understand and can explain the profit maximising equilibrium in the short run and long run					
I can explain using annotated diagrammatic analysis					
<b>3.4.3 Monopolistic competition</b>					
I know the characteristics of monopolistically competitive markets					

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I understand and can explain profit maximising equilibrium in the short run and long run					
I can explain using annotated diagrammatic analysis					
<b>3.4.4 Oligopoly</b>					
I know the characteristics of oligopoly o high barriers to entry and exit o high concentration ratio o interdependence of firms o product differentiation					
I understand and can calculate n-firm concentration ratios and explain their significance					
I know the reasons for collusive and non-collusive behaviour					
I can distinguish between overt and tacit collusion; cartels and price leadership					
I understand simple game theory: the prisoner's dilemma in a simple two firm/two outcome model					
I understand the types of price competition: o price wars o predatory pricing o limit pricing					
I understand types of non-price competition					
<b>3.4.5 Monopoly</b>					
I know the characteristics of monopoly					
I can explain profit maximising equilibrium					
I can explain using annotated diagrammatic analysis					
I understand third degree price discrimination: o necessary conditions o diagrammatic analysis o costs and benefits to consumers and producers					
I can explain the costs and benefits of monopoly to firms, consumers,					

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employees and suppliers					
I can explain a natural monopoly					
<b>3.4.6 Monopsony</b>					
I understand the characteristics and conditions for a monopsony to operate					
I can explain the costs and benefits of a monopsony to firms, consumers, employees and suppliers					
<b>3.4.7 Contestability</b>					
Characteristics of contestable markets					
b) Implications of contestable markets for the behaviour of firms					
I can identify types of barriers to entry and exit					
I understand sunk costs and the degree of contestability					
<b>3.5 Labour market</b>					
<b>3.5.1 Demand for labour</b>					
I know the factors that influence the demand for labour					
I understand how the demand for labour is derived demand					
<b>3.5.2 Supply of labour</b>					
I can identify factors that influence the supply of labour to a particular occupation					
I understand and can explain market failure in labour markets: including the geographical and occupational mobility and immobility of labour					
<b>3.5.3 Wage determination in competitive and non-competitive markets</b>					
I can carry out a diagrammatic analysis of labour market equilibrium					
I have an understanding of the current labour market issues					
I can explain the reasons for and impact of government intervention in the labour market: o maximum and minimum wages o public sector wage setting					

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o policies to tackle labour market immobility					
I can explain the significance of the elasticity of demand for labour and the elasticity of supply of labour					
<b>3.6 Government intervention</b>					
<b>3.6.1 Government intervention</b>					
I can explain why there is government intervention to control mergers					
I can explain how the government intervenes to control monopolies: o price regulation o profit regulation o quality standards o performance targets					
I can explain why and how the government interventions to promote competition and contestability: o enhancing competition between firms through promotion of small business o deregulation o competitive tendering for government contracts o privatisation					
I can explain how the government intervenes to protect suppliers and employees by: o restrictions on monopsony power of firms o nationalisation					
<b>3.6.2 The impact of government intervention</b>					
I understand the impact of government intervention on: o prices o profit o efficiency o quality o choice					
I understand there are limits to government intervention: o regulatory capture o asymmetric information					

**Targets / Next steps...**