

5th Year Economics

Summer Exam Revision List 2017

1. Introduction:

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

2. The Consumer:

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

3. 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

4. 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

5. Equilibrium:

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

6. 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

7. 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:

- 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 of 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