

## Economics for Year 12

Economics will be a new subject for many of you. Immersing yourself in the news is a great way to start thinking about the economics that impact our everyday lives. Below is the overall specification for the course for you to look through and tasks that will help you start to think about this subject.

Subject Content for this course can be found here... [Edexcel GCSE and GCE 2014](https://qualifications.pearson.com/content/dam/pdf/A%20Level/Economics/2015/specification-and-sample-assessment-materials/A_Level_Econ_A_Spec.pdf)

([https://qualifications.pearson.com/content/dam/pdf/A%20Level/Economics/2015/specification-and-sample-assessment-materials/A\\_Level\\_Econ\\_A\\_Spec.pdf](https://qualifications.pearson.com/content/dam/pdf/A%20Level/Economics/2015/specification-and-sample-assessment-materials/A_Level_Econ_A_Spec.pdf) )

### Introductory Task – The Government’s Spending Review

#### Step 1: Reading

Carefully read this article ([Spending Review: How much did schools, transport and the NHS get? - BBC News](https://www.bbc.co.uk/news/articles/cgq3w2p2129o) - <https://www.bbc.co.uk/news/articles/cgq3w2p2129o>) on the UK government’s Spending Review and identify:

- Departments with increased budgets
- Departments facing cuts
- Long-term investments vs short-term spending
- Any mention of outcomes, goals, or challenges

#### Step 2: Key Economic Concepts in Action

Using the article and your own research, create and complete a table like the one below:

Economic Concept	Explanation (2–3 sentences)	Example from the Article
Opportunity Cost		
Resource Allocation		
Government Intervention		
Public vs Private Goods		
Capital vs Current Spending		

*Hint: Think about where money is being invested (e.g. housing, prisons, science), and what that means for services not receiving investment.*

#### Step 3: Short Written Response

Choose **one** of the following discussion questions and write a 150-word response (prepare to discuss in class):

- Should the government increase taxes to fund more spending on public services, or should it focus on reducing the national debt? Explain your view.
- How might increased spending on science and AI benefit the UK economy in the long term?
- Do you think the government is allocating resources efficiently in this Spending Review? Why or why not?

## Extension/Challenge Task

Research the concept of **fiscal policy**. Write a brief definition in your own words, then explain how this Spending Review could be considered an example of **expansionary fiscal policy**.

## WIDER READING TO PREPARE FOR COURSE

Students should spend some of their summer holiday reading around their new choice of subjects to develop their evaluation skills. It is not the intention that students read the entire list, but they should choose one or two that interest them so they return in September with the ability to talk with maturity on certain key topics. Many of these books can be purchased for a reasonable price second-hand from Amazon. Alternatively, read the first few chapters if not large parts of the books for free on google books.

Introductory books to get you think like an economist:

- **Abundance: How we build a better world** – Klein and Thompson. Released in May 2025, the authors unpick the barriers to progress and build. From healthcare to housing, infrastructure to innovation, they lay out a path to a future defined not by fear, but by abundance.
- **How Countries Go Broke, the Big Cycle** – Ray Dalio. Released in June 2025, this book considers whether or well-being is impacted by government debt.
- **Books by Tim Harford** (The Undercover Economist / Logic of Life / Fifty Things that Made the Modern Economy / Adapt) - all Harford's books are highly readable and introduces basic economic concepts into real world scenarios.
- **Nudge** – Thaler and Sunstein - this illustrates a number of key principles of behavioural economics, and then delves into a range of social issues that could benefit from nudges such as our finances, the environment and health.
- **Freakonomics** – Levitt and Dubner. This book became so popular that there is now some academic snobbery against it, but it is still an interesting and easy read.