

Resources covering Pearson Edexcel International Advanced Level Economics new content

| IAL Economics Unit 1 content | Learning content | Description of new content | References in <i>A Level Economics for Edexcel: Student Book, 5th Edition</i> by Alain Anderton (ISBN: 978-1-4058-9228-5)* |
|--|--|---|---|
| 1.3.1 The nature of economics | 3. Specialisation, the divisions of labour and the role of money | The functions of money e.g. medium of exchange, measure and store of value, method of deferred payment. | Unit 12, p. 12 |
| | 4. Free market and mixed economies | The role of the state in a mixed economy. | Unit 5 |
| | 5. Positive and normative economics | The role of value judgements in influencing economic policy. | Unit 4 |
| 1.3.2 Demand and consumer behaviour | 1. The demand curve | Diminishing marginal utility. | Tutor2u: Cool Hand Luke < http://www.tutor2u.net/blog/index.php/economics/comments/economics-at-the-movies-cool-hand-luke-and-diminishing-returns > |
| | 3. Consumer behaviour | The assumption of rationality, challenges to this assumption from behavioural economics. | Sloman: rationality < http://pearsonblog.campaignserver.co.uk/?p=8898 > Tutor2u: Dan Ariely and IKEA < http://www.tutor2u.net/blog/index.php/economics/comments/behavioural-economics-the-ikea-effect > |
| 1.3.5 Wage determination in labour markets | 1. The demand for labour | Elasticity of demand for labour. | Unit 14 |
| | 2. The supply of labour | Elasticity of supply of labour. | Unit 14 |

*Plus references to additional online resources supporting the unit content where applicable.

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| IAL Economics Unit 2 content | Learning content | Description of new content | References in <i>A Level Economics for Edexcel: Student Book, 5th Edition</i> by Alain Anderton (ISBN: 978-1-4058-9228-5)* |
|---|-------------------------------------|---|---|
| 2.3.1 Measures of economic performance | 1. Economic growth | GNP and GNI, limitations of GDP as a measure. GNI stats < http://data.worldbank.org/indicator/NY.GNP.PCAP.CD > GDP stats < http://data.worldbank.org/indicator/NY.GDP.PCAP.CD/countries > | Unit 25, pp. 162–164 |
| | 2. Inflation | Definitions of deflation and disinflation, causes and effects of inflation. Disinflation is just a decrease in the rate of inflation i.e. prices rising at a slower rate. Deflation is when prices are actually falling. | Unit 30 |
| | 3. Employment and unemployment | Distinction between unemployment and underemployment. Underemployment is when people in work are working fewer hours than they would wish e.g. someone who wants to work full-time but who can only find part-time work. | UK Office of National Statistics: Underemployment < http://www.ons.gov.uk/ons/rel/lmac/underemployed-workers-in-the-uk/2012/sty-underemployed-workers-in-the-uk.html > |
| | 4. Balance of payments | Components of the balance of payments. | Unit 31 |
| 2.3.3 Aggregate demand (AD) | 2. Consumption (C) | Disposable income and the marginal propensity to consume as determinants of consumption. | Unit 33 |
| | 5. Exports-Imports (X-M) | Degree of protectionism as an influence on the value of (X-M). | Unit 72, p. 487 |
| 2.3.4 Aggregate supply (AS) | 1. The characteristics of AS | Different shapes of AS curves. | Unit 37 |
| | 2. Short-run and long-run AS | Short-run and long-run AS curves. | Unit 37 |
| 2.3.5 The interaction of AD and AS to determine equilibrium | 1. Equilibrium level of real output | Causes of changes in real output. | Unit 38 |
| | 2. The multiplier | Calculating the multiplier. | Unit 36, p. 240 |
| 2.3.6 Economic growth | 1. Causes of growth | Distinction between the causes of actual and potential growth. | Unit 26 |
| | 5. Output gaps | Definition and characteristics of a recession. | Unit 26 |

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| IAL Economics Unit 3 content | Learning content | Description of new content | References in <i>A Level Economics for Edexcel: Student Book, 5th Edition by Alain Anderton (ISBN: 978-1-4058-9228-5)*</i> |
|--|---|--|---|
| 3.3.2 Revenue, costs and profit | 2. Costs | Derivation of short-run cost curves from assumption of marginal productivity. | Unit 43 |
| 3.3.3 Market structures and contestability | 5. Monopsony | Costs and benefits to employees. | Unit 50 |
| 3.3.4 Government intervention to promote competition | 2. Government intervention to protect suppliers and employees | Types of government intervention and their impact. | Local sourcing of raw materials < http://business.un.org/en/commitments/2552 > Local content requirements < http://www.twinside.org.sg/title2/resurgence/2013/269-270/econ3.htm > Trade associations lobbying < http://www.indianexpress.com/news/boeing-pfizer---dow-among-us-entities-lobbying-on-india-issues/1105946/ > |

**Plus references to additional online resources supporting the unit content where applicable.*

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| IAL Economics Unit 4 content | Learning content | Description of new content | References in <i>A Level Economics for Edexcel: Student Book, 5th Edition</i> by Alain Anderton (ISBN: 978-1-4058-9228-5)* |
|---|---|--|--|
| 4.3.1 Causes and effects of globalisation | 1. Causes of globalisation | Meaning of globalisation, time frame (the last 40 years) | Unit 68 |
| 4.3.2 Trade and the world economy | 3. Terms of trade | Definition and calculation, factors, impact of changes. | Unit 69: pp. 465–466 |
| 4.3.3 Balance of payments and exchange rates | 1. Balance of payments | Causes of and factors influencing the size of, deficits and surpluses on the capital and financial account. Measures to reduce a country's imbalances on the current account and/or capital and financial account. | Unit 71 Unit 72 |
| | 2. Exchange rates | Distinction between fixed, managed and floating exchange rates. Government intervention in currency markets. Competitive devaluation/depreciation and its consequences. | Unit 73 Unit 72 Unit 72 |
| 4.3.4 Poverty and inequality | 2. Inequality | Distinction between wealth and income inequality. Impact of economic change and development on inequality. | Unit 79 |
| 4.3.5 The role of the state in the macroeconomy | 1. Public expenditure | Distinction between current expenditure, capital expenditure and transfer payments. | Unit 63 |
| | 2. Taxation | Possible link between changes in tax rates and tax revenues, including the Laffer curve | Unit 62 |
| | 3. Public sector borrowing and public sector debt | Distinction between structural and cyclical deficits. Factors influencing the size of public sector borrowing and debt. | Unit 64 Unit 62 |
| | 4. Macro-economic policies | Distinction between fiscal deficits and fiscal surpluses. Methods and impact of measures to reduce fiscal deficits and public sector debt. | Unit 64 Unit 64 |

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