**Own Learning questions**

These questions are designed for you to complete in your Study Periods. The aim is for you to consolidate your learning and identify any knowledge gaps. The outcome is a complete set of revision notes.

You can use the following resources to help you:

* Maths and Physics tutor (remember that you are following the Economics B syllabus!)
* Getting Started Guide (this is on XXXXXXX)
* Tutor2U website (google the topic area and Tutor2u as the site is difficult to navigate around!)
* Tutor2u Youtube channel
* Economicsonline.com
* Your class notes
* “Economics” by Alain Anderton
* The Anforme textbooks
* The CGP A-Level Economics revision guide

When you have completed each section of Own Learning Questions, why don’t you print them out and file them in the appropriate section of your folder? We’ll be checking them!!!



* 1. **Scarcity, choice and potential conflict**

1. What is the basic economic problem?
2. Give three different types of economic agent.
3. What is an opportunity cost and a trade-off?
4. What does the Production Possibility Frontier show us, and how does economic growth shift it?
5. What are the three key business objectives, and what are the reasons for them?
6. What are the wider business objectives?
7. What are the different stakeholder groups that are interested in businesses?
8. What are their likely interests going to be?
9. How could these objectives conflict with other stakeholder groups? Give some examples.
10. What is the role of CSR?
    1. **Enterprise, business and the economy**
11. What is the role of an entrepreneur in our economy?
12. What are the different motives of entrepreneurs?
13. What are the four factors of production (factor resources)? Give an example of each.
14. What does “division of labour” mean?
15. How can this benefit/disadvantage employers and employees?
16. What is “specialisation”?
17. What are the advantages and disadvantages of specialisation to firms?
18. What is an “interest rate”?
19. What is the current Base Rate in the UK?
20. How could a rising interest rate impact on savers and borrowers?
21. How could a falling interest rate impact on savers and borrowers?
22. What is an “exchange rate”?
23. What is the current conversion rate of £ to $, and £ to Euro?
24. How does a weak pound impact on the price of goods imported into the UK?
25. How does a weak pound impact on the price of goods exported out of the UK?
26. What does “taxation” mean, and who collects tax in the UK?
27. What is the current rate of income tax and corporation tax? – and are these rising or falling?
28. What does “unemployment” mean?
29. Is unemployment rising or falling in the UK?
30. What does “inflation” mean?
31. What is the current rate of inflation as measured by the CPI?
32. What are the two types of inflation?
33. What does “deflation” mean?
34. What does “dis-flation” mean?
    1. **Introducing the market**
35. What is “demand”?
36. What is the difference between effective demand, individual demand, and market demand?
37. What is the relationship between quantity demanded and price?
38. What are the factors that shift the demand curve either to the right or to the left? (PIRATES)
39. What is “supply”?
40. What is the relationship between quantity supplied to the market and price? – and why is this?
41. What is the difference between individual supply and market supply?
42. What are the PINTSWC factors that will shift the supply curve either to the right or to the left?
43. How do can a depreciating exchange rate impact on the supply curve?
44. What is the market equilibrium, or the market clearing price?
45. What are the limitations of the supply and demand model?
46. What is the “price mechanism”, and what did Adam Smith call it?
47. What are the three functions that the price mechanism uses in order to allocate resources in a market?
48. Why do niche markets tend to be better at allocating resources to where consumers want and need them?
49. What is primary research, and what are the pros and cons of it?
50. What is secondary research, and what are the pros and cons of it?
51. What is the difference between qualitative and quantitative data?
52. What can cause the results of market research to be invalid or less than reliable?
53. How can businesses segment their markets, and what are the benefits of this?
54. How can a market map help businesses identify gaps in markets?
55. What is competitive advantage, and how can firms achieve it?
56. What is a cost competitive advantage?
57. What is “differentiation”, and how can branding help to achieve this?
58. What is “adding value”, and how can firms add value to their products?
59. How do firms decide on how much to charge for their products, and their level of output?
60. What is the difference between a stable and a dynamic market?
    1. **The role of credit in the economy**
61. What are the key roles of banks in an economy?
62. What is the role of the central bank (Bank of England)?
63. What is the base rate, and what is it set at currently?
64. What does the term “risk” mean?
65. What does “unlimited liability” mean? – and what are its implications?
66. What does “limited liability” mean? – and what are its implications?
67. What is the difference between an overdraft, a loan, a mortgage and trade credit?
68. What is the main source of credit in our economy?
69. What other sources of finance can firms and individuals access? – and what are their pros and cons? (could you create a table here?)
    1. **Market failure and government intervention**
70. What is a “failing market”?
71. What are the private costs, external costs and social costs involved with an economic activity?
72. What are the private benefits, external benefits and social benefits involved with an economic activity?
73. Why do free markets work well when the private and social benefits exceed the private and social costs?
74. What are the weaknesses of a free market economy?
75. What are the potential causes of market failure?
76. What is the difference between merit and de-merit goods?
77. What are the different methods that governments can use in order to encourage the consumption of merit goods?
78. What are the different methods that governments can use in order to discourage the consumption of de-merit goods?
79. What is government failure?
80. What causes government failure?

**1.6 Revenues, profits, costs and cash**

1. What is Total Revenue, and how is it calculated?
2. What is Average Revenue, and how is it calculated?
3. What does Marginal Revenue mean?
4. What is the difference between a fixed and a variable cost?
5. How is Total Costs calculated?
6. What is Average Costs, and how is it calculated?
7. What does Marginal Cost mean?
8. What is the formula for calculating a percentage change?
9. What do the terms “contribution” and “breakeven” mean, and how are they calculated?
10. What is a Margin of Safety, and why is a falling margin of safety bad for firms?
11. What are the limitations of using breakeven analysis?
12. Why is profit an incentive?
13. What is a Statement of Comprehensive Income, and what does it tell us?
14. What is the difference between gross, operating and net profit, and how are they calculated?
15. How are the different profit margins calculated, and what do they tell us?
16. What is the difference between “profit” and “cash”?
17. Why is a healthy cash flow important for businesses?
18. How can businesses predict their net cash flow over a period of time?
19. How can cash flow help businesses minimise risk?