YOUR FIRST HALF TERM OF STARTERS

Seven weeks of retrieval starters for the first half term back, both subjects, all answers included.

42 STARTERS 210 QUESTIONS	ANSWERS UNDER EVERY SET

WHAT IS INSIDE

Seven weeks of starters, three a week for Business and three a week for Economics

Five questions a set, answered from memory with no notes, inside four minutes

Answers directly under every set, in wording a student can reproduce

Deliberate recall: from week three, two questions in every set come from earlier weeks

Every set carries a level tag, so you know what suits GCSE and what suits the start of Year 12

A class tracking sheet and the intervention rule that goes with it

Built from content common to the early units of the main specifications. Business: AQA, Edexcel, OCR, Eduqas and Cambridge. Economics: AQA and OCR.

Every answer in this pack is the author's own wording. It is not an exam board mark scheme and no board has endorsed it.

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How to run one of these in five minutes

The routine

1. Starter on the board before the door opens. Timer up, set to four minutes, not started.

2. Books open, pens out, no notes and no textbook. Start the timer when the last student sits down.

3. Four minutes. Five numbered answers. Anyone who finishes early writes one more thing they remember about the same topic.

4. Timer goes. Pens down. Second colour out. Read the answer block aloud, one line per question. Five answers take about forty-five seconds.

5. Students write their score out of five in the margin and circle the number of any question they got wrong.

6. Hands up for the question the most people lost. Reteach that one point for sixty seconds. Then move on.

What to say

Moment	Say this
As they come in	Five questions on the board. Four minutes. Books open, notes away.
Starting the timer	If you do not know one, leave a gap and move on. Do not sit on it.
Timer goes	Pens down, second colour. Mark it honestly. You are the only person who loses if you do not.
On a recall question	Question four is from three weeks ago. If you got it, it has stuck. If you did not, it had not, and now it will.
After the count	Hands up if you lost the mark on question four. Right, sixty seconds on that and then we move on.

How to mark it in thirty seconds

You do not mark these. The students mark them from the answer block while you read it out. Your thirty seconds is one walk down the room, reading the number in the margin, and writing down the two or three names sitting below three out of five.

One mark per question, no half marks. Where a question asks for two things, both are needed for the mark. Say that in week one and it cannot be argued about in week five.

Project it, do not print it, if you want the answers hidden. The answer box sits directly under the questions. Zoom to fit width so the answers fall below the bottom of the screen, and scroll down when the timer goes.

Four other ways to use the same file

Use	How
Homework	Set one week's three starters as a self-marked homework sheet.
Cover lesson	Any set can be run by someone who has never taught the subject, because the answers are complete and in plain English.
Intervention	Take the sets covering the topics a group scored worst on and run them again in a fortnight.
Second half term	Run the week seven review sets again in November as a cold check on what survived.

Why the questions repeat

Week one asks about week one only, because there is nothing behind it yet. In week two, question five reaches back to week one. From week three, questions one to three are this week and questions four and five are marked BACK TO WEEK n.

The gap is the point. Something recalled after a fortnight is being pulled out of memory rather than out of the short-term echo of the lesson, and that is the version that lasts. A class getting the BACK questions wrong is not a sign the pack is too hard. It is the diagnosis, delivered in four minutes, for nothing, in week five instead of in the mock.

Please do not cut the BACK questions to save time. They are the part doing the work, and cutting them leaves you with a quiz. One line worth saying out loud in week three: these repeat on purpose, and the ones you get wrong are the ones this is for.

One more thing, and it is the reason this pack starts where it does. A class in the first week of September has had six weeks away from the subject, and what they have lost is not the same as what they never learned. Week one and week two are deliberately gentle, because you are re-opening a drawer rather than filling it. The load rises from week three, once there is something behind the questions to reach for.

The seven-week map

Week	Business focus	Economics focus	Reaches back to
W1	The nature and purpose of business	The economic problem and scarcity	nothing yet
W2	Enterprise and entrepreneurship	Opportunity cost, and the production possibility diagram at Year 12	Week 1
W3	Ownership, liability and choosing a structure	Specialisation, money, and economic systems at Year 12	Weeks 1 and 2
W4	Aims, objectives and stakeholders	Demand	Weeks 2 and 3
W5	The market, customers and segmentation	Supply and market equilibrium	Weeks 3 and 4
W6	Market research	Elasticity	Weeks 4 and 5
W7	Business plans, risk, and the half term review	Markets in action, and the half term review	Weeks 1 to 6

If your scheme of work runs in a different order

Move the weeks to match your own order and keep the BACK questions attached to the topic they name. The shortest gap in this pack is one week and the longest is six. Keep at least a week between teaching a topic and asking it back, because a question asked in the same week is testing the lesson rather than the memory.

If you teach the subject twice a week

Use starters A and B in the week and carry C into the following week, or set C as the homework. Seven weeks of three is written for a three-lesson week.

Three ways teachers lose the benefit of this

What happens	What it costs you
Cutting the BACK questions when the lesson is tight	You keep the four minutes and lose the reason for them. Cut a question one to three instead and run the set as a four.
Letting books or notes stay open	Reading is not recall. A student copying an answer out of their book scores five and has learned nothing, and your tracking sheet now lies to you.
Marking them yourself	It costs you an evening a week and gives the student the feedback a day late. They mark their own in the forty-five seconds it takes you to read the answers out.

Levels, boards and the seven sets that need a swap

The level key. There are only two tags in this pack.

Tag	What it means
GCSE and Y12	Works from Year 10 to the first weeks of Year 12. Thirty-five of the forty-two sets carry this tag. Year 12 students should be answering in fuller sentences, not answering different questions.
Y12	Needs content a GCSE class will not have met. Seven sets carry this tag, all seven of them Economics, and every one of them carries a GCSE swap printed underneath it.

The seven Year 12 sets, and their swaps

Set	What makes it Year 12 content
Economics, Week 2, Starter B	The production possibility diagram, which is A level content only
Economics, Week 2, Starter C	Shifts of the production possibility diagram, and capital goods
Economics, Week 3, Starter C	Free market, command and mixed economies, which are A level only
Economics, Week 4, Starter C	Individual and market demand, the income and substitution effects
Economics, Week 5, Starter C	The rationing, incentive and signalling functions of the price mechanism
Economics, Week 6, Starter C	Income elasticity and cross elasticity
Economics, Week 7, Starter B	Consumer and producer surplus

Each swap replaces questions one to three with GCSE level questions on the same idea, and carries its own answers. The BACK questions are unchanged, because recall does not need the harder content.

