Foxford Learning Plan

YEAR 12 Economics

Topics- The market mechanism, market failure and Government intervention in markets, Economic performance

Summer 1

Key Vocabulary	
Market failure	When the market mechanism leads to a misallocation of resources.
Public good	A good that is non-excludable and non-rival.
Externality	A benefit or cost that is dumped on third parties outside the market.
Demand-side	Relates to the impact of changes in AD on the economy.
Supply-side	Relates to the changes in the potential output of the economy which is affected by the available factors of production.
Economic cycle	Upswing and downside in aggregate economic activity taking place over 4 to 12 years.

KeySkills	Over the course of the topic, I will be able to: -
	Explain the four functions that prices perform.
	Explain how markets and prices affect resource allocation
	Explain the meaning of market failure.
	Explain the Phillips curve relationship
	Explain the different sections of the current account of the balance of payments.
	Explain the demand-side and supply-side causes of unemployment.



I will Understand
1. The difference between a public and private good.
2. The difference between a merit and demerit good.
3. How externalities lead to market failure.
4. The costs and benefits of economic growth.
5. The effects that deflation has on the economy.