

MICROECONOMICS SPEC REFERENCE	PAPER 1	PAPER 3	NOTES
<b>4.1.1.1 Economic methodology</b>		Yes	
4.1.1.2 Nature and purpose of economic activity			
4.1.1.3 Economic resources			
4.1.1.4 Scarcity, choice and the allocation of resources			
<b>4.1.1.5 Production possibility diagrams</b>		Yes	
<b>4.1.2.1 Consumer behaviour</b>		Yes	
4.1.2.2 Imperfect information			
4.1.2.3 Aspects of behavioural economic theory			
<b>4.1.2.4 Behavioural economics and economic policy</b>		Yes	
<b>4.1.3.1 Determinants of demand</b>		Yes	
<b>4.1.3.2 Price, income and cross elasticities of demand</b>		Yes	
4.1.3.3 Determinants of supply			Useful to revise as it helps with 4.1.3.6 – interrelationships between markets
<b>4.1.3.4 Price elasticity of supply</b>		Yes	
4.1.3.5 Determination of market equilibrium price			Useful to revise as it helps with 4.1.3.6 – interrelationships between markets
<b>4.1.3.6 Interrelationships between markets</b>		Yes	
4.1.4.1 Production and productivity			
4.1.4.2 Specialisation, division of labour and exchange			
4.1.4.3 Law of diminishing returns and returns to scale			
4.1.4.4 Costs of production			Extremely useful to revise as it is very difficult to analyse the market structures and the relevant associated diagrams (4.1.5.1 to 4.1.4.7) without a strong understanding of cost and revenue theory
4.1.4.5 Economies and diseconomies of scale			
4.1.4.6 Margin, average and total revenue			
<b>4.1.4.7 Profit</b>		Yes	
<b>4.1.4.8 Technological change</b>	Yes	Yes	
<b>4.1.5.1 Market structures</b>	Yes		
<b>4.1.5.2 Objectives of firms</b>	Yes	Yes	
<b>4.1.5.3 Perfect competition</b>		Yes	
<b>4.1.5.4 Monopolistic competition</b>		Yes	
<b>4.1.5.5 Oligopoly</b>	Yes		
<b>4.1.4.6 Monopoly</b>	Yes		
<b>4.1.4.7 Price discrimination</b>		Yes	

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<b>4.1.5.8 Dynamics of competition and competitive market processes</b>	Yes	Yes	
<b>4.1.5.9 Contestable and non-contestable markets</b>	Yes		
<b>4.1.5.10 Market structure, efficiency and resource allocation</b>	Yes		
<b>4.1.5.11 Consumer and producer surplus</b>		Yes	
<b>4.1.6.1 Demand for labour – MRP theory</b>	Yes		
<b>4.1.6.2 Influences on supply of labour</b>	Yes		
<b>4.1.6.3 Determination of wages and employment in perfectly competitive labour markets</b>	Yes		
<b>4.1.6.4 Determination of wages and employment in imperfectly competitive labour markets</b>	Yes	Yes	
<b>4.1.6.5 Influence of trade unions</b>	Yes		
<b>4.1.6.6 NMW</b>	Yes		
<b>4.1.6.7 Discrimination in the labour market</b>	Yes		
<b>4.1.7.1 Distribution of income and wealth</b>	Yes		
<b>4.1.7.2 Problem of poverty</b>	Yes	Yes	
<b>4.1.7.3 Policies to alleviate poverty and influence the distribution of income and wealth</b>	Yes		
<b>4.1.8.1 How markets and prices allocate resources</b>	Yes		
<b>4.1.8.2 Meaning of market failure</b>	Yes	Yes	
<b>4.1.8.3 Public goods</b>	Yes		
<b>4.1.8.4 Externalities</b>	Yes	Yes	
<b>4.1.8.5 Merit and demerit goods</b>	Yes		
<b>4.1.8.6 Market imperfections</b>	Yes	Yes	
<b>4.1.8.7 Competition policy</b>			
<b>4.1.8.8 Public ownership, privatisation, regulation and deregulation</b>	Yes		
<b>4.1.8.9 Government intervention in markets</b>	Yes	Yes	
<b>4.1.8.10 Government failure</b>	Yes	Yes	

<b>MACROECONOMICS SPEC REFERENCE</b>	<b>PAPER 2</b>	<b>PAPER 3</b>
4.2.1.1 Objectives of government economic policy	Yes	Yes
4.2.1.2 Macroeconomic indicators	Yes	Yes
4.2.1.3 Use of index numbers	Yes	Yes
4.2.1.4 Uses of national income data	Yes	Yes
4.2.2.1 Circular flow of income	Yes	Yes
4.2.2.2 AD and AS analysis	Yes	Yes
4.2.2.3 Determinants of AD	Yes	
4.2.2.4 AD and the level of economic activity	Yes	
4.2.2.5 Determinants of SRAS	Yes	
4.2.2.6 Determinants of LRAS	Yes	
4.2.3.1 Economic growth and the economic cycle	Yes	Yes
4.2.3.2 Employment and unemployment	Yes	Yes
4.2.3.3 Inflation and deflation	Yes	Yes
4.2.3.4 Conflicts between macro policy objectives	Yes	
4.2.4.1 Structure of financial markets and financial assets		Yes
4.2.4.2 Commercial banks and investment banks		Yes
4.2.4.3 Central banks and monetary policy	Yes	
4.2.4.4 Regulation of the financial system		Yes
4.2.5.1 Fiscal policy	Yes	Yes
4.2.5.2 Supply side policies	Yes	Yes
4.2.6.1 Globalisation	Yes	
4.2.6.2 Trade	Yes	Yes
4.2.6.3 Balance of Payments	Yes	
4.2.6.4 Exchange rate systems	Yes	
4.2.6.5 Economic growth and development	Yes	Yes