How to read a starter block

Part of the block	What it is for
The header line	WEEK 3, BUSINESS, STARTER B, then the level tag. Read it before you project so you know which class it suits.
The topic line	One line in bold saying what the five questions are about. Say it out loud. Students recall better when they know which drawer to open.
A question tagged BACK TO WEEK n	Recall from an earlier week. Do not swap it for something newer. It is the question the whole design rests on.
The shaded box underneath	The answers, numbered to match. Read them out at the end of the four minutes and let the class mark their own.

Boards

This pack does not follow one specification. On the Business side it uses content common to the early units of AQA 8132 and 7138, Edexcel 1BS0 and 9BS0, OCR J204 and H436, Eduqas, and Cambridge IGCSE 0450. AQA 7138 and OCR H436 are for first teaching in September 2026, and a Year 13 group is finishing AQA 7132 or OCR H431, so the content used here is common to both. On the Economics side it uses content common to the early units of AQA 8136 and 7136, OCR J205 and H460, and Edexcel 9EC0 at A level only. Pearson Edexcel does not offer a GCSE Economics in England, so the GCSE Economics line carries no Edexcel code. The Edexcel International GCSE in Economics is a separate qualification and is not what this pack is written against. No board prescribes the order any of it is taught in. Check the order against your own scheme of work rather than against this pack.

Accuracy

Every answer here is the author's own wording, written so a student can reproduce it under time. It is not a mark scheme, it does not quote one, and no exam board has endorsed it. Where a calculation appears, the figures are made up for the question and the arithmetic can be checked with a calculator. Where more than one answer is right, the answer block says any two of and then lists them.

Every week is two pages. The three Business starters are on the first page and the three Economics starters are on the second, so you can print only your own subject, and one week is one sheet printed double sided.

WEEK 1. Business: the nature and purpose of business. Economics: the economic problem.

No recall questions this week. There is nothing behind them yet. Question five starts reaching back in week two, and from week three there are two recall questions in every set.

WEEK 1 · BUSINESS · STARTER A Level: GCSE and Y12

The purpose of a business

1. What is the difference between a need and a want?
2. Give one example of a good and one example of a service.
3. What does a business do with the resources it buys in?
4. Name the four factors of production.
5. A sandwich shop buys bread, cheese and ham for 90p and sells the sandwich for £3.50. How much value has it added?

ANSWERS 1A

1. A need is something you cannot manage without, such as food, water or shelter. A want is something you would like but could live without.
2. A good is a physical item, for example a pair of trainers. A service is work done for you, for example a haircut.
3. It combines them and turns them into something customers will pay more for. That difference is added value.
4. Land, labour, capital and enterprise.
5. £3.50 minus £0.90 = £2.60 of added value per sandwich.

WEEK 1 · BUSINESS · STARTER B Level: GCSE and Y12

Sectors and the customer

1. Name the three sectors of industry and give one example of a business in each.
2. A bakery buys in flour, bakes the bread and sells it in its own shop. Which sector or sectors is it in, and why?
3. What is the difference between a customer and a consumer? Give one example where they are not the same person.
4. Give two reasons a business might exist other than to make money.
5. What happens to a business that stops meeting customer needs? One line.

ANSWERS 1B

1. Primary, for example a farm. Secondary, for example a car factory. Tertiary, for example a hairdresser.
2. Both secondary and tertiary. It is secondary because it turns flour into bread, and tertiary because it also sells directly to the public. Plenty of businesses sit in more than one sector.
3. The customer buys the product, the consumer uses it. A parent buying a lunchbox is the customer and the child is the consumer.
4. Any two of: to solve a problem the owner cares about, to be independent, to serve a community, to support a cause, to create work locally.
5. Customers move to a rival, sales fall, and unless the business changes it eventually closes.

WEEK 1 · BUSINESS · STARTER C Level: GCSE and Y12

Scarcity, choice and opportunity cost in business

1. Define opportunity cost.
2. A cafe owner spends £8,000 on a coffee machine instead of a delivery van. State the opportunity cost.
3. Why does every business decision carry an opportunity cost?
4. Define a trade-off in one line.
5. Name one resource a business can never get more of, and say why that matters.

ANSWERS 1C

1. The next best alternative that is given up when a choice is made.
2. The delivery van, and the deliveries and extra sales it would have brought in.
3. Because money, staff and time are limited, so using them one way always means giving up the next best use.
4. Giving up some of one thing to get more of another, for example accepting lower quality in order to charge a lower price.
5. Time. A day spent on one job cannot be spent on another, so an owner has to choose what not to do.

WEEK 1 · ECONOMICS · STARTER A Level: GCSE and Y12

Scarcity and the economic problem

1. State the economic problem in one sentence.
2. What does an economist mean by scarce?
3. What are the three questions every economy has to answer?
4. Why does scarcity force choice?
5. Give one example of a free good and say why it is free.

ANSWERS 1A

1. Wants are unlimited but the resources available to meet them are limited, so choices have to be made.
2. There is not enough of it to satisfy everyone who wants it at a price of zero, so it has to be rationed somehow.
3. What to produce, how to produce it, and who gets it.
4. Because resources used to make one thing cannot be used to make another, so something always has to be given up.
5. Sunlight. There is enough for everyone, so using it costs nobody anything and nothing is given up to have it.

WEEK 1 · ECONOMICS · STARTER B Level: GCSE and Y12

Factors of production and their rewards

1. Name the four factors of production.
2. Classify these four: a fishing boat, a nurse, an oil field, the owner of a start-up.
3. What reward is paid to each of the four factors?
4. What is the difference between a renewable and a non-renewable resource?
5. Why does capital in economics not mean money?

ANSWERS 1B

1. Land, labour, capital and enterprise.
2. Fishing boat, capital. Nurse, labour. Oil field, land. Owner of a start-up, enterprise.
3. Land earns rent, labour earns wages, capital earns interest, enterprise earns profit.
4. A renewable resource replaces itself over time, for example timber from replanted forest. A non-renewable one does not, for example crude oil.
5. Capital means the man made goods used to produce other goods, such as machinery and tools. Money buys capital but produces nothing by itself.

WEEK 1 · ECONOMICS · STARTER C Level: GCSE and Y12

Economic agents and rational choice

1. Name the three main groups of economic agents.
2. What does an economist assume each of those three groups is trying to do?
3. What is the difference between a need and a want?
4. What do economists mean by a rational decision?
5. Give one reason real people do not always decide that way.

ANSWERS 1C

1. Consumers or households, producers or firms, and the government.
2. Consumers try to get the most satisfaction from their income, firms try to make the most profit, and the government tries to raise welfare across society.
3. A need is something you cannot manage without, such as food or shelter. A want is something you would like but could do without.
4. A decision made by weighing the benefit against the cost and choosing whichever option leaves you best off.
5. Any one of: they do not have full information, they follow habit, they copy other people, they value today too heavily, the choice is too complicated to work out.

