Higham Lane School
Helping Learners Succeed

Economics Transition Project

Name: _____

Due: First lesson in September

EconoMics
i'm lovin' it

Voranomics

A Level Economics – Transition Project

Task 1

	2012	2013	2014	2015	2016
Income after tax break (£)	13,000	12,000	10,000	10,100	10,400
Income before tax break (£)	10,000	10,000	9,000	7,000	7,300

The table shows the average income of UK residents from 2012-2016. Complete this table of results for 2013-2016

2012	2013	2014	2015	2016
13,000 – 10,000 = 3,000 $\frac{3.0}{10.0} \times 100\% = 30\%$				
% change in income = 30%				

Task 2

Between 2013 and 2015, median household income in the UK increased from £24 200 to £25 700. Over the same period the demand for bus travel fell by 3%.

(a) Which **one** of the following is the most accurate explanation of the term 'median household income'?

(1)

☒ **A** The difference between the highest level of household income and the lowest level of household income

☒ **B** The middle household income after placing all household incomes in numerical order

☒ **C** The most frequently occurring level of household income

☒ **D** Total household income divided by the number of households

Task 3

The table below shows GDP per capita at purchasing power parities (PPPs) for a selection of European countries in 2013.

Country	GDP per capita (US$, at PPPs, 2013, rounded)
UK	38 500
Spain	33 000
Italy	35 500

(Source: http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD)

The Office for National Statistics estimates that the UK population was 64 million in 2013. Using the data, what was the UK's total GDP in 2013?

(1)

☒ **A** $2 464 000 million

☒ **B** $2 272 000 million

☒ **C** $1 662 000 million

☒ **D** $2 112 000 million

Task 4

The table below shows claimant count data for the UK.

	Number of Claimants
August 2014	961 149
September 2014	923 240
October 2014	887 771
November 2014	848 085
December 2014	823 880
January 2015	852 934
February 2015	858 344

Calculate the percentage change in the claimant count from August 2014 to February 2015.

(2)

Obesity in children

Expert reviewer, Dr Nagi Giumma Barakat, Consultant Paediatrician/Neurology
Next review due September 2022

Obesity in children is when children are very overweight and have too much fat in their body. Children need a healthy, balanced diet that gives them enough energy to grow and develop. But if they regularly take in more energy (calories) than they need and don't do enough physical exercise, they'll put on too much weight. Childhood obesity can lead to serious health problems such as diabetes, heart problems and cancer in later life.
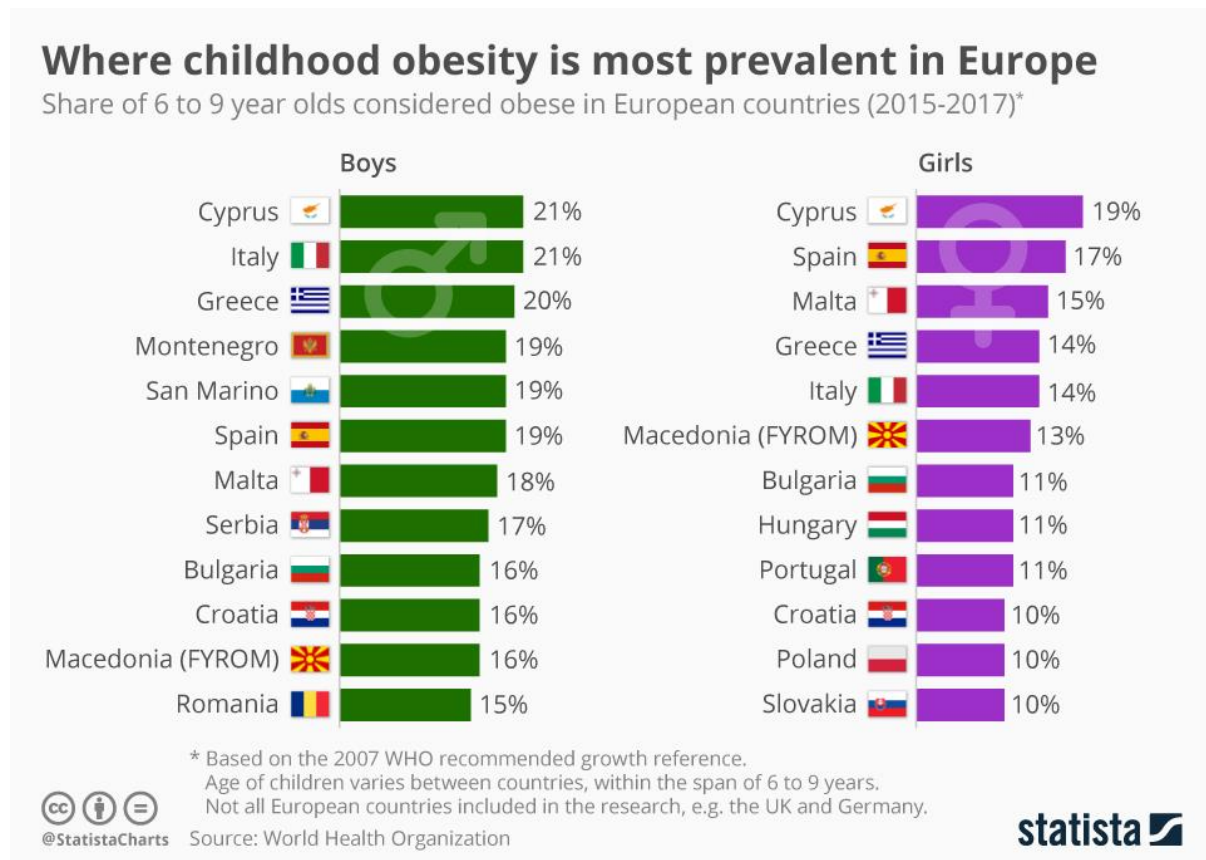

