

Advance information June 2022

AS Economics (7135)

Version 1.0

Because of the ongoing impacts of the Coronavirus (COVID-19) pandemic, we are providing advance information on the focus of June 2022 exams to help students revise.

This is the advance information for AS Economics (7135).

Information

- This advance information covers all examined components.
- For each paper the list shows the major focus of the content of the exam.
- Topics not explicitly given in the list may appear via synoptic questions or in case study material. Synoptic questions are those that bring together knowledge, skills and understanding from across the specification.
- It is **not** permitted to take this advance information into the exam.

Advice

- Students will be credited for using any relevant knowledge from any non-listed topic areas when answering questions.
- Students' responses to individual questions may draw upon other areas of specification content where relevant, and credit will be given for this where appropriate.
- Students will still be expected to apply their knowledge to unfamiliar contexts.
- Students will be expected to draw on knowledge, skills and understanding from across the specification when responding to synoptic questions.
- Students and teachers should consider how to focus their revision of other non-listed parts of the specification, for example to review whether other topics may provide knowledge which helps understanding in relation to the areas being tested in 2022.

Focus of the June 2022 exam

AS Economics Paper 1: The operation of markets and market failure (7135/1)

- 3.1.1.1 Economic Methodology
- 3.1.1.3 Economic resources
- 3.1.1.4 Scarcity, choice and the allocation of resources
- 3.1.2.1 The determinants of the demand for goods and services
- 3.1.2.2 Price, income and cross elasticities of demand
- 3.1.2.3 The determinants of the supply of goods and services
- 3.1.2.5 The determination of equilibrium market prices
- 3.1.2.6 The interrelationship between markets

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- 3.1.3.1 Production and productivity
 - 3.1.3.3 Costs of production
 - 3.1.3.4 Economies and diseconomies of scale
 - 3.1.3.5 Average revenue, total revenue and profit
 - 3.1.4.3 Competitive markets
 - 3.1.4.4 Monopoly and monopoly power
 - 3.1.4.5 The competitive market process
 - 3.1.5.1 How markets and prices allocate resources
 - 3.1.5.2 The meaning of market failure
 - 3.1.5.3 Public goods, private goods and quasi-public goods
 - 3.1.5.4 Positive and negative externalities in consumption and production
 - 3.1.5.5 Merit and demerit goods
 - 3.1.5.7 An inequitable distribution of income and wealth
 - 3.1.5.8 Government intervention in markets
 - 3.1.5.9 Government failure

Quants skills:

- Calculate, use and understand ratios and fractions
- Construct and interpret a range of standard graphical forms
- Calculate and interpret index numbers
- Calculate cost, revenue and profit (average, totals)
- Make calculations of elasticity and interpret the result
- Interpret, apply and analyse information in written, graphical and numerical forms

AS Economics Paper 2: The national economy in a global context (7135/2)

- 3.2.1.1 The objectives of government economic policy
- 3.2.1.2 Macroeconomic indicators
- 3.2.1.3 Use of index numbers
- 3.2.2.1 The circular flow of income
- 3.2.2.2 Aggregate demand and aggregate supply analysis
- 3.2.2.3 The determinants of aggregate demand
- 3.2.2.4 Aggregate demand and the level of economic activity
- 3.2.2.5 Determinants of short-run aggregate supply
- 3.2.2.6 Determinants of long-run aggregate supply
- 3.2.3.1 Economic growth and the economic cycle
- 3.2.3.2 Employment and unemployment
- 3.2.3.3 Inflation and deflation
- 3.2.3.4 The balance of payments on current account
- 3.2.3.5 Possible conflicts between macroeconomic policy objectives
- 3.2.4.1 Monetary policy
- 3.2.4.2 Fiscal policy
- 3.2.4.3 Supply-side policies

Quants skills:

- Calculate, use and understand percentages and percentage changes
- Construct and interpret a range of standard graphical forms
- Calculate and interpret index numbers
- Interpret, apply and analyse information in written, graphical and numerical forms

END OF ADVANCE INFORMATION