WEEK 2. Business: enterprise and entrepreneurship. Economics: opportunity cost, and the production possibility diagram at Year 12.

Question five reaches back to week one from here on. Expect it to be the weakest answer on the page, and expect that to change by week four.

WEEK 2 · BUSINESS · STARTER A Level: GCSE and Y12

What an entrepreneur actually does

1. Define entrepreneur.

2. Name three things an entrepreneur does.

3. Name two personal qualities of an entrepreneur and say why each one helps.

4. What is the difference between an idea and an opportunity?

5. [BACK TO WEEK 1] Name the four factors of production, and say which one the entrepreneur supplies.

ANSWERS 2A

1. Someone who takes the risk of setting up and running a business, and who combines the other factors of production to do it.

2. Any three of: spots an opportunity, raises the money, organises the other factors of production, carries the risk, makes the decisions, hires and manages people.

3. Any two of: determination, because almost every new business hits an early setback; willingness to take risk, because the money goes out before any comes in; organisation, because one person is doing several jobs; confidence, because the owner has to sell to strangers.

4. An idea is something you could make. An opportunity is something people will pay for, at a price that covers the cost.

5. Land, labour, capital and enterprise. The entrepreneur supplies enterprise.

WEEK 2 · BUSINESS · STARTER B Level: GCSE and Y12

Risk and reward

1. Name two risks of starting a business.

2. Name two rewards of starting a business.

3. What does financial risk mean for someone trading without a separate company?

4. Give two common reasons a new business does not survive its first year.

5. [BACK TO WEEK 1] A maker buys materials for £2.40 and sells the finished item for £6.00. How much value has been added, and what is that called?

ANSWERS 2B

1. Any two of: losing the money put in, the business failing, no regular income, personal possessions at risk, long hours with no guaranteed pay.

2. Any two of: profit, independence, being your own boss, doing work you care about, building something you own.

3. They have unlimited liability, so if the business cannot pay its debts their own possessions can be taken to cover them.

4. Any two of: running out of cash, too few customers, costs higher than expected, poor record keeping, a market smaller than the owner thought.

5. £6.00 minus £2.40 = £3.60. That is added value.

WEEK 2 · BUSINESS · STARTER C Level: GCSE and Y12

Routes into business

1. Name three ways to start a business.

2. Give one advantage and one drawback of a franchise for the person buying it.

3. Why can buying an existing business carry less risk than starting from scratch?

4. Name two things an owner should check before buying an existing business.

5. [BACK TO WEEK 1] Someone uses £15,000 of savings to open a shop. State the opportunity cost.

ANSWERS 2C

1. Start from scratch, buy an existing business, or buy a franchise.

2. Advantage: a known brand and a proven way of trading, so fewer customers have to be won from nothing. Drawback: fees to pay and very little freedom to change the product.

3. It already has customers, staff, a trading record and revenue from the first day, so less is being guessed.

4. Any two of: why the owner is selling, the accounts for the last few years, whether the customers are loyal to the business or to the owner, the state of the premises and equipment, any debts that come with it.

5. The next best use of that £15,000, for example the interest it would have earned in a savings account, or a different business they could have started with it.

WEEK 2 · ECONOMICS · STARTER A Level: GCSE and Y12

Opportunity cost

1. Define opportunity cost.
2. A government spends £2bn on a railway. State the opportunity cost.
3. A student stays on at sixth form. State the opportunity cost.
4. Why is opportunity cost not the same thing as the price paid?
5. [BACK TO WEEK 1] Name the four factors of production.

ANSWERS 2A

1. The next best alternative that is given up when a choice is made.
2. The next best use of that £2bn, for example the hospitals or schools it could have built instead.
3. The wages they would have earned in a job over those two years, and the work experience with them.
4. The price is the money handed over. The opportunity cost is what you gave up, including time.
5. Land, labour, capital and enterprise.

WEEK 2 · ECONOMICS · STARTER B Level: Y12

Reading the production possibility diagram

1. What does the curve show?
2. What does a point inside the curve tell you about the economy?
3. What does a point outside the curve tell you?
4. Food output falls from 60 to 45 and machinery rises from 20 to 35. State the opportunity cost.
5. [BACK TO WEEK 1] What does scarce mean to an economist?

ANSWERS 2B

1. The maximum combinations of two goods an economy can produce when all its resources are used fully and efficiently.
2. Resources are not being used fully or efficiently, so there is spare capacity or unemployment.
3. It cannot be reached with the resources and technology available now, only if the economy grows.
4. 15 units of food given up for 15 extra units of machinery. The opportunity cost is 15 units of food.
5. There is not enough of it to satisfy everyone who wants it at a price of zero.

GCSE SWAP 2B Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) A council can build a library or a leisure centre on the same plot. State the opportunity cost of choosing the library.
Answer. *The leisure centre, and the use the town would have had from it.*
(ii) Why does every economic choice have a cost, even when nothing is paid for?
Answer. *Because resources are limited. Using them one way means the next best use is given up.*
(iii) Name one choice you made this week, and state its opportunity cost.
Answer. *An hour on a game rather than revision. The opportunity cost is the revision you did not do.*

WEEK 2 · ECONOMICS · STARTER C Level: Y12

Capital goods, growth and economic choices

1. Name two things that shift the curve outwards.
2. Why can a country that builds more capital goods now consume more later?
3. A flood destroys a third of a country's factories. What happens to the curve?
4. A government spends on hospitals rather than schools. Give one benefit and one cost.
5. [BACK TO WEEK 1] What are the three questions every economy has to answer?

ANSWERS 2C

1. Any two of: better technology, more or better educated workers, more capital, higher investment.
2. Capital goods raise future output, so the curve shifts outwards and more can be consumed later.
3. It shifts inwards, because capital has been lost, so the maximum output of both goods falls.
4. Benefit: more people treated and shorter waits. Cost: the schools and the education they would give.
5. What to produce, how to produce it, and who gets it.

GCSE SWAP 2C Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) Name one choice a consumer makes, and state its opportunity cost.
Answer. *For example £30 on a concert ticket. The opportunity cost is the next best thing that £30 would have bought.*
(ii) Name one choice a producer makes, and state its opportunity cost.
Answer. *Using a workshop for chairs. The opportunity cost is the tables the same workers could have made.*
(iii) A family saves part of its income instead of spending it. Give one benefit and one cost of that choice.
Answer. *Benefit: money set aside for later, and any interest it earns. Cost: the goods they could have had now.*

WEEK 3. Business: ownership, liability and choosing a structure. Economics: specialisation, money, and economic systems at Year 12.

Two recall questions in every set from here. This is the week the design starts to work, and the week to say out loud why the questions repeat.