The **UK** has one of the highest **rates** of **childhood obesity** in Europe. In 2018, around one in 10 **children** aged four to five were classified as **obese**, and around one in five **children** aged 10 to 11 were.

Childhood obesity at Year 6 of primary school
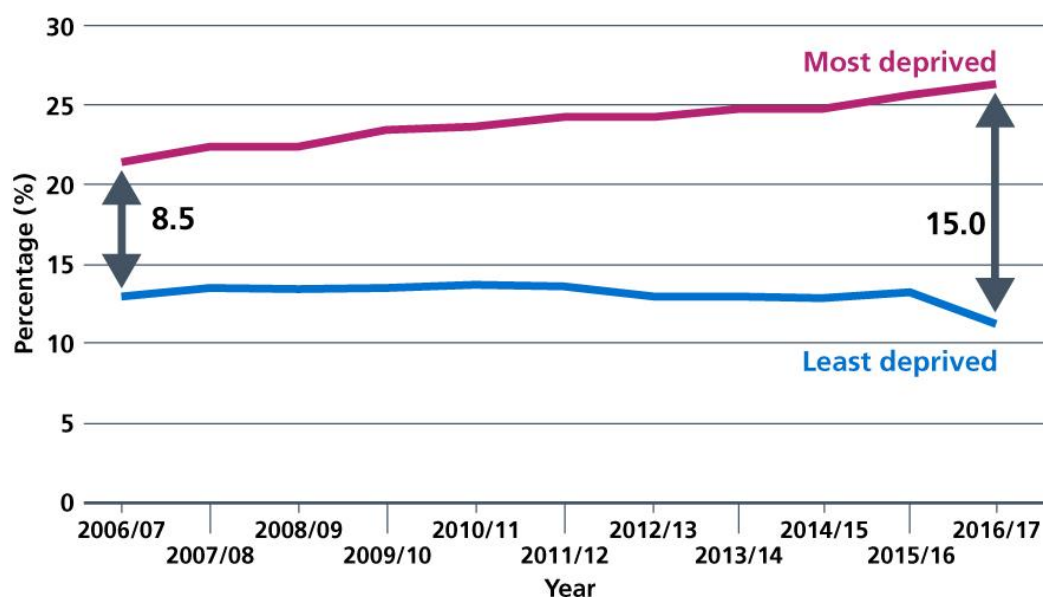
It can be argued that there is a correlation between income/wealth and childhood obesity as seen in the chart on the previous page.

The problem of childhood obesity is not exclusive to the UK as seen in the chart below.

