

Economics @ Appleton - Personal Learning Checklist (PLC)

Theme 4: A global perspective

When you are revising use your workbooks, 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	Initial assessment of my confidence/ understanding of this topic (RAG).	I have completed the section in my workbook on this topic	I have read revision guides / viewed videos for this section.	I have re-written my notes in a different form eg mind map / flash cards.	I have re-read my mind map / flash cards and tested myself.	Assessment of my confidence/ understanding of this topic after completing (RAG).
4.1 International economics						
<u>4.1.1 Globalisation</u>						
Identify and explain the characteristics of globalisation						
Identify the factors contributing to globalisation in the last 50 years						
Explain the impacts of globalisation and global companies on individual countries, governments, producers and consumers, workers and the environment						
<u>4.1.2 Specialisation and trade</u>						
Explain the concept of absolute and comparative advantage (numerical and diagrammatic); analyse the theory of comparative advantage						
Analyse the concept of specialisation and trade in an international context						
<u>4.1.3 Pattern of trade</u>						
Explain the factors influencing the pattern of trade between countries and changes in trade flows between countries including the impact of: <ul style="list-style-type: none"> • comparative advantage • emerging economies • growth of trading blocs and bilateral trading agreements • changes in relative exchange rates 						
<u>4.1.4 Terms of trade</u>						
You should be able to calculate the terms of trade						

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Identify factors influencing a country's terms of trade						
Explain the impact of changes in a country's terms of trade						
<u>4.1.5 Trading blocs and the World Trade Organisation (WTO)</u>						
Be able to explain the types of trading blocs (regional trade agreements and <ul style="list-style-type: none"> • bilateral trade agreements): • free trade areas • customs unions • common markets • monetary unions: conditions necessary for their success with particular reference to the Eurozone 						
Be able to discuss Costs and benefits of regional trade agreements						
Explain the role of the WTO in trade liberalisation						
Asses conflicts between regional trade agreements and the WTO						
<u>4.1.6 Restrictions on free trade</u>						
Identify reasons for restrictions on free trade						
Be able to explain types of restrictions on trade such as: <ul style="list-style-type: none"> • tariffs • quotas • subsidies to domestic producers • non-tariff barriers 						
Explain the impact of protectionist policies on consumers, producers, governments, living standards, equality						
<u>4.1.7 Balance of payments</u>						
Describe the components of the balance of payments: <ul style="list-style-type: none"> • the current account • the capital and financial accounts 						
Explain the causes of deficits and surpluses on the current account						
Asses measures to reduce a country's imbalance on the current account						

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Explain the significance of global trade imbalances						
<u>4.1.8 Exchange rates</u>						
Describe the exchange rate systems including: • floating • fixed • managed						
Make a distinction between revaluation and appreciation of a currency						
Make a distinction between devaluation and depreciation of a currency						
Identify factors influencing floating exchange rates						
Describe government intervention methods that could be used in currency markets through foreign currency transactions and the use of interest rates						
Explain competitive devaluation/depreciation and its consequences						
Assess the impact of changes in exchange rates such as: • the current account of the balance of payments (reference to Marshall-Lerner condition and J curve effect) • economic growth and employment/unemployment • rate of inflation • foreign direct investment (FDI) flows						
<u>4.1.9 International competitiveness</u>						
Explain the measures of international competitiveness: • relative unit labour costs • relative export prices						
Identify the factors influencing international competitiveness						
Identify the significance of international competitiveness including the: • benefits of being internationally competitive • problems of being internationally competitive						
<u>4.2 Poverty and Inequality</u>						

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<u>4.2.1 Absolute and relative poverty</u>						
Make the distinction between absolute poverty and relative poverty						
Be able to identify measures of absolute poverty and relative poverty						
Assess causes of changes in absolute poverty and relative poverty						
<u>4.2.2 Inequality</u>						
Make the distinction between wealth and income inequality						
Identify and explain measurements of income inequality: <ul style="list-style-type: none"> the Lorenz curve (diagrammatic analysis) the Gini coefficient 						
Explain the causes of income and wealth inequality within countries and between countries						
Identify the impact of economic change and development on inequality						
Describe the significance of capitalism for inequality						
4.3 Emerging and developing economies						
<u>4.3.1 Measures of development</u>						
Describe the three dimensions of the Human Development Index (HDI) (education, health and living standards) and how they are measured and combined						
Analyse the impact of using the HDI to compare levels of development between countries and over time						
Explain other indicators of development						
<u>4.3.2 Factors influencing growth and development</u>						