WEEK 3 · BUSINESS · STARTER A Level: GCSE and Y12

Sole trader and partnership

1. Define sole trader, and give one advantage of trading that way.

2. What does unlimited liability mean, in plain words, and what can it cost someone?

3. Give one advantage and one drawback of taking a partner.

4. [BACK TO WEEK 2] Give two reasons a new business does not survive its first year.

5. [BACK TO WEEK 1] What is the difference between a customer and a consumer?

ANSWERS 3A

1. A business owned and run by one person, with no separate legal identity from the owner. It is quick and cheap to set up, and the owner keeps all the profit and makes every decision.

2. The owner and the business are the same in law, so business debts are the owner's personal debts. If the business cannot pay, personal possessions such as savings, a car or a house can be taken.

3. Advantage: more money to start with, a second set of skills and a shared workload. Drawback: the profit is shared, decisions have to be agreed, and each partner is liable for the other's business debts.

4. Any two of: running out of cash, too few customers, costs higher than expected, poor record keeping, a market smaller than the owner thought.

5. The customer buys the product, the consumer uses it.

WEEK 3 · BUSINESS · STARTER B Level: GCSE and Y12

Limited companies

1. What is a shareholder, and what is a dividend?

2. What is the difference between a private limited company and a public limited company?

3. Give one drawback of becoming a public limited company.

4. [BACK TO WEEK 2] What is the difference between an idea and an opportunity?

5. [BACK TO WEEK 1] Name the three sectors of industry, and place a farm, a car plant and a bank.

ANSWERS 3B

1. A shareholder owns a share of a company, which gives them a vote and a right to a share of the profit. A dividend is that share of the profit, paid out as an amount per share.

2. A private limited company sells its shares privately, usually to family, friends or invited investors. A public limited company can sell its shares to the public on the stock market.

3. Any one of: anyone can buy the shares so control can be lost, the accounts are public, floating is expensive, shareholders push for short-term profit.

4. An idea is something you could make. An opportunity is something people will pay for, at a price that covers the cost.

5. Primary, secondary and tertiary. A farm is primary, a car plant is secondary, a bank is tertiary.

WEEK 3 · BUSINESS · STARTER C Level: GCSE and Y12

Choosing a structure

1. Define limited liability.

2. Why does limited liability make it easier to raise money from outside?

3. A market trader turns over £40,000 a year. Recommend a structure and give one reason.

4. [BACK TO WEEK 2] Name three things an entrepreneur does.

5. [BACK TO WEEK 1] What does a business do with the resources it buys in?

ANSWERS 3C

1. The owners are legally separate from the business, so the most they can lose is the money they put in. Personal possessions are not at risk.

2. An investor knows the most they can lose is their stake, so the risk is capped and they are more willing to put money in.

3. Sole trader. At that size the cost and paperwork of running a company are not worth it, and the owner keeps full control and all the profit.

4. Any three of: spots an opportunity, raises the money, organises the other factors of production, carries the risk, makes the decisions, hires and manages people.

5. It combines them and turns them into something customers will pay more for. That difference is added value.

WEEK 3 · ECONOMICS · STARTER A Level: GCSE and Y12

Specialisation and the division of labour

1. Define specialisation.
2. Define the division of labour.
3. Give one advantage and one drawback of the division of labour.
4. [BACK TO WEEK 2] Define opportunity cost.
5. [BACK TO WEEK 1] Give one example of a free good and say why it is free.

ANSWERS 3A

1. Concentrating on producing a limited range of goods, or on one task, rather than trying to do everything.
2. Splitting a production process into separate tasks and giving each worker one of them.
3. Advantage: workers get faster at a repeated task and output per worker rises. Drawback: the work becomes boring, so motivation and quality fall and staff leave.
4. The next best alternative that is given up when a choice is made.
5. Sunlight. There is enough for everyone, so using it costs nobody anything.

WEEK 3 · ECONOMICS · STARTER B Level: GCSE and Y12

Money

1. Why can specialisation not work without money?
2. Name the four functions of money.
3. Give one problem with barter.
4. [BACK TO WEEK 2] Why is opportunity cost not the same thing as the price paid?
5. [BACK TO WEEK 1] Name the four factors of production and the reward paid to each.

ANSWERS 3B

1. Specialists produce one thing and need everything else, so they have to trade. Without money they would have to barter, which only works if each side happens to want what the other has.
2. A medium of exchange, a store of value, a unit of account, and a standard of deferred payment.
3. Any one of: it needs each side to want what the other has at the same time, many goods cannot be divided up, perishable goods cannot store value, there is no common way of pricing things.
4. The price is the money handed over. The opportunity cost is what you gave up to have it, which includes things money does not measure, such as time.
5. Land earns rent, labour earns wages, capital earns interest, enterprise earns profit.

WEEK 3 · ECONOMICS · STARTER C Level: Y12

Economic systems

1. Name the three types of economic system.
2. Who owns the resources in each of them?
3. Give one strength and one weakness of a free market.
4. [BACK TO WEEK 2] A student stays on at sixth form. State the opportunity cost.
5. [BACK TO WEEK 1] What are the three questions every economy has to answer?

ANSWERS 3C

1. Free market, command or planned, and mixed.
2. In a free market, private individuals and firms. In a command economy, the state. In a mixed economy, both, through a private sector and a public sector.
3. Strength: prices and profit send resources towards what people actually want, and competition pushes firms to cut costs and improve. Weakness: anything that is not profitable is underprovided, and the gap between rich and poor tends to widen.
4. The wages they would have earned in a job over those two years, and the work experience with them.
5. What to produce, how to produce it, and who gets it.

GCSE SWAP 3C Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) Why do producers in the same market compete with each other?
Answer. *Because customers can buy from a rival instead. A producer competes to win those customers and keep them, and to earn more profit than the firm next door.*

(ii) How does competition between producers affect the price customers pay?
Answer. *It pushes it down. If a rival charges less, customers switch, so each producer has to keep its price close to the rest of the market.*

(iii) What is a monopoly, and name one way it differs from a competitive market.
Answer. *A market supplied by a single producer. Any one of: the price is higher, the choice is narrower, there is less pressure to improve quality.*

WEEK 4. Business: aims, objectives and stakeholders. Economics: demand.

First calculation of the half term on the Business side. Number work goes first over a long break, so it is worth the two minutes.

WEEK 4 · BUSINESS · STARTER A Level: GCSE and Y12

Aims and objectives

1. What is the difference between an aim and an objective?
2. Why is survival usually the first objective of a new business?
3. Revenue is £84,000 and total costs are £61,500. Calculate profit.
4. [BACK TO WEEK 3] What is a dividend?
5. [BACK TO WEEK 2] Name two rewards of starting a business.