Where childhood obesity is most prevalent in Europe
Share of 6 to 9 year olds considered obese in European countries (2015-2017)*

Boys		Girls	
Cyprus	21%	Cyprus	19%
Italy	21%	Spain	17%
Greece	20%	Malta	15%
Montenegro	19%	Greece	14%
San Marino	19%	Italy	14%
Spain	19%	Macedonia (FYROM)	13%
Malta	18%	Bulgaria	11%
Serbia	17%	Hungary	11%
Bulgaria	16%	Portugal	11%
Croatia	16%	Croatia	10%
Macedonia (FYROM)	16%	Poland	10%
Romania	15%	Slovakia	10%

* Based on the 2007 WHO recommended growth reference.
Age of children varies between countries, within the span of 6 to 9 years.
Not all European countries included in the research, e.g. the UK and Germany.

@StatistaCharts Source: World Health Organization

statista

The Daily Mile Initiative

An initiative to get schoolchildren to walk or run a mile every day leads to significant improvements in their health, according to a study.

The Daily Mile scheme was originally the brainchild of a Scottish head teacher who started it in 2012.

University researchers have compared the health of children at a primary school which takes part in the scheme with those at a school which does not. They found it led to improved fitness and body composition.

It is the first quantitative research to back up anecdotal evidence about the benefits of the Daily Mile. More than 3,600 schools in 30 countries around the world are said to have taken up the idea since it started to receive widespread publicity three years ago, but not all get pupils to complete a mile every single day. The scheme was pioneered by Elaine Wyllie, who was then the head teacher at St Ninian's Primary School in Stirling, and has been widely praised and won several awards since. The researchers from Stirling University and Moray House College of Education at Edinburgh University say more policymakers across the world should now consider introducing the initiative.

Your task is to create a **coherent policy** reaching across government departments including the department of education (DFE), department of health (NHS) and the department for culture, media and sport.

Use the space below to explain a minimum of three policies/actions such as the Daily Mile Initiative that the government might consider to help alleviate the chronic and sustained problem of childhood obesity. Each policy/action must have suitable evidence to substantiate its effectiveness and be explained in full. Use the data/charts and written material provided in this pack to help you formulate justifications for your policies.

Policy/Action 1

Policy/Action 2

Policy/Action 3

Overall policy/action chosen with reasons.

Task 6

Rising discontent in Iran

Iran's economy was badly affected for several years by trade restrictions imposed by the international community. In 2016 most sanctions were lifted, the economy recovered quickly and GDP grew 12.3%, according to the Central Bank of Iran. Much of that growth was attributed to the oil and gas industry. The International Monetary Fund (IMF) said growth had begun to spread to the non-oil sector and predicted that GDP would expand by 4.2% in the 2017/18 financial year. However, the recovery has not been as significant as many Iranians had hoped.

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Inflation has fluctuated greatly in Iran since 1979. In 2013 inflation reached 31%, as the economic sanctions reduced Iran's oil revenue, but has steadily decreased since then. The World Bank expects inflation to remain around 12% over the next three years.

The Iranian government has proposed a budget for the financial year starting in March 2018 that would see its expenditure increase by about 6% to $104bn. However, that would represent a cut in real terms.

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The official unemployment rate is 12.4%, but in some parts of the country it is more than 60%. Young people – more than half of the population of 79.9 million is under 30 – are among the worst affected. The International Labour Organisation (ILO) estimates that 26.7% of 15–24 year olds are unemployed. Underemployment is also high at 12.4% among 15–24 year olds.

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The IMF has warned that, despite the high economic growth rate, not enough jobs are being created to absorb the large number of people entering the labour market. Analysts say that is because most of the recovery can be attributed to the oil industry, which is not labour-intensive. Iran's currency, the Rial, has also fallen in value by more than 450%.

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The World Bank says that poverty in Iran fell between 2009 and 2013 to about 8%, although it increased to 10.5% in 2014. It estimates that 8.2 million people were living on less than $5.50 per day in 2014. About 2%, or 196 000 people, were living on less than $1.90.

Most families are dependent on a monthly cash payment from the government worth about $13 received by 77 million Iranians. The proposed budget would cut these payments by $5.3bn in total, which would reportedly affect 30 million people. Proposals also exist to raise the price of petrol by 50%.

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The consumption of bread, milk and red meat in Iranian households has decreased by between 30% and 50% over the past 10 years. With Iranians becoming poorer in real terms, and the prices of many basic foodstuffs increasing by about 40% in the past year, many people simply cannot afford to buy as much food.