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Assess the impact of economic factors in different countries including being able to explain: <ul style="list-style-type: none"> • primary product dependency • volatility of commodity prices • savings gap: Harrod-Domar model • foreign currency gap • capital flight • demographic factors • debt • access to credit and banking • infrastructure education/skills • absence of property rights 						
Assess the Impact of non-economic factors in different countries						
<u>4.3.3 Strategies influencing growth and development</u>						
Identify and explain market-orientated strategies including: <ul style="list-style-type: none"> • trade liberalisation • promotion of FDI • removal of government subsidies • floating exchange rate systems • microfinance schemes • privatisation 						
Identify and explain Interventionist strategies including: <ul style="list-style-type: none"> • development of human capital • protectionism • managed exchange rates • infrastructure development • promoting joint ventures with global companies • buffer stock schemes 						
<u>4.3.3 Strategies influencing growth and development</u>						
Be able to explain other strategies that influence growth and development such as: <ul style="list-style-type: none"> • industrialisation: the Lewis model • development of tourism • development of primary industries • Fairtrade schemes • aid • debt relief 						
Have an awareness of the role of international institutions and non-government organisations (NGOs):						

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<ul style="list-style-type: none"> • World Bank • International Monetary Fund (IMF) • NGOs 						
4.4 The financial Sector						
<u>4.4.1 Role of financial markets</u>						
<p>To be able to explain how banks for fill the following roles;</p> <p>A) To facilitate saving</p> <p>b) To lend to businesses and individuals</p> <p>c) To facilitate the exchange of goods and services</p> <p>d) To provide forward markets in currencies and commodities</p> <p>e) To provide a market for equities</p>						
<u>4.4.2 Market failure in the financial sector</u>						
<p>Have a consideration of:</p> <ul style="list-style-type: none"> • asymmetric information • externalities • moral hazard • speculation and market bubbles • market rigging 						
<u>4.4.3 Role of central banks</u>						
<p>Be able to describe the key functions of central banks:</p> <ul style="list-style-type: none"> • implementation of monetary policy • banker to the government • banker to the banks – lender of last resort • role in regulation of the banking industry 						
4.5 Role of the State in the Macroeconomy						
<u>4.5.1 Public expenditure</u>						

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Be able to give distinction between capital expenditure, current expenditure and transfer payments						
Explain reasons for the changing size and composition of public expenditure in a global context						
Identify the significance of differing levels of public expenditure as a proportion of GDP on: <ul style="list-style-type: none"> • productivity and growth • living standards • crowding out • level of taxation • equality 						
<u>4.5.2 Taxation</u>						
Be able to define progressive, proportional and regressive taxes						
<u>4.5.2 Taxation</u>						
Be able to explain progressive, proportional and regressive taxes						
Analyse the economic effects of changes in direct and indirect including: <ul style="list-style-type: none"> • tax rates on other variables: • incentives to work • tax revenues: the Laffer curve • income distribution • real output and employment • the price level • the trade balance • FDI flows 						
<u>4.5.3 Public sector finances</u>						
Make distinctions between automatic stabilisers and discretionary fiscal policy						
Explain the difference between fiscal deficit and the national debt						
Explain the difference between structural and cyclical deficits						
Identify the factors influencing the size of fiscal deficits						
Identify the factors influencing the size of national debts						
Explain the significance of the size of fiscal deficits and national debts						
<u>4.5.4 Macroeconomic policies in a global context</u>						

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Explain the use of fiscal policy, monetary policy, exchange rate policy, supply-side policies and direct controls in different countries, with specific reference to the impact of: <ul style="list-style-type: none"> • measures to reduce fiscal deficits and national debts 						
Analyse and evaluate the impact of macroeconomic policies to respond to external shocks to the global economy						
Explain the measures to control global companies' (transnationals') operations such as: <ul style="list-style-type: none"> • the regulation of transfer pricing • limits to government ability to control global companies 						
Identify the problems facing policymakers when applying policies including: <ul style="list-style-type: none"> • inaccurate information • risks and uncertainties • inability to control external shocks 						

Targets / Next Steps: