Foxford Learning Plan

YEAR 12 Economics

Topics- - How the macroeconomy works

Spring 1

Key Vocabulary	
National income	The flow of new output produced by the economy in a particular period.
Investment	Total planned spending by firms on capital goods produced within the economy.
Inflation	A continuing rise in the price level.
Consumption	Total planed spending by households on consumer goods and services produced within the economy.
Aggregate demand	The total planned spending on real output produced within the economy.
Aggregate supply	The level of real national output that producers are prepared to supply at different average price levels.

KeySkills	Over the course of the topic, I will be able to: -
	Explain the meaning of national income and what it measures.
	Explain the circular flow macroeconomic model.
	Analyse the effect of changes in injections and withdrawals of demand.
	Explain AD and AS macroeconomic model
	Explain the multiplier process
	Explain the difference between national income and GDP.



I will Understand
1. How to accurately draw AD and AS diagrams.
2. The components of aggregate demand.
3. The accelerator theory of investment.
4. The marginal propensity to consume.
5. The determinants of aggregate supply.