

Economics: supported transfer

Original focus rehearsal; native prerequisites and source boundaries remain explicit

1 · Scarcity and opportunity cost: method

method

A production possibility frontier shows maximum feasible combinations using stated resources and technology. On the straight line shown, one extra desk costs two chairs. An inside point can be feasible but does not use full capacity; a point beyond the frontier needs more resources or technology. Movement along the frontier is reallocation, not growth.

Use all linked prerequisite lessons for the complete mapped method.

1 · Scarcity and opportunity cost: worked question

worked question

An original workshop can make 20 desks or 40 chairs per day. With a straight frontier, calculate the opportunity cost of five more desks and distinguish a move along it from a shift.

Pause and state a method before the answer.

1 · Scarcity and opportunity cost: worked reasoning

worked reasoning

The slope gives $40/20 = 2$ chairs per desk. Five desks therefore cost $5 \times 2 = 10$ chairs per day. Reallocating existing resources moves along the frontier. More usable resources or better technology can shift it outward; demand alone does not increase physical capacity.

Check units, assumptions and the scope of the conclusion.

1 · Scarcity and opportunity cost: transfer

transfer

A workshop has idle machines. A new order raises output. Has its production frontier necessarily shifted?

Pause and write a reasoned individual answer.

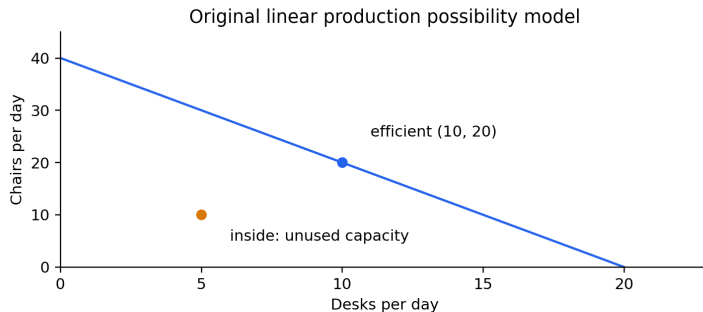
1 · Scarcity and opportunity cost: transfer review

transfer review

No. With usable idle capacity, production may move from inside towards the existing frontier. A capacity increase requires evidence about available resources or technology, while a new order changes demand. Compare feasible combinations before and after rather than equating actual output with potential output.

Accept justified alternatives; these are original formative expectations.

1 · Choice, models and market adjustment: model representation



Original fictional model; quantities, units and assumptions are specified in the worked case.

2 · Choice, models and market adjustment: method

method

A market price links buyers and sellers. At equilibrium, quantity demanded equals quantity supplied. A lower price can create excess demand; explain the pressure on price without assuming immediate adjustment. Distinguish a movement along a curve from a change in another determinant.

Use all linked prerequisite lessons for the complete mapped method.

2 · Choice, models and market adjustment: worked question

worked question

In an original market table, at price 15 buyers demand 110 items/day and sellers offer 80; at price 20 both quantities are 100; at price 25 they are 90 and 120. Identify equilibrium and explain price pressure at 15. Prices are currency units per item.

Pause and state a method before the answer.

2 · Choice, models and market adjustment: worked reasoning

worked reasoning

The matching quantities identify equilibrium at price 20 currency units/item and quantity 100 items/day. At price 15 the shortage is $110 - 80 = 30$ items/day. Buyers competing for scarce stock or sellers revising prices may push the price up. As price changes, quantities move along unchanged curves. An income or cost change can instead shift a curve; actual adjustment depends on market conditions.

Check units, assumptions and the scope of the conclusion.

2 · Choice, models and market adjustment: transfer

transfer

A publicity campaign raises demand while a supplier's input costs increase. Explain why equilibrium quantity cannot be predicted from these directions alone and describe the diagram.

Pause and write a reasoned individual answer.

2 · Choice, models and market adjustment: transfer review

transfer review

Demand shifts right and supply shifts left on axes of price and quantity. Both changes tend to raise equilibrium price, but their quantity effects oppose one another. Draw both new curves and compare relative shifts before judging quantity. Identify the unchanged determinants and time horizon. A large demand increase can outweigh the supply contraction; a large contraction can reverse that result. Do not confuse a movement caused by the new equilibrium price with a second demand shift.

