**5th Year Economics**

**Summer Exam Revision List 2018**

1. **Introduction:**

* Economic systems – define/explain, advantages & disadvantages, give examples
* Distinguish between wealth & income
* Define factor, intermediate & final markets

1. **The Consumer:**

* Assumptions made about consumers
* Law of Diminishing Marginal Utility – state, assumptions, exceptions
* Equi – marginal principle – calculate, explain
* Economic good – define & give characteristics

1. **Demand:**

* Law of Demand – state, exceptions
* Define individual demand, aggregate demand
* Factors that influence demand
* Graph demand curve, movement along & shifts in D curves
* Normal goods, inferior goods, Giffen goods – explain, examples

1. **Supply:**

* Law of Supply – state
* Define individual supply, aggregate supply
* Factors that influence supply
* Graph supply curve, movement along & shifts in S curves
* Joint supply, fixed supply, restricted by minimum price & limited capacity – explain, examples & draw graphs

1. **Equilibrium:**

* Define
* Graph D & S curves, find equilibrium
* Explain effects on equilibrium on changes in D or S

1. **Elasticity**

* Define & calculate PED, YED, CED
* Explain elastic, inelastic & equal to unity, graph curves
* Factors which influence the degree of demand elasticity
* Define & calculate PES
* Factors governing the price elasticity of supply

1. **Costs of Production**

* Define fixed, variable, implicit, explicit costs
* Define normal, supernormal, subnormal profits
* Distinguish between revenue and profit
* Explain short run & long run
* Draw and explain shape of short and long run cost curves
* Explain Law of Diminishing marginal returns
* Specialisation/division of labour
* Relationship between MC & AC and the SRAC and LRAC curves
* Economies & diseconomies of scale (internal & external) – define and explain
* Factors that determine the location of a business

**8-12. Market Structures: Perfect Comp, Imperfect Comp, Monopoly, Oligopoly (HL only):**

* Assumptions & examples of industries
* Draw and explain SR & LR equilibrium graphs
* Advantages & disadvantages
* Perfect Comp: explain homogenous, price taker, why AR=MR
* Imperfect Comp: why are AR & MR downward sloping, production not at lowest point of AC, explain competitive advertising
* Monopoly: how a monopoly can arise
* Oligopoly: barriers to entry, collusion, objectives other than profit max, price v non-price competition

**11. Price Discrimination:**

* Define
* Three degrees and examples
* Explain how price discrimination can arise

**23. Taxation (pg. 338-344):**

* 4 canons
* Principles of a fair tax system
* Functions
* Types – progressive, regressive, direct, indirect & examples
* Advantages/Disadvantages of each type f tax
* Tax Evasion/Avoidance

**21. Inflation:**

* Define & know current rate of inflation
* Explain types/causes – demand pull, cost push
* Official measure in Ireland
* Price index versus cost of living index
* Explain how to construct CPI
* Calculate a CPI
* Uses and limitations of a CPI

**13. Factor Markets:**

* Define factors of production, examples, return/reward
* Explain & give examples of derived demand, supply price, transfer earnings, economic rent, quasi economic rent
* MRP & MPP – define and give the factors which influence both

**14. Land:**

* Define, examples, Return/payment
* Economic characteristics
* Unique factor – why?
* Factors influencing price
* Factors which influence location of a factory/business

**15. Labour:**

* Define, examples, return/payment
* MRP & MPP
* Factors affecting demand for labour
* Relationship between wages and labour supplied – graph
* Factors affecting mobility of labour – occupational & geographic
* Backward bending supply curve
* Factors affecting wage rates
* Efficiency of labour

**16. Capital:**

* Define, examples, return/payment
* Different types of capital – social, fixed etc
* MEC & its influencing factors
* Capital widening & deepening – examples and definitions
* Savings – definition & reason for saving
* Factors which influence the level of saving
* Investment – definition, influencing factors, importance in an economy
* Loanable Funds Theory
* Liquidity Preference Theory

**17. Enterprise:**

* Define, examples, return/payment
* How it differs from other f.o.p.
* Risks in business
* importance of profit in an economy
* importance of entrepreneurs
* rent of ability