ANSWERS 4A

1. An aim is what the business is trying to achieve overall. An objective is a specific, measurable target with a deadline that moves it towards that aim.
2. A new business has few customers and little cash, so getting through the first year matters more than profit. Nothing else is possible if it closes.
3. £84,000 minus £61,500 = £22,500 profit.
4. A share of the profit paid out to shareholders, usually as an amount per share.
5. Any two of: profit, independence, being your own boss, doing work you care about, building something you own.

WEEK 4 · BUSINESS · STARTER B Level: GCSE and Y12

Non-financial objectives, and why objectives change

1. Name four possible business objectives, including two that are not financial.
2. Give one reason a business changes its objectives as it grows.
3. Name one social or ethical objective, and one cost of pursuing it.
4. [BACK TO WEEK 3] What does unlimited liability mean?
5. [BACK TO WEEK 2] Name two risks of starting a business.

ANSWERS 4B

1. Any two financial, for example survival, profit, growth or market share, plus any two non-financial, for example independence, personal satisfaction, a better work-life balance, customer satisfaction, serving the local community or cutting environmental impact.
2. Once survival is secure the owner can aim at growth or market share, and new investors, lenders or competitors change what the business has to target.
3. For example paying suppliers a fair price, or cutting packaging waste. The cost is higher spending, which lowers profit at least in the short term.
4. The owner and the business are the same in law, so business debts are the owner's personal debts and personal possessions can be taken.
5. Any two of: losing the money put in, the business failing, no regular income, personal possessions at risk, long hours with no guaranteed pay.

WEEK 4 · BUSINESS · STARTER C Level: GCSE and Y12

Stakeholders

1. Define stakeholder, and name four stakeholder groups.
2. What do employees want, what do shareholders want, and where do the two conflict?
3. Name one way a business can keep two stakeholder groups happy at once.
4. [BACK TO WEEK 3] Define limited liability.
5. [BACK TO WEEK 1] What is the difference between a need and a want?

ANSWERS 4C

1. Anyone with an interest in what a business does, or who is affected by it. Any four of: owners or shareholders, employees, customers, suppliers, lenders, the local community, the government.
2. Employees want higher pay, secure jobs and good conditions. Shareholders want higher profit and dividends. Pay rises come out of profit, so more for one is less for the other.
3. For example training staff, which raises pay and prospects for employees and raises quality and profit for shareholders. Not every conflict has one of these, but some do.
4. The owners are legally separate from the business, so the most they can lose is the money they put in.
5. A need is something you cannot manage without, such as food, water or shelter. A want is something you would like but could live without.

WEEK 4 · ECONOMICS · STARTER A Level: GCSE and Y12

The law of demand

1. Define demand.

2. Why does the demand curve slope downwards?

3. What is the difference between a movement along the curve and a shift of the curve?

4. [BACK TO WEEK 3] Give one problem with barter.

5. [BACK TO WEEK 2] A government builds a hospital instead of a school. State the opportunity cost.

ANSWERS 4A

1. The quantity of a good consumers are willing and able to buy at each price over a period of time.

2. As price falls the good becomes cheaper compared with its substitutes so people switch to it, and the same income goes further, so more is bought.

3. A movement along the curve is caused by a change in the price of the good itself, and nothing else. A shift is caused by a change in any other factor, and the whole curve moves.

4. Any one of: it needs each side to want what the other has at the same time, many goods cannot be divided up, perishable goods cannot store value.

5. The school, and the education it would have provided.

WEEK 4 · ECONOMICS · STARTER B Level: GCSE and Y12

What shifts demand

1. Name four things that shift the demand curve.

2. What happens to demand for a substitute when a product's price rises?

3. What happens to demand for a complement when a product's price rises?

4. [BACK TO WEEK 3] Give two advantages of specialisation.

5. [BACK TO WEEK 1] State the economic problem in one sentence.

ANSWERS 4B

1. Any four of: income, the price of substitutes, the price of complements, tastes and fashion, the size and age structure of the population, advertising, expectations about future prices, interest rates.

2. Demand for the substitute rises, because consumers switch to it. Its curve shifts right.

3. Demand for the complement falls, because less of the original good is being bought. Its curve shifts left.

4. Any two of: workers get faster at a repeated task, less time is lost switching between jobs, training is cheaper because it is narrower, output per worker rises.

5. Wants are unlimited but the resources available to meet them are limited, so choices have to be made.

WEEK 4 · ECONOMICS · STARTER C Level: Y12

Individual and market demand

1. How is a market demand curve built from individual demand curves?

2. Explain the income effect and the substitution effect, one line each.

3. What does diminishing marginal utility mean, and why does it matter for the shape of the demand curve?

4. [BACK TO WEEK 3] Define the division of labour.

5. [BACK TO WEEK 2] A government spends £2bn on a railway. State the opportunity cost.

ANSWERS 4C

1. By adding up the quantity every consumer would buy at each price. The individual curves are summed horizontally.

2. Income effect: when price falls the same money income buys more, so real income rises and more is bought. Substitution effect: when price falls the good is cheaper relative to its substitutes, so consumers switch towards it.

3. Each extra unit consumed gives less added satisfaction than the one before. So a consumer will only buy another unit at a lower price, which is why the demand curve slopes down.

4. Splitting a production process into separate tasks and giving each worker one of them.

5. The next best use of that £2bn, for example the hospitals or schools it could have built instead.

GCSE SWAP 4C Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) Name two products whose demand rises in a heatwave, and say why.

Answer. *For example ice cream and electric fans. Hot weather changes what people want, so demand shifts right at every price.*

(ii) What happens to demand for umbrellas in the same week?

Answer. *It falls. The curve shifts left, because fewer people need one.*

(iii) Define a normal good and an inferior good, with one example of each.

Answer. *A normal good is one people buy more of as income rises, for example restaurant meals. An inferior good is one they buy less of as income rises, for example supermarket value range food.*

WEEK 5. Business: the market, customers and segmentation. Economics: supply and market equilibrium.

By now the recall questions should be scoring better than the new content. If they are not, that is your intervention list, not a discipline problem.

WEEK 5 · BUSINESS · STARTER A Level: GCSE and Y12

What a market is

1. Define market, and define market share.

2. A firm sells £1.8m in a market worth £24m. Calculate its market share as a percentage.

3. Give two effects of strong competition on a business.

4. [BACK TO WEEK 4] Define stakeholder, and name two stakeholder groups.

5. [BACK TO WEEK 3] What is the difference between a private limited company and a public limited company?

ANSWERS 5A

1. A market is anywhere buyers and sellers come together to trade, whether that is a physical place or online. Market share is the proportion of total sales in that market held by one business, shown as a percentage.

2. 1.8 divided by 24 = 0.075, so 7.5 per cent.

3. Any two of: prices are pushed down, margins are squeezed, quality or service has to improve, more has to be spent on marketing, there is less freedom to raise price.