Accept justified alternatives; these are original formative expectations.

2 · Elasticity, welfare and policy: method

method

Percentage changes need a stated convention. PED uses quantity demanded and own price on the same demand relation; PES uses quantity supplied. YED and cross-price elasticity compare different determinants. A unit tax creates a price wedge; relative responsiveness shapes burden. An externality concerns third-party costs/benefits, not merely an expensive transaction. Public goods and information failure have different mechanisms.

Use all linked prerequisite lessons for the complete mapped method.

2 · Elasticity, welfare and policy: worked question

worked question

An original market's pre-tax price is 10. After a unit tax, consumers pay 12 and producers receive 9. Calculate the wedge and burden, then qualify a welfare claim.

Pause and state a method before the answer.

2 · Elasticity, welfare and policy: worked reasoning

worked reasoning

Tax per item=consumer price—producer receipt= $12-9=3$ currency units/item.
Consumer burden= $12-10=2$ units/item; producer burden= $10-9=1$ unit/item. The stated burden split concerns this equilibrium, not a universal tax rule. Tax revenue=tax per item $\times$ post-tax quantity; that quantity must be known. Revenue is a transfer, while welfare effects require changes in surplus, resource use and any external harm. A corrective tax can reduce inefficient overproduction, but only with the relevant external-cost model and evidence. Collection cost, evasion and access matter. Check units, assumptions and the scope of the conclusion.

2 · Elasticity, welfare and policy: transfer

transfer

A subsidy expands a product with an unpriced external cost. Is greater output necessarily a welfare gain? Compare a better-targeted policy.

Pause and write a reasoned individual answer.

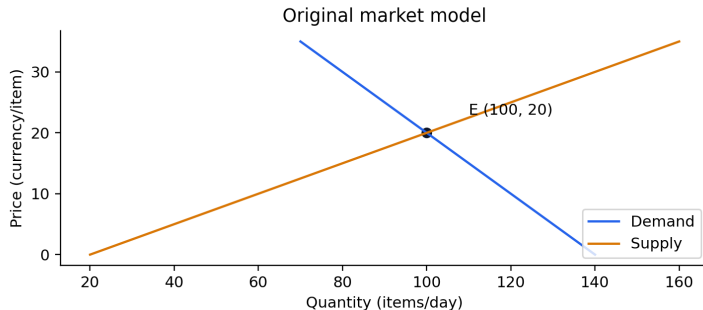
2 · Elasticity, welfare and policy: transfer review

transfer review

Greater output can increase external harm even if consumers and producers gain privately. Identify marginal social/private costs and the efficient versus market quantity before judging. A targeted charge or standard may address the harm more directly, subject to measurement, enforcement and distribution. A subsidy for a cleaner alternative might help through a different mechanism; its fiscal and behavioural effects still need evaluation. IGCSE pupils use the supported private/external/social distinction; detailed marginal welfare geometry belongs only where the course's mapped outcomes authorize it.

Accept justified alternatives; these are original formative expectations.

2 · Choice, models and market adjustment / Elasticity, welfare and policy: model representation



Original fictional model; quantities, units and assumptions are specified in the worked case.

3 · Elasticity, welfare and policy: method

method

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3 · Elasticity, welfare and policy: transfer review

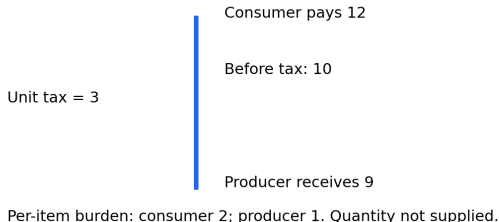
transfer review

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3 · Elasticity, welfare and policy: model representation

Original tax wedge: prices, not a welfare-area diagram



Original fictional model; quantities, units and assumptions are specified in the worked case.

4 · Firms, costs, growth and competition: method

method

Profit equals total revenue minus total cost. Fixed and variable costs behave differently as output changes in the short run. Average cost equals total cost divided by output. Growth may reduce unit costs but can create coordination difficulties. Size alone does not establish market power.

Use all linked prerequisite lessons for the complete mapped method.

4 · Firms, costs, growth and competition: worked question

worked question

In an original short-run table, fixed cost is 60 currency units. At $Q=10$ items, variable cost is 140; at $Q=12$, variable cost is 168. Calculate costs and interpret the change.

