

Economics Summer Holiday Homework

These three tasks are designed to review recent topics and prepare for some of the important content we will be covering in Year 13. It is important that you complete all the work to be well prepared for next year.

Task 1

Types of unemployment, causes of unemployment and policies to deal with it

There are 5 types of unemployment which you need to be familiar with:

1. Structural unemployment
2. Occupational immobility
3. Geographical immobility
4. Technological unemployment
5. Demand deficiency and cyclical unemployment

For each of these 5 types of unemployment you need to:

1. Describe in your own words what causes this type of unemployment
2. Provide a real world example (for example: *The big difference in housing costs between the North of England and London might be a cause of unemployment due to geographical immobility*)

Task 2

Inflation

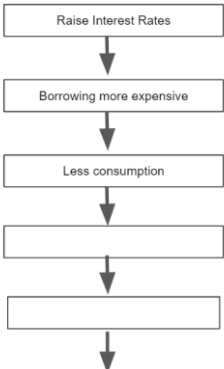
There are two causes of inflation, demand pull and cost push. Explain each one with an example

Task 3

Fiscal and Monetary Policy

Read the textbook pages on Fiscal and Monetary Policy which are on GC. A good understanding of these two topics is the key to understanding a lot of the rest of the course.

After you have read the textbook pages choose **one** policy instrument (could be fiscal or monetary) that you think would help the UK economy recover after Covid and explain your thinking. Present your thinking in a flow chart that shows the effects of the policy on the economy.

| Example of flowchart: | Your flowchart: |
|--|-----------------|
|  <pre>graph TD; A[Raise Interest Rates] --> B[Borrowing more expensive]; B --> C[Less consumption]; C --> D[]; D --> E[]</pre> | |