

<p>influence aggregate demand. • How fiscal policy can be used to influence aggregate supply. • How government spending and taxation can affect the pattern of economic activity. • The types of and reasons for public expenditure. • Why governments levy taxes. • The difference between direct and indirect taxes. • The difference between progressive, proportional and regressive taxes. • The principles of taxation, such as that taxes should be equitable. • The role and relative merits of different UK taxes. • The relationship between the budget balance and the national debt. • Cyclical and structural budget deficits and surpluses. • The consequences of</p>	<p>balance and be able to evaluate the possible economic consequences of a government running a budget deficit or budget surplus.</p> <ul style="list-style-type: none"> • They should be able to assess the impact of measures used to rebalance the budget. 	<p>of HM Treasury website or recent budget summary to highlight recent changes</p> <p>Government spending:Teacher-led presentation of the major areas of government spending and changes</p> <p>Changes in policy comprehension:Students to develop understanding of terms such as automatic stabiliser and discretionary policy and analyse changes diagrammatically. Students to understand the government's role in</p>			<p>and challenges for corporate tax'</p> <p>Borrowing pres.tutor2u</p> <p>Fiscal policy and AD pres.tutor2u</p> <p><i>Economics Today</i>, Vol. 21, Mar 2014, 'Understanding the budget'</p> <p><i>Economics Today</i>, Vol. 18, Nov 2010, 'What problems does a budget deficit cause for government financing?'</p> <p><i>Economic Review</i>, Vol. 29, Sep 2011, 'The history of public debt'</p> <p>Research into recent changes to the budget balance – to what extent have they been desirable</p>
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<p>budget deficits and surpluses for macroeconomic performance. • The significance of the size of the national debt. • The role of the Office for Budget Responsibility.</p>		<p>the multiplier (studied earlier)</p> <p>Taxation: Teacher-led presentation on types and justifications of taxation. The relative importance of types of taxation such as progressive and regressive can be discussed as well as their effects on things such incentives to work</p> <p>Corporation tax: : Students to evaluate the role of corporation tax in attracting FDI and its effects on domestic investment</p> <p>The Laffer curve:Teacher-led activity on the Laffer curve. Students to</p>			
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		<p>evaluate the effects of changing taxation</p> <p>Government borrowing: Analysis of the current deficit (or surplus) and the addition (or reduction) in national debt. This can be obtained from the Treasury website. Links back to the money markets and bonds can be made here. Students could be shown “the debt bombshell” to give them some perspective of the size of the national debt</p> <p>Debt: Comprehension activities on the size and changes in the UK national debt. Students should be able to identify the</p>			
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		consequences of debt such as the effects on future generations and crowding out or crowding in			
<p>2.6.2 Trade The model of comparative advantage. • The distinction between comparative and absolute advantage. • The model shows that specialisation and trade can increase total output. • Other economic benefits of trade, such as the ability to exploit economies of scale and increased competition. • The costs of international trade. • The reasons for changes in the pattern of trade between the UK and the rest of the world. • The nature of</p>	<ul style="list-style-type: none"> Students should be able to use a simple numerical example to illustrate the principle of comparative advantage and the associated benefits of trade. Students should be able to use a diagram to illustrate the effects of imposing a tariff on imports. Students should be able to discuss the arguments for and against the UK's membership of the EU. 	<p>Identify the major areas of government spending and taxation: Student activity highlighting areas of spending and justification for example public goods, merit goods etc. Use of HM Treasury website or recent budget summary to highlight recent changes</p> <p>Government spending:Teacher-led presentation of the</p>			<p>Anderton,A. 5th ed. (2008). pp 511–536.</p> <p>Lawrence,J. et al. (2009). pp 157–170.</p> <p>Powell,R. (2014). pp 285–299.</p> <p>HM Treasury website</p> <p>Govt. spending pres.tutor2u</p> <p><i>Economic Review</i>, Vol. 28, Apr 2011, 'Spending cuts and the UK economy'</p> <p>Taxation pres.tutor2u</p> <p><i>Economic Review</i>, Vol. 28, Apr 2011, 'Fiscal</p>

<p>protectionist policies, such as: tariffs, quotas and export subsidies. • The causes and consequences of countries adopting protectionist policies. • The main features of a customs union. • The main characteristics of the Single European Market (SEM). • The consequences for the UK of its membership of the European Union (EU). • The role of the World Trade Organisation (WTO)</p>		<p>major areas of government spending and changes</p> <p>Changes in policy comprehension: Students to develop understanding of terms such as automatic stabiliser and discretionary policy and analyse changes diagrammatically. Students to understand the government's role in the multiplier (studied earlier)</p> <p>Taxation: Teacher-led presentation on types and justifications of taxation. The relative importance of types of taxation such as</p>			<p>policy – Globalisation and challenges for corporate tax'</p> <p>Borrowing pres.tutor2u</p> <p>Fiscal policy and AD pres.tutor2u</p> <p><i>Economics Today</i>, Vol. 21, Mar 2014, 'Understanding the budget'</p> <p><i>Economics Today</i>, Vol. 18, Nov 2010, 'What problems does a budget deficit cause for government financing?'</p> <p><i>Economic Review</i>, Vol. 29, Sep 2011, 'The history of public debt'</p> <p>Debt bombshell website</p>
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		<p>the Treasury website. Links back to the money markets and bonds can be made here. Students could be shown “the debt bombshell” to give them some perspective of the size of the national debt</p> <p>Debt: Comprehension activities on the size and changes in the UK national debt. Students should be able to identify the consequences of debt such as the effects on future generations and crowding out or crowding in</p> <p><u>Ideas for extension and differentiation</u></p> <p>Research into recent changes to the budget</p>			
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		balance – to what extent have they been desirable			