Pause and state a method before the answer.

4 · Firms, costs, growth and competition: worked reasoning

worked reasoning

$TC = TFC + TVC$; TC at 10 = $60 + 140 = 200$ units. $ATC = TC/Q$; ATC at 10 = $200/10 = 20$ units/item. At 12, $TC = 60 + 168 = 228$ units and $ATC = 228/12 = 19$ units/item.

$AVC = TVC/Q = 140/10 = 168/12 = 14$ units/item. AFC falls from $60/10 = 6$ to $60/12 = 5$ units/item, lowering ATC . These are table intervals, not a claim about a smooth derivative or all output levels. Productivity and profit need their own measures.

Check units, assumptions and the scope of the conclusion.

4 . Firms, costs, growth and competition: transfer

transfer

A firm expands through acquisition and lowers unit costs but loses customers after quality problems. Evaluate growth rather than assuming economies of scale guarantee success.

Pause and write a reasoned individual answer.

4 · Firms, costs, growth and competition: transfer review

transfer review

Lower long-run average cost can improve competitiveness, but revenue depends on demand and quality. Acquisition can add finance, capacity and coordination risks; integration does not automatically improve management. Compare margins, quality, customer response, entry barriers and alternative organic growth. A small niche firm may rationally remain small.

Accept justified alternatives; these are original formative expectations.

4 · IGCSE production and labour: method

method

Productivity is output per unit of input. Division of labour can raise skill and reduce switching time, while dependence and repetition can create costs. Labour demand derives from demand for output; wages also depend on supply, skills, working conditions and institutions. Competition can influence price, quality and innovation but does not guarantee every desired outcome.

Use all linked prerequisite lessons for the complete mapped method.

4 · IGCSE production and labour: worked question

worked question

An original workshop makes 240 items using 30 worker-hours, then 300 items using 30 worker-hours after training. Calculate productivity and evaluate an inference about profit.

Pause and state a method before the answer.

4 · IGCSE production and labour: worked reasoning

worked reasoning

Labour productivity=output/labour input. Initial productivity=240 items/30 worker-hours=8 items/worker-hour. Later productivity=300/30=10 items/worker-hour. Percentage change= $(10-8)/8 \times 100\% = 25\%$. Higher output per hour does not establish higher profit: training cost, wages, saleable quality, price and demand matter. Distinguish increased output from increased productivity and a private business from public ownership; either can face resource constraints.

Check units, assumptions and the scope of the conclusion.

4 · IGCSE production and labour: transfer

transfer

Demand for a product rises while a training programme expands relevant labour supply. Predict the wage only if justified and evaluate who benefits.

Pause and write a reasoned individual answer.

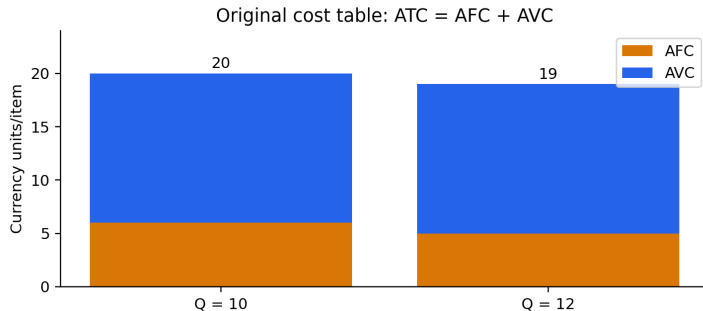
4 · IGCSE production and labour: transfer review

transfer review

Higher derived labour demand tends to raise wages; increased labour supply tends to lower them, other factors constant. Their combined wage effect is ambiguous without relative shifts. Employment may rise in the simple model. Explain timing, skills, working conditions and institutions before generalizing.

Accept justified alternatives; these are original formative expectations.

4 · Firms, costs, growth and competition / IGCSE production and labour: model representation



Original fictional model; quantities, units and assumptions are specified in the worked case.

