

AQA A Level Economics (7135) – Year 1 Revision Checklist

(For AS content only: Micro + Macro foundations)

1. Microeconomics (Paper 1) – Knowledge Checklist (Year 1 Only)

1.1 Economic Methodology & the Economic Problem

- Positive vs normative statements
 - Value judgements
 - Scarcity, choice, opportunity cost
 - Production possibility frontiers (PPFs): shifts, movements, efficiency
 - Specialisation & division of labour
 - Free market, mixed, and command economies
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1.2 Price Determination in a Competitive Market

- Demand & supply (movements vs shifts)
 - Determinants of demand & supply
 - Elasticities:
 - PED
 - PES
 - YED
 - XED
 - Consumer & producer surplus
 - Price mechanism (rationing, signalling, incentive functions)
 - Indirect taxes & subsidies (basic diagrams)
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1.3 Production, Costs & Revenue

- Short run vs long run
- Law of diminishing returns
- Economies & diseconomies of scale
- Types of economies of scale (technical, managerial, purchasing, etc.)
- Cost curves (TC, TFC, TVC, AC, AVC, MC)
- Revenue curves (TR, AR, MR)

- Profit (normal, supernormal, subnormal)
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1.4 Competitive & Concentrated Markets

- Market structures:
 - Perfect competition
 - Monopolistic competition
 - Oligopoly (basic collusion, kinked demand curve)
 - Monopoly
 - Barriers to entry
 - Efficiency:
 - Allocative
 - Productive
 - Dynamic
 - X-inefficiency
 - Contestable markets (basic theory)
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1.5 Market Failure

- Externalities (positive & negative, diagrams, evaluation)
 - Public goods (non-rival, non-excludable, free rider problem)
 - Information gaps
 - Merit & demerit goods
 - Under-provision & over-consumption
 - Government failure (unintended consequences, distortion of price signals)
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1.6 Government Intervention

- Indirect taxes
- Subsidies
- Minimum & maximum prices
- Buffer stock schemes (basics)
- State provision
- Regulation

- Pollution permits (intro level)
 - Behavioural economics:
 - Bounded rationality
 - Bounded self-control
 - Nudges
 - Choice architecture
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2. Macroeconomics (Paper 2) – Knowledge Checklist (Year 1 Only)

2.1 Macroeconomic Objectives

- Economic growth
 - Inflation
 - Unemployment
 - Balance of payments
 - Redistribution of income (basics)
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2.2 Measures of Economic Performance

- GDP, GNI, PPP
 - CPI/RPI
 - Types of unemployment (structural, cyclical, frictional, seasonal)
 - Trade balances
 - Limitations of macroeconomic data (accuracy, comparability, informal economy)
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2.3 Aggregate Demand & Aggregate Supply

- AD components (C, I, G, X-M)
 - Factors influencing consumption, investment, government spending, net exports
 - SRAS & LRAS (Keynesian vs classical)
 - Shifts in AD & AS
 - Output gaps (positive & negative)
 - Multiplier effect (basic calculations)
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2.4 Economic Growth

- Causes of growth (demand-side & supply-side)
 - Benefits of growth
 - Costs of growth (inflation, inequality, environment)
 - Productivity & investment
 - Sustainable growth
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2.5 Macroeconomic Policy

- Fiscal policy (government spending, taxation)
 - Monetary policy (interest rates, QE basics)
 - Supply-side policies (market-based & interventionist)
 - Policy conflicts & trade-offs (inflation vs growth, unemployment vs inflation)
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2.6 International Economics (Year 1 Level)

- Globalisation (causes & impacts)
 - Trade blocs (EU, NAFTA basics)
 - Comparative advantage (simple explanation)
 - Protectionism (tariffs, quotas, subsidies)
 - Exchange rates (floating vs fixed, appreciation/depreciation effects)
 - Balance of payments (current account basics)
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3. Quantitative Skills Checklist (Year 1 Only)

Students should be able to calculate, interpret, and evaluate:

- Percentages & percentage change
- Index numbers
- Elasticities (PED, PES, YED, XED)
- Total, average & marginal values
- Cost & revenue calculations
- Multiplier effect
- Exchange rate changes
- Inflation calculations
- Unemployment rates

- Balance of payments components
 - Lorenz curve & Gini coefficient
 - Real vs nominal values
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4. Exam Technique Checklist (Year 1 Papers)

4.1 Paper 1 (Microeconomics)

- Practise drawing diagrams accurately
 - Use real world micro examples (housing market, energy, supermarkets)
 - Build chains of reasoning
 - Evaluate using:
 - Short vs long run
 - Stakeholders
 - Magnitude
 - Elasticity
 - Assumptions
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4.2 Paper 2 (Macroeconomics)

- Use up-to-date macroeconomic data (UK inflation, unemployment, growth)
- Practise AD/AS diagrams
- Evaluate policy effectiveness using context (global shocks, supply constraints)
- Use clear, labelled diagrams