4. Anyone with an interest in what a business does, or who is affected by it. Any two of: owners, employees, customers, suppliers, lenders, the local community, the government.

5. A private limited company sells shares privately to invited investors. A public limited company can sell shares to the public on the stock market.

WEEK 5 · BUSINESS · STARTER B Level: GCSE and Y12

Customer needs

1. Name four things customers look for.

2. Why does a business need to know which of those its own customers value most?

3. Name one way a business finds that out.

4. [BACK TO WEEK 4] What is the difference between an aim and an objective?

5. [BACK TO WEEK 2] What is the difference between an idea and an opportunity?

ANSWERS 5B

1. Any four of: price, quality, choice, convenience, speed, reliability, good service, brand.

2. Because no business can be best at all of them. Knowing which one customers actually pay for tells the owner where to spend money and where it is safe to be ordinary.

3. Any one of: a customer survey, sales data showing what people actually buy, talking to customers, watching what they do in the shop, reading complaints and reviews.

4. An aim is what the business is trying to achieve overall. An objective is a specific, measurable target with a deadline that moves it towards that aim.

5. An idea is something you could make. An opportunity is something people will pay for, at a price that covers the cost.

WEEK 5 · BUSINESS · STARTER C Level: GCSE and Y12

Segmentation, mass and niche

1. Define market segmentation, and name three ways a market can be segmented.

2. What is the difference between a mass market and a niche market?

3. Give one risk of serving a niche.

4. [BACK TO WEEK 4] Name four possible business objectives.

5. [BACK TO WEEK 3] Give one drawback of becoming a public limited company.

ANSWERS 5C

1. Splitting a market into groups of customers with similar characteristics or needs, so each group can be targeted differently. Any three of: age, income, gender, location, lifestyle, interests, occupation, family size.

2. A mass market sells one product to a large, broad group of customers. A niche market serves a small, specific group with particular needs.

3. The number of customers is small, so if tastes change or a large firm moves in, sales can fall sharply with nothing to fall back on.

4. Any four of: survival, profit, growth, market share, independence, personal satisfaction, a better work-life balance, customer satisfaction, serving the local community, cutting environmental impact.

5. Any one of: anyone can buy the shares so control can be lost, the accounts are public, floating is expensive, shareholders push for short-term profit.

WEEK 5 · ECONOMICS · STARTER A Level: GCSE and Y12

The law of supply and what shifts it

1. Define supply, and say why the supply curve slopes upwards.

2. Name four things that shift supply.

3. A subsidy is paid to producers. What happens to the supply curve, and which way?

4. [BACK TO WEEK 4] The price of the good itself falls. Movement along the curve, or shift?

5. [BACK TO WEEK 3] Give one advantage and one drawback of the division of labour.

ANSWERS 5A

1. The quantity of a good producers are willing and able to sell at each price over a period of time. It slopes upwards because a higher price makes production more profitable, so existing firms produce more and new firms enter.

2. Any four of: costs of production, technology, taxes on producers, subsidies, the number of firms in the market, weather for farm goods, the price of related goods.

3. It shifts right. The subsidy lowers the cost of producing each unit, so more is supplied at every price.

4. A movement along the curve. Only a change in the price of the good itself does that.

5. Advantage: workers get faster at a repeated task and output per worker rises. Drawback: the work becomes boring, so motivation and quality fall and staff leave.

WEEK 5 · ECONOMICS · STARTER B Level: GCSE and Y12

Equilibrium, surplus and shortage

1. What is meant by the equilibrium price?

2. If price is set above equilibrium, will there be a surplus or a shortage? One line of explanation.

3. Demand rises and supply is unchanged. What happens to equilibrium price and quantity?

4. [BACK TO WEEK 3] Name two functions of money.

5. [BACK TO WEEK 2] Food output falls from 60 to 45 and machinery rises from 20 to 35. State the opportunity cost.

ANSWERS 5B

1. The price at which the quantity demanded equals the quantity supplied, so there is no pressure on the price to move.

2. A surplus. At that price firms want to sell more than consumers want to buy, so stock builds up and the price is pushed back down.

3. Both rise. Demand shifts right, so the new equilibrium sits at a higher price and a higher quantity.

4. Any two of: a medium of exchange, a store of value, a unit of account, a standard of deferred payment.

5. 15 units of food given up for 15 extra units of machinery. The opportunity cost is 15 units of food.

WEEK 5 · ECONOMICS · STARTER C Level: Y12

The functions of the price mechanism

1. Name the three functions of the price mechanism.

2. Explain signalling in one line.

3. Explain the incentive function in one line.

4. [BACK TO WEEK 4] Name four things that shift the demand curve.

5. [BACK TO WEEK 3] Define specialisation.

ANSWERS 5C

1. Rationing, incentive and signalling.

2. A change in price tells buyers and sellers where the shortages and surpluses are, so resources move towards where they are wanted.

3. A higher price makes production more profitable, which gives firms a reason to supply more of that good.

4. Any four of: income, the price of substitutes, the price of complements, tastes and fashion, population, advertising, expectations about future prices.

5. Concentrating on producing a limited range of goods, or on one task, rather than trying to do everything.

GCSE SWAP 5C Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) What happens to price when there is a shortage, and why?

Answer. *It rises. More people want the good than there is stock, so sellers can charge more and buyers bid the price up until the two match.*

(ii) Name one market where prices rose because supply fell, and say why they rose.

Answer. *For example fresh vegetables after a poor growing season. Bad weather cut the harvest, so less reached the shops and the price rose.*

(iii) What does a rising price tell producers to do?

Answer. *Produce more of that good, because each unit now earns more.*

WEEK 6. Business: market research. Economics: elasticity.

Elasticity is the first thing this year that a Year 12 class will find genuinely hard. Set 6A twice if you need to, a week apart, rather than pushing on.

WEEK 6 · BUSINESS · STARTER A Level: GCSE and Y12

Primary and secondary research

1. Define primary research and name two methods.

2. Define secondary research and name two sources.

3. Give one advantage of primary over secondary, and one advantage of secondary over primary.

4. [BACK TO WEEK 5] Define market segmentation.

5. [BACK TO WEEK 4] What do employees want, what do shareholders want, and where do the two conflict?

ANSWERS 6A

1. Research the business gathers itself for its own purpose. For example a survey and a focus group.

2. Research that already exists and was collected by someone else. For example government statistics and a trade magazine.

3. Primary answers exactly the question this business is asking, and rivals do not have it. Secondary is quicker and cheaper, and can cover a far larger sample than a small firm could survey itself.

4. Splitting a market into groups of customers with similar characteristics or needs, so each group can be targeted differently.

5. Employees want higher pay, secure jobs and good conditions. Shareholders want higher profit and dividends. Pay rises come out of profit, so more for one is less for the other.