5 · IGCSE production and labour: method

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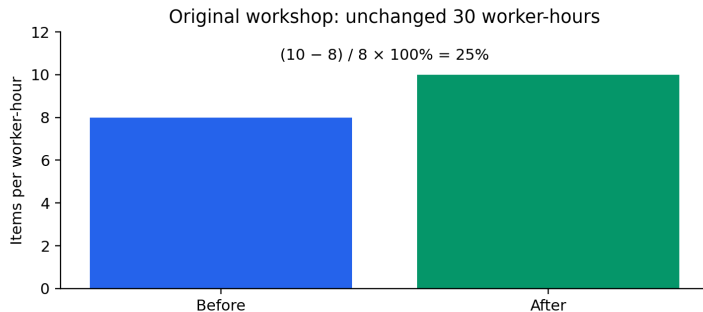
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5 · IGCSE production and labour: model representation



Original fictional model; quantities, units and assumptions are specified in the worked case.

6 · Output measures, spending and the multiplier: method

method

Nominal GDP includes price changes; real GDP adjusts them; per-capita GDP also accounts for population. GDP and GNI differ in their income boundary. Comparisons need consistent dates, definitions and purchasing-power treatment where applicable. Extra spending can raise output if firms have spare capacity.

Use all linked prerequisite lessons for the complete mapped method.

6 · Output measures, spending and the multiplier: worked question

worked question

An original economy's nominal GDP index rises from 100 to 112, its deflator from 100 to 108 and its population index from 100 to 102. Calculate real and real-per-capita changes.

Pause and state a method before the answer.

6 · Output measures, spending and the multiplier: worked reasoning

worked reasoning

Real GDP growth factor = nominal factor / price factor = $1.12 / 1.08 = 1.037037$. Real growth = $(1.037037 - 1) \times 100\% = 3.70\%$. Real-per-capita factor = real factor / population factor = $1.037037 / 1.02 = 1.016703$. Per-capita real growth = $(1.016703 - 1) \times 100\% = 1.67\%$. Dividing indices avoids treating an approximation as exact. Neither figure gives income distribution, unpaid output or environmental quality.

Check units, assumptions and the scope of the conclusion.

6 · Output measures, spending and the multiplier: transfer

transfer

An economy has spare capacity but firms import many extra components. Explain one possible benefit and one limit of increased spending.

Pause and write a reasoned individual answer.

6 · Output measures, spending and the multiplier: transfer review

transfer review

Increased demand may raise domestic output and employment when firms can respond. Imported components support production but some spending goes to foreign producers. Bottlenecks can raise prices. Judge output, employment and prices together and state the relevant conditions.

Accept justified alternatives; these are original formative expectations.

6 · Inflation, unemployment and policy judgement: method

method

Disinflation means slower price rises; deflation means a falling general price level. Unemployment requires the applicable labour-force definition; an inactive person is not automatically unemployed. Fiscal policy affects spending/taxation, monetary policy affects interest/monetary conditions, and supply-side measures target productive capability or incentives. The cause of the problem and lags matter.

Use all linked prerequisite lessons for the complete mapped method.

6 · Inflation, unemployment and policy judgement: worked question

worked question

In a fictional economy, inflation falls from 8% to 3% while imported energy remains costly. Evaluate the claim that prices fell and that a higher policy rate repairs the energy shortage.

Pause and state a method before the answer.

6 · Inflation, unemployment and policy judgement: worked reasoning

worked reasoning

Positive inflation at 3% means the general price level still rises, more slowly than at 8%. A higher rate can reduce interest-sensitive spending, shifting AD left relative to the counterfactual; it does not itself increase energy supply. It may limit second-round demand pressure but can reduce output and employment. Effects depend on debt, confidence, exchange-rate responses and transmission lags. Compare targeted support or feasible supply measures, considering finance, incentives and implementation. A conditional judgement weighs the source of inflation and the cost of weak demand rather than declaring rates universally effective.

Check units, assumptions and the scope of the conclusion.

6 · Inflation, unemployment and policy judgement: transfer

transfer

A training programme is proposed during a demand-driven downturn. Give a short-run limitation, a longer-run mechanism and a qualified policy mix.

Pause and write a reasoned individual answer.

