

Introduction to economics 1

A good economics student not only knows their theory, i.e. the content that is on the specification, but also thinks like an economist. Economics is a subject that surrounds us all day every day. It is a real life subject that appears on the news every day. Variables change constantly, as do people's behaviours and attitudes. A good economics student is inquisitive.

In less than 15 words sum up what you think Economics is about.

Write down 5 things you know about the economy or the study of economics.

- _____
- _____
- _____
- _____
- _____

Watch the YouTube clip – Introduction to economics <https://youtu.be/sPnQilZzZtw>

Now fill in the table below to show what you have learnt about the study of economics.

Economics	
Microeconomics	Macroeconomics

In economics you will learn a lot of new terminology. In this worksheet, so far, you have been introduced to 7 key terms. Before moving on, check that you understand these terms.

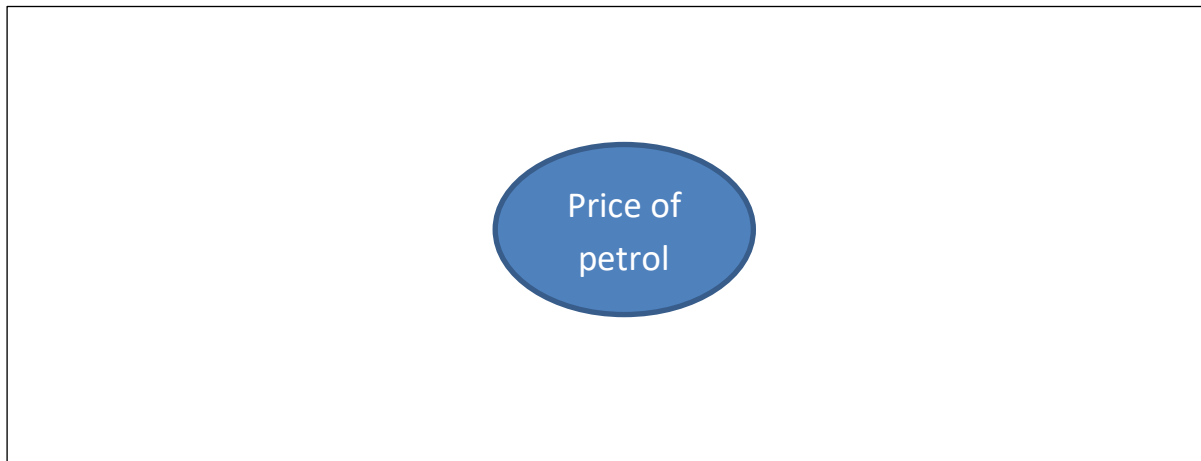
- Microeconomics
- Macroeconomics
- Goods
- Services
- Finite resources
- Infinite needs and wants
- Scarcity

In April 2020 the BBC reported that petrol prices, in the UK, were nearing £1 a litre. A key topic in economics is **price determination**.

Do you think this is a micro or macro topic? Justify your answer.

Micro or macro?

What factors do you think affect the price of petrol?



Remember, throughout your study of economics, it is important to keep up to date with national and global events. Good practice, after learning a new area of theory, is to practise applying it to a news story.

Open the BBC story:

Coronavirus: Why is the petrol price nearing £1 a litre?

<https://www.bbc.co.uk/news/business-52188448>

Read the introduction and section on “Why are petrol prices falling?”

With a different colour pen is there any additional information, or empirical evidence, you can add to your spider diagram?

In Economics there are 9 quantitative skills.

- calculate, use and understand ratios and fractions
- calculate, use and understand percentages and percentage changes
- understand and use the terms mean, median and relevant quantiles
- construct and interpret a range of standard graphical forms
- calculate and interpret index numbers
- 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

Look at the graph, “Oil price in 2020”, presented in the article. This is the type of information that is frequently used in economics questions. The 3 comments underneath help to explain the data. However, they are largely descriptive rather than demonstrating quantitative skills.

What was the peak crude oil price in 2020 by month?

Month	Price (\$)
Jan	
Feb	
Mar	
Apr	

QS3 What was the mean crude oil price between January and April?

What was the lowest crude oil price in 2020 by month?

Month	Price (\$)
Jan	
Feb	
Mar	
Apr	



QS3 What was the mean lowest crude oil price between January and April?

Watch this short YouTube clip, on calculating percentage change and how to use it, to demonstrate exam skills. Examples given in the clip are business related but QS2 is the same across both subjects.

Take the information from the clip, and your calculations, to write a stronger economics based explanation of the graph provided. Imagine you are adapting this BBC article for a specialist magazine such as "The Economist". You must demonstrate QS2, 3 and 4 in your response.

YouTube clip <https://www.youtube.com/watch?v=FOsrkEiZUlg>

Oil Price in 2020
