

# A level Economics

## Introductory Activity 1

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Welcome to Economics. In this first activity you are going to be looking at a simple model of an economy. Before answering the questions below watch the following YouTube clips and make notes on the attached sheets:

[Production Possibilities Curve Review - YouTube](#)

[Shifting the Production Possibilities Curve - Macro Topic 1.2 \(Micro Topic 1.3\) - YouTube](#)

[PPF/PPC \(Production Possibility Frontiers/Curves\) - YouTube](#)

<https://www.tutor2u.net/economics/reference/production-possibility-frontier>

## Notes

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1. Draw a typical Production Possibility Curve/Frontier

2. On a Possibility Curve/Frontier, how can you show an economy
  - a. Working at Full Capacity
  - b. Working with Spare Capacity (or unemployment)
  
3. What is opportunity cost? (you may need to look this up on Google or you can watch this YouTube Clip: <https://www.youtube.com/watch?v=hR5E7Y4Dxuc>)

4. An economy produces two products, cars and corn. Using a Production Possibility Frontier/Curve diagram, can you show the opportunity cost of increasing the production of cars. (note: it will be in terms of corn production)

Extension Activity: Can you find out why the opportunity cost will increase as you increase the number of cars produced?

5. An economy is said to grow when a Production Possibility Frontier/Curve moves outwards. What factors shift the curve outwards?

# A level Economics

## Introductory Activity 2

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How much should a good or service be sold for? What price should we set? As you go through the A level course you will see that there are a larger number of different answers that depend on the market (or situation). One factor that determines price is DEMAND. Another factor is SUPPLY. So, what is demand and what is supply. Watch the following YouTube Clips.

<https://www.youtube.com/watch?v=LwLh6ax0zTE>

[https://www.youtube.com/watch?v=aH\\_XC6EAzXE&list=PLWeicFreBUYCOFC2A0SIKrpEYgwaSF63t&index=4](https://www.youtube.com/watch?v=aH_XC6EAzXE&list=PLWeicFreBUYCOFC2A0SIKrpEYgwaSF63t&index=4)

<https://www.youtube.com/watch?v=ewPNuglqCUM>

<https://www.youtube.com/watch?v=qMX3CJDt22o&list=PLWeicFreBUYCOFC2A0SIKrpEYgwaSF63t&index=5>

<https://www.youtube.com/watch?v=sKCOvstA9c0&list=PLWeicFreBUYCOFC2A0SIKrpEYgwaSF63t&index=6>

## Notes

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1. Define the following:

DEMAND:

SUPPLY

2. Draw a demand curve

3. Draw a Supply Curve

4. A demand curve will move (or shift) due to SEVEN factors. What are they?

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5. A supply curve will move (or shift) due to SEVEN factors. What are they?

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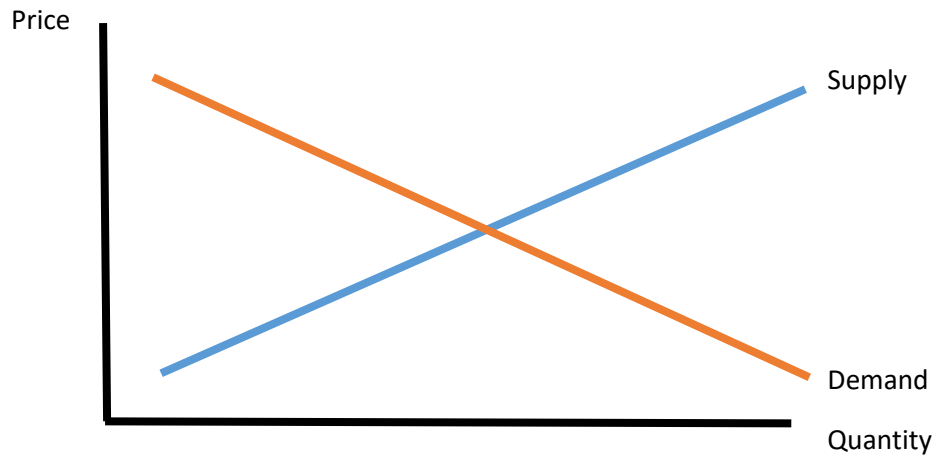
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6. On the diagram below show the following.

A Surplus

A Shortage

Where the 'Market Price' will be



7. In his spare time, Mr Morris produces and sells Neon Green Tee Shirts (These are excellent for Parties, Weddings, just looking 'cool', etc). In the last couple of weeks Mr Morris has ran a success advertising campaign. Using your knowledge of demand and supply, draw a diagram to show what would happen to the market price.