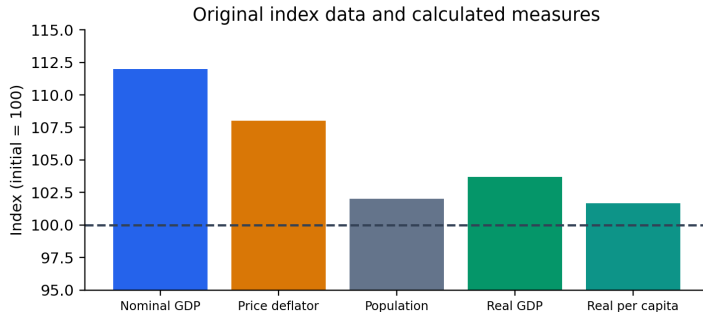
6 · Inflation, unemployment and policy judgement: transfer review

transfer review

Training can improve skills and employability over time, especially where structural mismatch exists. It cannot by itself guarantee vacancies when firms lack demand, and completion/placement take time. Appropriate temporary demand support could complement training if finances, inflation and delivery allow, while targeted design checks actual vacancies and access. Evaluate employment outcomes rather than course enrolments alone. Explain trade-offs with budget, distribution and stability; this is authored evaluation, not a prescribed official essay formula.

Accept justified alternatives; these are original formative expectations.

6 · Output measures, spending and the multiplier / Inflation, unemployment and policy judgement: model representation



Original fictional model; quantities, units and assumptions are specified in the worked case.

7 · IGCSE trade and exchange rates: method

method

An exchange rate must state currency direction. Trade changes affect consumers, exporters, input users, competing firms and employment differently. Globalization increases integration but does not distribute benefits equally. Protection changes incentives and may provoke retaliation; its justification needs a specified problem and alternatives.

Use all linked prerequisite lessons for the complete mapped method.

7 · IGCSE trade and exchange rates: worked question

worked question

An imported book costs 20 foreign-currency units. The exchange rate changes from 6 to 7 domestic units per foreign unit. Calculate the domestic cost before and after.

Pause and state a method before the answer.

7 · IGCSE trade and exchange rates: worked reasoning

worked reasoning

Domestic cost = foreign price $\times$ domestic currency per foreign unit. Initially cost = $20 \times 6 = 120$ domestic units; later cost = $20 \times 7 = 140$ domestic units. The domestic currency depreciated in this quotation. Percentage domestic-price change = $(140 - 120) / 120 \times 100\% = 16.67\%$, assuming the foreign price and pass-through are unchanged. Importers pay more; exporters may become cheaper to foreign buyers, but costs, contracts and responsiveness qualify the effect. This is not a current real exchange-rate claim.

Check units, assumptions and the scope of the conclusion.

7 · IGCSE trade and exchange rates: transfer

transfer

A tariff protects one producer but raises imported component costs for other firms. Give a balanced judgement and a review condition.

Pause and write a reasoned individual answer.

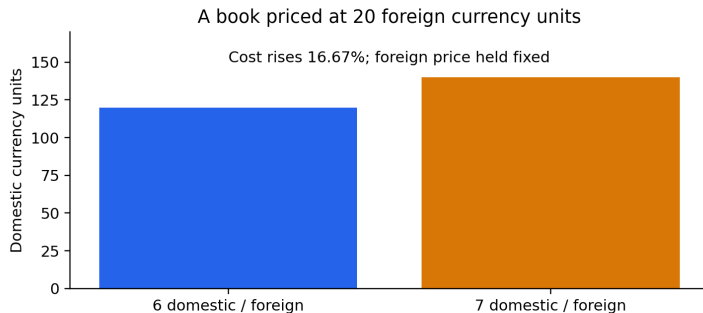
7 · IGCSE trade and exchange rates: transfer review

transfer review

Protection can support the targeted producer and revenue but raise input and consumer costs, reduce choice and harm export competitiveness. Consider jobs gained and lost, adjustment time, retaliation, quality and feasible training/competitiveness measures. Recommend only conditionally on evidence about the stated objective and net effects; set a review of prices, quantities, employment and distribution. Do not count all domestic firms as beneficiaries.

Accept justified alternatives; these are original formative expectations.

7 · IGCSE trade and exchange rates: model representation



Original fictional model; quantities, units and assumptions are specified in the worked case.

Check yourself

Independent retrieval

A policy changes prices and incentives, but the effect differs between households. Use a relevant mechanism, a calculation where possible and a reasoned distributional judgment.

Write your reasoning before comparing it with the methods and limits taught in this lesson.