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Source: Adapted from BBC News

Fig. 1 Real household income in Iran 2005–2016
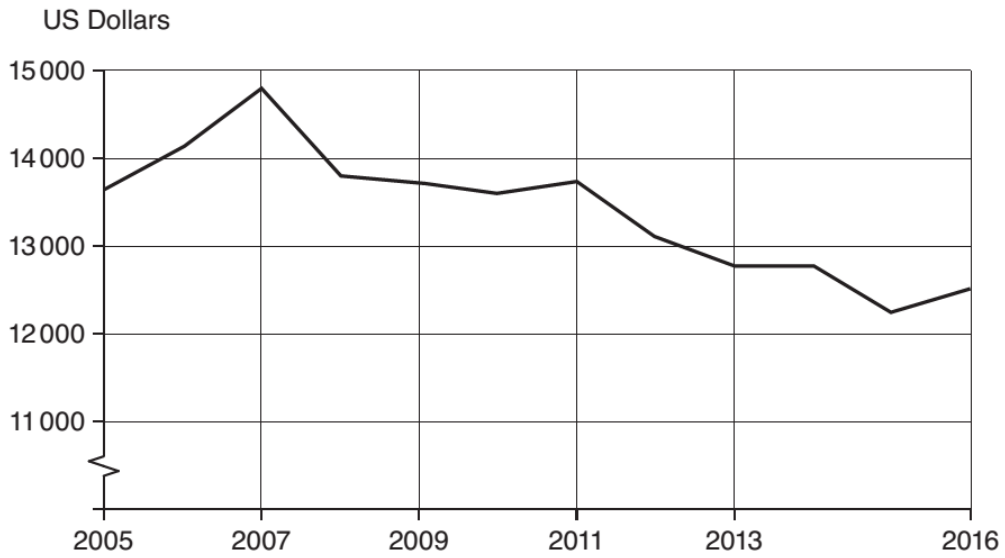
Source: Central Bank of Iran

Fig. 2 Changes in prices in Iran 2005–2016
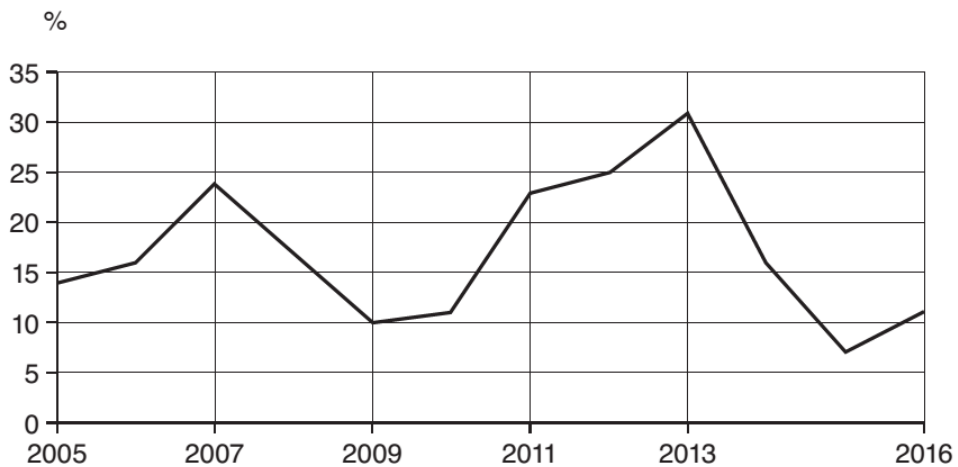
Source: Central Bank of Iran

Q1.

Using Fig. 1, explain the change in real household income in Iran from 2007 to 2016.

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Q2.

Using Fig. 2, explain what happened to inflation in Iran between 2009 and 2013.

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Q3.

Using information from the case study, explain possible reasons why the Iranian currency, the Rial, has fallen in value by more than 450%.

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Q4.

Explain the difference between unemployment and underemployment.

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Q5.

Your task is to create 3 policy actions the Iranian government could implement to improve their economy.

Use the space below to make notes and remember to use the case study and your own knowledge (do some research) on Iran.

Policy action 1

Policy action 2

Policy action 3