

# ECONOMICS AS A WAY OF THINKING

1 WHAT ISSUE IS BEING INVESTIGATED?

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2 WHAT SOURCES OF DATA/INFORMATION ARE AVAILABLE?

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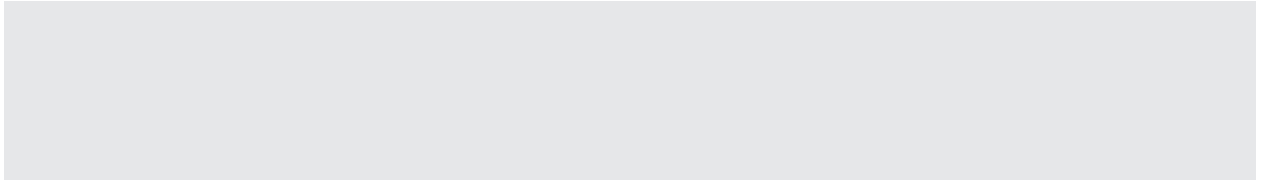
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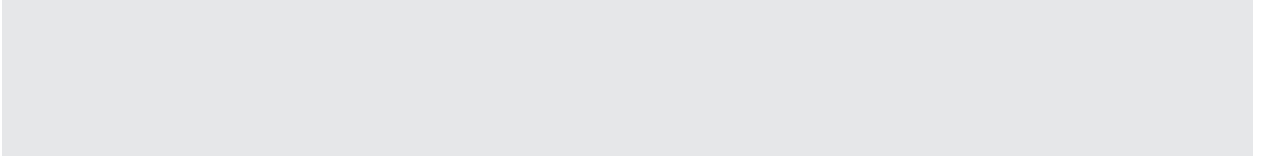
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## SCARCITY &amp; CHOICE

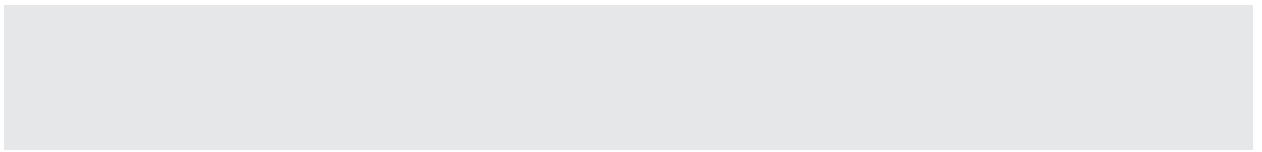
What actors (consumers, firms, government etc) are involved with this issue?



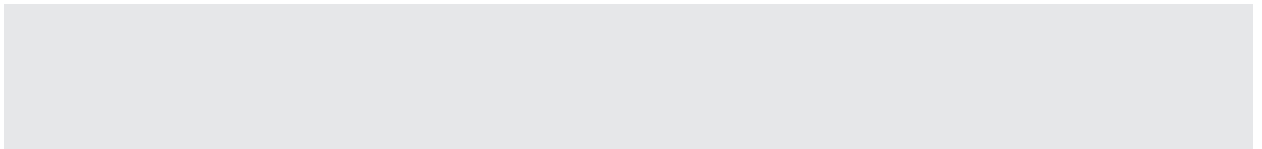
Does this issue involve the use of scarce resources?



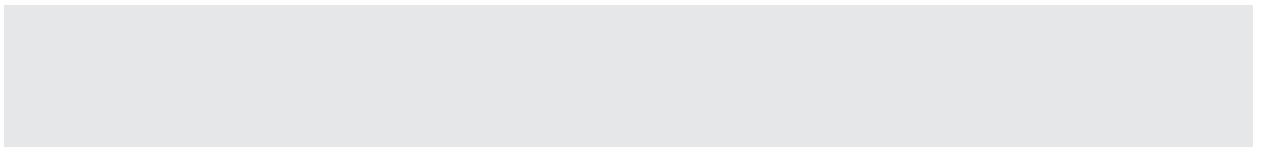
Does this situation involve choices being made between uses of scarce resources?



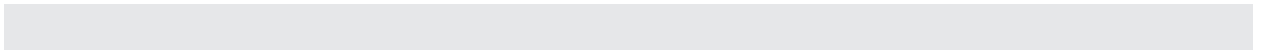
As a result of choices to be made, are opportunity costs evident?



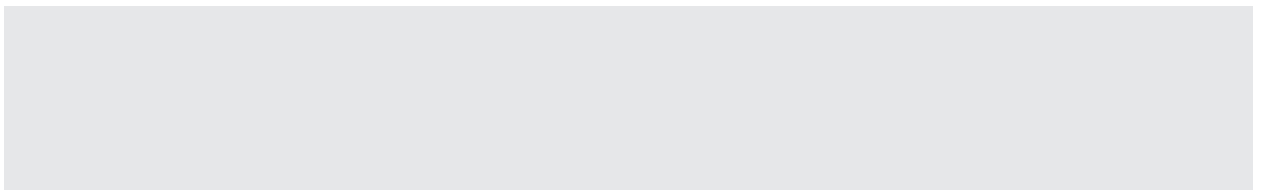
What incentives are motivating decision-making of actors in this situation?



Can a cost/benefit approach be applied?



Who enjoys the benefits and who bears the costs?



## STRAND 2

- The Price Mechanism
- Demand & Supply
- Rational Consumer
- PED
- YED
  
- Profit Maximisation
- Marginal Analysis
- Economies/Diseconomies of Scale
  
- Govt Intervention/Regulation
  
- Other

## STRAND 3

- Market Structures
- Market Power & Concentration
- Regulation of Market Concentrations
  
- Factors of Production
- MPP & MRP
- Market Failure
- Externalities
- Imperfect Information
  
- Other

## STRAND 4

- Circular Flow of Income
- The Multiplier
- Measures of National Income
- Hidden Economies
- Business Cycles
  
- Govt Revenue & Expenditure
- Fiscal Policy
- Purpose & Impact of Taxation
- Inflation/Deflation
- Monetary Policy
  
- Money Market
- Credit Creation
- Financial Regulation
  
- Other

## STRAND 5

- Economic Development & Growth
  
- Globalisation
- Multinationals
- FDI flows
  
- International Trade
- Balance of Payments
- Comparative Advantage
- Protectionism v Free Trade
- Fair Trade
- Exchange Rates
- Trade Agreements & Global Institutions
  
- Other

Outline how these concepts are relevant to this issue.

Aside from the above concepts are there other factors to be considered (eg sustainability, inequality, social cohesion)?