WEEK 6 · BUSINESS · STARTER B Level: GCSE and Y12

Quantitative, qualitative, sample and bias

1. What is the difference between quantitative and qualitative data?

2. Why does sample size matter?

3. Rewrite this so it is not biased: do you agree that our prices are fair?

4. [BACK TO WEEK 5] What is the difference between a mass market and a niche market?

5. [BACK TO WEEK 1] Classify these as goods or services: a train ticket, a dental check up, a loaf of bread.

ANSWERS 6B

1. Quantitative data is numbers, such as how many people would buy. Qualitative data is opinions and reasons, such as why they would not.

2. A small sample is more likely to be unrepresentative by chance, so its results are a weaker guide to what the whole market would do.

3. For example: how would you describe our prices? with a scale from very cheap to very expensive. The wording must not point the person at an answer.

4. A mass market sells one product to a large, broad group of customers. A niche market serves a small, specific group with particular needs.

5. Train ticket, service. Dental check up, service. Loaf of bread, good.

WEEK 6 · BUSINESS · STARTER C Level: GCSE and Y12

Using research to make a decision

A drinks firm asked 200 customers which new flavour they would buy.

Flavour A 84 Flavour B 56 Flavour C 38 None of these 22

1. State the most popular option, and give one reason 200 responses might still mislead the owner.

2. What percentage of the sample chose the most popular option?

3. Sales rise from £12,400 to £15,300. Calculate the percentage change to one decimal place.

4. [BACK TO WEEK 5] Name four things customers look for.

5. [BACK TO WEEK 2] Name three ways to start a business.

ANSWERS 6C

1. Flavour A, chosen by 84 of the 200. The 200 may not represent the whole market: they were asked in one place, at one time, and people do not always buy what they say they will.

2. 84 divided by 200 = 0.42, so 42 per cent.

3. 15,300 minus 12,400 = 2,900. 2,900 divided by 12,400 = 0.2339, so a rise of 23.4 per cent.

4. Any four of: price, quality, choice, convenience, speed, reliability, good service, brand.

5. Start from scratch, buy an existing business, or buy a franchise.

WEEK 6 · ECONOMICS · STARTER A Level: GCSE and Y12

Price elasticity of demand

1. State the formula for price elasticity of demand.

2. What do elastic and inelastic mean in plain words, and name one thing that makes demand more elastic?

3. Price rises by 10 per cent and quantity demanded falls by 25 per cent. Calculate PED and say whether demand is elastic.

4. [BACK TO WEEK 5] A subsidy is paid to producers. What happens to the supply curve, and which way?

5. [BACK TO WEEK 4] Why does the demand curve slope downwards?

ANSWERS 6A

1. PED = percentage change in quantity demanded divided by percentage change in price.

2. Elastic means quantity responds a lot to a price change, so PED is greater than 1 ignoring the sign. Inelastic means it barely responds, so PED is less than 1. Demand is more elastic when there are close substitutes, or the good takes a large share of income, or it is a luxury rather than a necessity.

3. minus 25 divided by 10 = minus 2.5. Ignoring the sign that is greater than 1, so demand is elastic.

4. It shifts right, because the subsidy lowers the cost of producing each unit.

5. As price falls the good becomes cheaper compared with its substitutes so people switch to it, and the same income goes further, so more is bought.

WEEK 6 · ECONOMICS · STARTER B Level: GCSE and Y12

Elasticity and total revenue

1. A firm raises its price and demand is inelastic. What happens to revenue, and why?

2. The same firm raises its price and demand is elastic. What happens to revenue, and why?

3. Sales of 4,000 units at £5 become 3,600 units at £6. Calculate revenue before and after, and say which case this is.

4. [BACK TO WEEK 5] What is a surplus, and what does it do to price?

5. [BACK TO WEEK 1] State the economic problem.

ANSWERS 6B

1. Revenue rises. Quantity falls by a smaller percentage than the price rise, so the higher price more than makes up for the lost sales.

2. Revenue falls. Quantity falls by a larger percentage than the price rise, so the lost sales outweigh the higher price.

3. Before: 4,000 times £5 = £20,000. After: 3,600 times £6 = £21,600. Revenue rose after a price rise, so demand is inelastic over that range.

4. Quantity supplied is greater than quantity demanded at the current price. Stock builds up, so sellers cut the price until the two are equal again.

5. Wants are unlimited but the resources available to meet them are limited, so choices have to be made.

WEEK 6 · ECONOMICS · STARTER C Level: Y12

Income elasticity and cross elasticity

1. State the formula for income elasticity of demand, and say what a negative result tells you about a good.

2. What does a positive cross elasticity tell you about two goods?

3. Incomes rise by 8 per cent and demand for a good falls by 4 per cent. Calculate YED and name the type of good.

4. [BACK TO WEEK 5] What is meant by the equilibrium price?

5. [BACK TO WEEK 4] What happens to demand for a substitute when a product's price rises?

ANSWERS 6C

1. YED = percentage change in quantity demanded divided by percentage change in income. A negative result means the good is inferior: when income rises, demand for it falls.

2. They are substitutes. A rise in the price of one raises demand for the other.

3. minus 4 divided by 8 = minus 0.5. The result is negative, so it is an inferior good.

4. The price at which the quantity demanded equals the quantity supplied, so there is no pressure on the price to move.

5. Demand for the substitute rises, because consumers switch to it, and its curve shifts right.

GCSE SWAP 6C Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) What are substitutes and what are complements? Give one pair of each.

Answer. *Substitutes are bought instead of each other, for example tea and coffee. Complements are bought together, for example a printer and ink.*

(ii) Incomes rise. Name one product people buy more of, and one they buy less of.

Answer. *More of a normal good, for example restaurant meals. Less of an inferior good, for example supermarket value range food.*

(iii) Incomes fall in a recession. Name one product whose sales rise, and say why.

Answer. *For example supermarket own brand food. As incomes fall people trade down to cheaper alternatives, so demand for the cheaper good rises.*

WEEK 7. Business: business plans, risk, and the half term review. Economics: markets in action, and the half term review.

Starter C in both subjects is the review. Take the scores seriously, write them down, and use them to decide what November reteaches.

WEEK 7 · BUSINESS · STARTER A Level: GCSE and Y12

The business plan

1. What is a business plan, and name four sections it usually contains.

2. Who reads a business plan, and why does a bank ask for one?

3. Give one reason a plan can be out of date within a month.

4. [BACK TO WEEK 5] Give one risk of serving a niche market.

5. [BACK TO WEEK 4] Why is survival usually the first objective of a new business?

ANSWERS 7A

1. A written document setting out what the business will sell, to whom, how, and what it expects to cost and earn. Any four of: the idea, the market and customers, the marketing plan, the people, the costs and pricing, a cash flow forecast, the finance needed.

