



ECONOMICS



Cardinal
Newman
CATHOLIC SCHOOL



Welcome to AQA A Level Economics. A Level Economics is the study of how individuals, businesses and governments make choices about using limited resources, which involves understanding scarcity, choice and opportunity cost. You will develop key skills such as analysing data, applying theory to real-world situations, and evaluating different arguments to form balanced judgements. Throughout the course, there is a strong emphasis on current events, helping students understand and explain real economic issues such as the cost of living crisis.

Please complete our transition task by your first lesson back in September.

Should you require any help or if you have any questions then please contact the Head of Business:
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COMPULSORY TRANSITION TASK

Big Question:

“What is the best way to respond to the cost of living crisis?”

Step 1: Build the Story (Economic Detective Task)

Task:

Below is a list of causes. Your task is to **actively link them together** to explain rising prices.

Factors:

- Rising energy prices
- Supply chain disruption
- War in Ukraine
- Increased demand after COVID
- Labour shortages
- Exchange rate changes

What to Do:

Create a **flow diagram or comic strip** showing:
“How does the cost of living crisis happen?”

You must:

- Connect at least **4 causes together**
- Use arrows and short explanations

Example starter:

War in Ukraine → higher gas prices → increased business costs → higher prices in shops

Step 2: Your Budget Challenge (Decision-Making Task)

Scenario:

You are a **household with £1,800 per month income**

Your costs have increased:

Expense	Before	Now
Rent	£700	£700
Food	£250	£320
Energy	£120	£220
Transport	£150	£200
Other	£300	£300

What to Do:

✓ Calculate:

- Total spending **before and after**
- How much money is left now

✓ Make **3 decisions to cope** (e.g. cut spending, work more, reduce heating)

A **trade-off** is when you have to give something up in order to get something else.

E.g. If you have £10 and choose to spend it on a takeaway, the trade-off is that you can no longer spend that £10 on cinema tickets.

✓ For each decision, explain the trade-off.

Task 3: Government Decision-Making

Scenario:

You are now the **UK Chancellor**

You can choose **ONLY TWO** policies to stop the cost of living crisis:

- Cut taxes
- Increase benefits
- Cap energy prices
- Raise interest rates
- Increase minimum wage
- Reduce government spending

✓ For each policy: How does it help? Who benefits the most? What is a potential drawback/risk?


Task 4: Final Response

Question:

What is the most effective way to reduce the impact of the cost of living crisis?

✓ You must include:

- Causes of the crisis
 - Impact on households
 - Your chosen policies
 - Advantages AND disadvantages
 - A clear judgement
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 Write your answer by hand in 400–500 words. Typed work will not be accepted.

Research links

[Cost of living and inflation - House of Commons Library](#)

[Causes of the Cost of Living Crisis 2026 - Economics Help](#)

Quantitative baseline assessment

You also need to prepare for a short quantitative skills test in September, so practice all of your GCSE Maths from the lists below.

In order to understand economics, students need to have competent quantitative skills that are applied in the context of an economics A-level, including:

- Calculate, use and understand ratios and fractions
- Calculate, use and understand percentages and percentage changes
- Understand and use the terms, mean, median and relevant quartiles
- Construct and interpret a range of standard graphical forms
- Calculate and interpret standard form
- Calculate cost, revenue and profit (marginal, average, totals)
- Make calculations to convert from money to real terms
- Make calculations of elasticity and interpret the result
- Interpret, apply and analyse information in written, graphical and numerical forms

Wider Reading and Preparation for A-Level Task 1

Bank of England Monetary Policy Report

The Bank of England's Monetary Policy Committee (MPC) is responsible for setting interest rates to control inflation. This task will look at why inflation is rising and whether interest rates are the best way to deal with it.

Research Link

[Monetary Policy Report - April 2026 | Bank of England](#)

Produce a **one-page summary** covering:

1. Interest Rate Decision

- What happened to Bank Rate?
 - Was the vote unanimous?
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2. Inflation Trends

- Current CPI inflation
 - Short-term forecast
 - Main causes of inflation
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3. Economic Growth & Labour Market

- Is the UK economy strong or weak?
 - What is happening to unemployment/labour market?
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4. Key External Shock

- What global event is influencing the UK economy?

Wider Reading and Preparation for A-Level Task 2

Thinking like an economist

Digital scrapbook project

To be successful in A Level Economics, you need to understand how the real world works. Economists don't just learn theories — they apply them to what's happening right now. This task will help you build your awareness of current economic issues and start thinking like an economist.

you will create a **digital scrapbook** of real-world economic news.









This can be presented as:

-  A **Word document**, OR
-  A **PowerPoint presentation**

What should your scrapbook include?



Collect **6–10 news articles** about economic issues.

These could include topics such as:

-  Cost of living
-  Inflation
-  Employment and unemployment
-  Taxes and government spending
-  Interest rates
-  Global economic issues
-  Energy prices
-  Housing market

👉 If it affects money, businesses, the government or people's standard of living, it counts!

For each article, include:

1. **Title of the article**
2. **Date & source** e.g. BBC News
3. **Link or screenshot**
4.  A short summary (3–5 sentences):
 - What is the article about?
5.  Your economic thinking (this is the most important part!):
 - Why is this happening?
 - Who is affected? (consumers, businesses, government)
 - What are the possible consequences?

Research links

[Economics | The Guardian](#)

[Economy | Latest News & Updates | BBC News](#)

[The House of Commons Library](#)

Wider Reading and Preparation for A-Level Task 3

Meet the Economists

Throughout history, a small number of influential economists have shaped the way governments make decisions, how markets operate, and how societies organise their resources. In this task, you will explore the ideas of four key economists:

- Adam Smith
- Friedrich Hayek
- Milton Friedman
- John Maynard Keynes

For **each economist**, complete the following:

1. Background Research

- When did they live?
 - What country were they from?
 - What major historical events influenced their thinking?
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2. Key Ideas (Core Theory)

Summarise their main economic ideas. What did they believe about:

- The role of government?
 - Free markets vs government intervention?
 - Inflation, unemployment, or economic growth?
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3. Key Terms / Concepts

Explain at least **2–3 key concepts** linked to each economist.

Examples:

- Adam Smith: Invisible hand
 - Keynes: Demand management
 - Friedman: Monetarism
 - Hayek: Spontaneous order
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4. Evaluation

What are the strengths of their ideas?

- What are the weaknesses?
 - Do their ideas still apply today?
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5. Real-World Application

- Give **one real-world example or policy** influenced by their ideas (e.g. government stimulus, free market reforms, controlling inflation)