

Revision Guide

The Basic Economic Problem

Chp1

- Scarcity and choice
- Opportunity cost
- Production Possibility Curves

SEC 2013 Paper 1 Question 1

SEC 2014 Paper 2B Question 4 (a) and (b)

SEC 2017 Paper 1 Question 1

The Language of Economics

Chp 2

- Production, consumption and exchange
- Factors of production
- The different classification of goods and services
- The different sectors of the economy – public sector and private sector

SEC 2013 Paper 2A Question 2 (c)

SEC 2014 Paper 1 Question 2

Types of Economic Systems

Chp 3

- Different ways of solving the economic problem
- Advantages and disadvantages of each system

SEC 2009 Paper 2B Question 1

SEC 2017 Paper 2A Question 1 (c) and (d)

Production

Chp 4

- The stages of production
- Specialization
- An understanding of the concept of division of labour
- Advantages and disadvantages of division of labour

SEC 2010 Paper 2A Question 1 (a) and Paper 2B Question 1 (a), (b) and (c)

SEC 2014 Paper 2A Question 1

SEC 2014 Paper 2B Question 4 (c)

SEC 2017 Paper 2A Question 2

Costs of Production

Chp 4

- Different types of costs
- Diminishing returns in the short run

- Reasons for the U-Shaped cost curve

SEC 2009	<i>Paper 2A Question 2</i>
SEC 2010	<i>Paper 1 Question 1</i>
SEC 2012	<i>Paper 2B Question 2</i>
SEC 2013	<i>Paper 2A Question 2 (a) and (b)</i>
SEC 2014	<i>Paper 1 Question 1</i>
SEC 2015	<i>Paper 2A Question 3 and Paper 2B Question 3</i>
SEC 2017	<i>Paper 1 Question 2</i>

Large Scale Firms

Chp 4

- Factors affecting the size of firms
- Economies of scale (Advantages of large scale firms)
- Diseconomies of scale (Disadvantages of large scale firms)
- Diminishing returns to scale
- The survival of the small firm

SEC 2012	<i>Paper 2A Question 1</i>
SEC 2012	<i>Paper 2B Question 3</i>
SEC 2013	<i>Paper 2A Question 3 (b)</i>
SEC 2015	<i>Paper 2A Question 2 and Paper 2B Question 2</i>

Types of Business Organisations

Chp 5

- Private and public Sector
- Nationalization and Privatization
- Types of firms
 - The Sole Trader
 - Partnerships
 - Private Limited Companies and
 - Public Limited Companies
 - Multinationals.

SEC 2009	<i>Paper 1 Question 4</i>
SEC 2010	<i>Paper 1 Question 2</i>
SEC 2012	<i>Paper 1 Question 1 (b) and (c)</i>
SEC 2013	<i>Paper 2A Question 3 (a)</i>
SEC 2014	<i>Paper 2A Question 4(a)</i>

Business Finance

Chp 6

- Internal and External
- Different types of finance
- Factors affecting size
- Forms of growth

SEC 2013 Paper 2A Question 3 (c)
SEC 2014 Paper 2A Question 2
SEC 2014 Paper 2B Question 1

Location of Industry

Chp 7

- Factors influencing the location of industries within the primary, secondary and tertiary industries.
- Government policy towards the location of industry

SEC 2012 Paper 1 Question 2 (a) and (d)
SEC 2014 Paper 2A Question 4 (b) and (c)
SEC 2014 Paper 2B Question 3 (a) and (b)

The Price Mechanism

Chp 8

- Definitions of demand and supply
- The effect of a change in price on demand and supply respectively
- Prices within a free market i.e. the market price
- A distinction between movements along and shifts of demand and supply curves

SEC 2010 Paper 1 Question 3
SEC 2010 Paper 2A Question 4 and Paper 2B Question 4
SEC 2012 Paper 2A Question 3
SEC 2012 Paper 2B Question 1
SEC 2013 Paper 1 Question 2
SEC 2013 Paper 1 Question 3
SEC 2015 Paper 1 Questions 1
SEC 2017 Paper 1 Question 3 (b) and (c)

Elasticity of Demand and Supply

Chp 8

- Price Elasticity of Demand
- Income Elasticity of Demand
- Cross Elasticity of Demand
- Price Elasticity of Supply

Students are required to be able to define, calculate and interpret the value for each of the above. An explanation in diagrammatic form of price elasticity of demand and price elasticity of supply is expected.

