A-Level Economics

Revision Sheet · 考前速记

Learn these by heart before the exam. 考试前把这些内容背熟。

Basic economic ideas

Opportunity cost 机会成本: the value of the next-best alternative given up when a choice is made

PPC (production possibility curve) 生产可能性曲线: shows the maximum output combinations; a point inside = spare capacity, a shift out = growth

Positive statements are factual and testable; normative statements are value judgements (should / ought).

Factors of production: land, labour, capital, enterprise –each earns rent, wages, interest, profit.

Demand, supply and elasticity

Demand and supply 需求与供给: equilibrium price is where quantity demanded = quantity supplied; a shortage pushes price up, a surplus pushes it down

$$PED = \frac{\%\,\Delta Q_d}{\%\,\Delta P}$$ elastic $|PED| > 1$, inelastic < 1 需求价格弹性

$$YED = \frac{\%\,\Delta Q_d}{\%\,\Delta \text{income}}$$ normal good > 0, inferior good < 0

$$PES = \frac{\%\,\Delta Q_s}{\%\,\Delta P}$$ 供给价格弹性

Total revenue rises when price falls if demand is elastic; falls if inelastic.

Consumer and producer surplus 消费者与生产者剩余: consumer surplus = what buyers would pay − what they do pay; producer surplus = price received − minimum acceptable

Costs, revenue and market structures

$$TC = TFC + TVC, \quad AC = \frac{TC}{Q}, \quad MC = \frac{\Delta TC}{\Delta Q}$$ 成本

profit $= TR - TC$ maximised where $MC = MR$; normal profit when $AR = AC$

Economies of scale 规模经济: average cost falls as output rises (buying, technical, managerial, financial); diseconomies raise it again

Market structures 市场结构: perfect competition (many firms, price takers) → monopolistic competition → oligopoly (few, interdependent) → monopoly (one, price maker)

Allocative efficiency at $P = MC$; productive efficiency at minimum AC –a monopoly usually achieves neither.

Market failure and intervention

Externality 外部性: a spillover cost or benefit to a third party; a negative externality means the market over-produces

Public goods (non-rival, non-excludable) are under-provided; the free-rider problem means firms won't supply them.

Government tools: indirect taxes, subsidies, price controls, tradable permits, regulation –each with side effects.

Government failure: intervention creates a worse outcome (e.g. black markets from a price ceiling).

The macroeconomy

$$AD = C + I + G + (X - M)$$ 总需求

real GDP growth = % ΔGDP − inflation nominal adjusted for prices

Inflation 通货膨胀: a sustained rise in the general price level; demand-pull (too much AD) or cost-push (rising costs)

$$\text{multiplier} = \frac{1}{1 - MPC}$$ 乘数

Fiscal policy = government spending and taxation; monetary policy = interest rates and the money supply.

Balance of payments 国际收支: record of trade and money flows; the current account covers exports and imports of goods and services