**Unit 12: Section One Checklist**

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| **MANAGING THE ECONOMY** | ☺ | ? | ☹ | Examined before? |
| ***1.1 Economic Objectives of the Government:*** |  |  |  |  |
| Candidates should understand the principal government objectives of economic growth, full employment, stable prices and balance of payments. |  |  |  | June 2011June 2012June 2013 |
| Candidates should be aware of the methods available to measure economic performance, such as: inflation, economic growth, balance of payments, budget deficits and surpluses. |  |  |  |  |
| Candidates should be aware that conflicts can arise when attempting to achieve these objectives and the links to equity and equality. |  |  |  |  |
| Candidates should consider how ethical issues affect the achievement of government objectives.  |  |  |  | June 2013 |
| Candidates should be aware of the benefits and drawbacks of the welfare state and the alternative of individuals providing for themselves. |  |  |  |  |
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| ***1.2 The Economy at Work:*** |  |  |  |  |
| Candidates should be aware of the differences between free market and mixed economies. |  |  |  |  |
| Candidates should understand market failure as the inability of the market system to allocate resources efficiently. |  |  |  |  |
| Candidates should understand externalities as the difference between social costs (benefits) and private costs (benefits), and apply the concepts in a relevant context. |  |  |  | June 2012June 2013 |
| Candidates should be able to explain the characteristics of the economic cycle: boom, recession, slump and recovery. |  |  |  | June 2011 |
| Candidates need to consider how the government collects revenue and its patterns of expenditure. |  |  |  | June 2012 |
| Candidates should be aware of how the government can affect levels of income and expenditure through fiscal policies. |  |  |  | June 2011 |
| Candidates should be familiar with the role of the Bank of England in controlling the level of demand.  |  |  |  |  |
| Candidates should be aware of the use of interest rates to control inflation. |  |  |  |  |
| Candidates should be familiar with supply side policies such as: education and training, incentives to work and competition policy. |  |  |  | June 2013 |
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| ***1.3 The Role of the European Union (EU):*** |  |  |  |  |
| Candidates should understand the significance of the EU as a Single European Market. |  |  |  | June 2011 |
| Candidates should know the potential benefits and drawbacks of the UK joining the Euro. |  |  |  |  |
| Candidates should have an appreciation of the potential impact on the UK economy of EU enlargement. |  |  |  |  |