

AS ECONOMICS SUMMER WORK ASSIGNMENT

Task 1

Choose **one** of the below topics. Research the issue described and answer the questions listed below the topic heading.

Option 1 - The Financial Crisis...

"In 2008 the world experienced a large economic shock. All major economies around the world suffered a financial crisis and started to go into recession. A lot of economies have struggled to recover from the events of 2008 and are still not experiencing signs of growth"

Questions:

- 1) How did the financial crisis of 2008 start and why?
- 2) Which major American bank went bankrupt in 2008 and was at the heart of the crisis?
- 3) List three ways the global financial crisis has impacted the UK economy.

Option 2 - BREXIT – The British Exit from the Eurozone

"BREXIT is currently the newspapers favourite headline. After the referendum result to leave the European Union, every day there are reports about if, when and how should Britain invoke article 50 and give formal notice to leave. Whether and when Britain actually leave or not is not necessarily the issue but the uncertainty being created by the ongoing debate is..."

Questions:

- 1) What is the European Union? How is it different to the Eurozone?
- 2) What were the Economic arguments for leaving the European Union. What were the economic arguments for the remain campaign?
- 3) What has been the fallout of the referendum result on the economy and the financial markets.
- 4) What will be the impact on the rest of Europe

Option 3 - Famous Economists

"Adam Smith is the grandfather of Economics. He invented the framework of the way the economy works today. John Maynard Keynes, Milton Friedman and Hayek also have built and added to Smith's framework of economic theory..."

Questions:

- 1) What are Adam Smith's cannons of taxation?
- 2) Research John Maynard Keynes, Milton Friedman and Hayek and write down some facts about their history and their approach to Economics
- 3) How are the 3 economists different in their approach to economics?

*Watch on youtube the "masters of money" series to help you with your research

Task 2

Look up these Economic Keywords and learn the economic definitions of **10** of them:

- 1) Inflation
- 2) Economies of Scale
- 3) GDP
- 4) Merit Good
- 5) Balance of Payments
- 6) Demerit Good
- 7) Negative and positive externalities
- 8) Monopoly
- 9) Real interest rate
- 10) GNP
- 11) Structural unemployment
- 12) Labour productivity
- 13) Cyclical unemployment
- 14) Fiscal policy
- 15) Inferior good
- 16) Monetary policy
- 17) Normal good
- 18) Supply side policy
- 19) Direct tax
- 20) Deflation

Some websites to help with your research:

- 1) Definitions A-Z from the economist <http://www.economist.com/economics-a-to-z>
- 2) Tutor2u – research any economic topic or event <http://beta.tutor2u.net/economics/topics>
- 3) Economics online <http://www.economicsonline.co.uk/>