- Factors affecting the Price Elasticity of Demand
- Factors affecting the Price Elasticity of Supply
- The importance of the study of elasticity

SEC 2009	<i>Paper 2B Question 3</i>
SEC 2012	<i>Paper 1 Question 1</i>
SEC 2015	<i>Paper 1 Question 2</i>
SEC 2017	<i>Paper 1 Question 3 (d)</i>

Market Structures

Chp 10

- Perfect Competition
- Monopoly
- Oligopoly
- Monopolistic competition

Students are required to have an understanding of the different characteristics of each type of market structure and the application of each to real-life situations. The importance of the number of sellers, nature of the product and barriers to entry must be emphasized to explain the difference between market structures.

SEC 2010	<i>Paper 2A Question 2 and Paper 2B Question 2</i>
SEC 2012	<i>Paper 1 Question 3</i>
SEC 2013	<i>Paper 1 Question 3</i>
SEC 2013	<i>Paper 2A Question 4</i>
SEC 2014	<i>Paper 2A Question 3</i>
SEC 2014	<i>Paper 2B Question 2</i>
SEC 2015	<i>Paper 2A Question 1 and Paper 2B Question 1</i>
SEC 2017	<i>Paper 2A Question 3</i>

The Labour Market

Chp 11

- Factors influencing the demand and supply of Labour
- The demand curve for labour as a derived demand curve
- The backward bending supply curve of labour
- Wage rates
- Wage differentials
- The role of government in labour market
- Role of trade unions and employers' associations

SEC 2010	<i>Paper 2A Question 3 and Paper 2B Question 3</i>
SEC 2014	<i>Paper 2A Question 4 (d)</i>
SEC 2014	<i>Paper 2B Question 3 (c) and (d)</i>

Economic Policies

Chp 15

- Fiscal Policy
- Monetary Policy

- Policy Conflicts

Students are expected to know who is responsible for the conduct of each of these policies and the tools used in each to achieve economic objectives.

SEC 2012	<i>Paper 2A Question 5 (b) and (c)</i>
SEC 2014	<i>Paper 2A Question 6</i>
SEC 2015	<i>Paper 2A Question 8 (a), (b) and (c) and Paper 2B Question 8(a), (b) and (c)</i>
SEC 2017	<i>Paper 2A Question 6 (d)</i>

Government Income and Expenditure

Chp 16

- Different sources of government revenue
- Different types and rates of taxation in Malta
- Principles and effects of taxation
- Areas of government expenditure
- Reasons for changes in patterns of government expenditure
- The Budget
- Financing a budget deficit

SEC 2009	<i>Paper 1 Question 5</i>
SEC 2009	<i>Paper 2B Question 5</i>
SEC 2010	<i>Paper 1 Question 6</i>
SEC 2012	<i>Paper 1 Question 5</i>
SEC 2012	<i>Paper 2A Question 8</i>
SEC 2013	<i>Paper 1 Question 5</i>
SEC 2014	<i>Paper 2A Question 5</i>
SEC 2014	<i>Paper 2B Question 5</i>
SEC 2015	<i>Paper 1 Question 6</i>
SEC 2017	<i>Paper 2A Question 5</i>

The Role of Money in the Economy

Chp 19

- Functions of money
- Characteristics of money
- Different forms of money in today's world
- The price of money
- Different forms of saving money available to the general public
- Functions of commercial banks
- The Malta Financial Services Authority
- The Central Bank of Malta

SEC 2012	<i>Paper 2A Question 5(a)</i>
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<i>SEC 2012</i>	<i>Paper 2B Question 5</i>
<i>SEC 2013</i>	<i>Paper 1 Question 4</i>
<i>SEC 2014</i>	<i>Paper 1 Question 4</i>
<i>SEC 2015</i>	<i>Paper 2A Question 7 and Paper 2B Question 7</i>