2. The owner, any lender and any investor. A bank wants evidence that the costs and revenue have been thought through, so it can judge whether the loan will be repaid.

3. The plan is built on forecasts, and costs, prices, competitors and demand can all change quickly. A forecast is not a promise.

4. The number of customers is small, so if tastes change or a large firm moves in, sales can fall sharply with nothing to fall back on.

5. A new business has few customers and little cash, so getting through the first year matters more than profit. Nothing else is possible if it closes.

WEEK 7 · BUSINESS · STARTER B Level: GCSE and Y12

Risk and uncertainty

1. What is the difference between risk and uncertainty?

2. Name three reasons new businesses fail.

3. Name two ways an owner can reduce risk.

4. [BACK TO WEEK 3] What does limited liability mean, and why does it matter to an investor?

5. [BACK TO WEEK 5] Give two effects of strong competition on a business.

ANSWERS 7B

1. Risk is something you can see coming and put a rough likelihood on, so you can plan for it. Uncertainty is an event you cannot predict at all, so all you can do is leave yourself some slack.

2. Any three of: running out of cash, too few customers, costs higher than forecast, a market smaller than expected, poor record keeping, growing faster than the cash allows.

3. Any two of: research the market before spending, start small and test, keep a cash reserve, take insurance, form a limited company, keep fixed costs low, avoid relying on a single customer.

4. The owners are legally separate from the business, so the most they can lose is the money they put in. An investor knows the risk is capped, which makes them more willing to invest.

5. Any two of: prices are pushed down, margins are squeezed, quality or service has to improve, more has to be spent on marketing, there is less freedom to raise price.

WEEK 7 · BUSINESS · STARTER C Level: GCSE and Y12

Half term review

1. [WEEK 1] Name the four factors of production.

2. [WEEK 2] Name three things an entrepreneur does.

3. [WEEK 3] What does unlimited liability mean?

4. [WEEK 4] Name two stakeholder groups and one thing each of them wants.

5. [WEEK 5] A firm sells £900,000 in a market worth £7.5m. Calculate its market share.

ANSWERS 7C

1. Land, labour, capital and enterprise.

2. Any three of: spots an opportunity, raises the money, organises the other factors of production, carries the risk, makes the decisions, hires and manages people.

3. The owner and the business are the same in law, so business debts are the owner's personal debts and personal possessions can be taken.

4. Any two of: employees want secure jobs and fair pay, customers want quality at a reasonable price, shareholders want profit and dividends, suppliers want to be paid on time, the local community wants jobs and little disruption.

5. 900,000 divided by 7,500,000 = 0.12, so 12 per cent.

WEEK 7 · ECONOMICS · STARTER A Level: GCSE and Y12

A market moves

1. A poor harvest cuts the wheat crop. Which curve shifts, which way, and what happens to price and quantity?

2. A new competitor enters a market. Which curve, which way, and what happens to price?

3. The government pays bus operators a subsidy. Which curve shifts, and which way?

4. [BACK TO WEEK 6] Is demand for petrol elastic or inelastic? Give one reason.

5. [BACK TO WEEK 5] Why does the supply curve slope upwards?

ANSWERS 7A

1. Supply shifts left, because less can be produced at every price. Price rises and quantity falls.

2. Supply shifts right, because more is produced at every price. Price falls and quantity rises.

3. Supply shifts right, because the subsidy cuts the operator's cost of running each service.

4. Inelastic. There are few close substitutes in the short run and most driving still has to be done, so a price rise cuts quantity by a smaller percentage.

5. Because a higher price makes production more profitable, so existing firms produce more and new firms enter the market.

WEEK 7 · ECONOMICS · STARTER B Level: Y12

Consumer and producer surplus

1. Define consumer surplus.

2. Define producer surplus.

3. What happens to consumer surplus when price rises?

4. [BACK TO WEEK 6] A firm raises its price and demand is elastic. What happens to revenue?

5. [BACK TO WEEK 3] Why can specialisation not work without money?

ANSWERS 7B

1. The difference between what a consumer was willing to pay and what they actually paid, added up across all buyers.

2. The difference between the price a producer receives and the lowest price they would have accepted, added up across all sellers.

3. It falls. Buyers now hand over more of what they were willing to pay, and some drop out of the market altogether.

4. It falls. Quantity falls by a larger percentage than the price rise, so the lost sales outweigh the higher price.

5. Specialists produce one thing and need everything else, so they have to trade. Without money they would have to barter, which only works if each side wants what the other has.

GCSE SWAP 7B Replace questions 1 to 3 with these. Questions 4 and 5 stay as they are.

(i) What do people mean when they say they got a bargain?

Answer. *They paid less than they would have been willing to pay, so they feel better off by the difference.*

(ii) You would have paid £40 and you paid £25. How much better off are you, and what do economists call that gain?

Answer. *£40 minus £25 = £15 better off. Economists call it consumer surplus.*

(iii) Name one thing that would reduce that gain.

Answer. *A price rise, or fewer sellers competing, or the good becoming fashionable so buyers bid the price up towards what they are willing to pay.*

WEEK 7 · ECONOMICS · STARTER C Level: GCSE and Y12

Half term review

1. [WEEK 1] What are the three questions every economy has to answer?

2. [WEEK 2] A government spends £2bn on defence instead of schools. State the opportunity cost.

3. [WEEK 3] Give two advantages of specialisation.

4. [WEEK 4] Incomes rise. Movement along the demand curve or a shift, and which way?

5. [WEEK 5] Price is set below equilibrium. Surplus or shortage, and what happens next?

ANSWERS 7C

1. What to produce, how to produce it, and who gets it.

2. The schools that £2bn would have built, and the education they would have provided.

3. Any two of: workers get faster at a repeated task, less time is lost switching between jobs, training is cheaper because it is narrower, output per worker rises.

4. A shift. Income is not the price of the good, so the whole curve moves, to the right for a normal good.

5. A shortage. Quantity demanded is greater than quantity supplied, so buyers bid the price up until the market clears.

Class tracking sheet

Print one per class. If you teach both subjects, print two and write the subject at the top. Each week column takes a score out of fifteen, which is the three starters for that week added together.

#	Name	W1	W2	W3	W4	W5	W6	W7	Flag
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What a low score means

The trigger. Below eight out of fifteen in two weeks running goes on your list. One bad week is a bad week. Two is a gap.

What it usually is. In most cases a student scoring badly on the BACK questions but well on questions one to three has understood the lesson and not retained it. That is a revision habit problem rather than a comprehension problem, and it is fixed with a five-minute conversation and a fortnightly self-quiz, not with a booster class.

A whole class scoring badly on the same question. Reteach it in sixty seconds the same lesson, then put the same question back in as a BACK question two weeks later. If it scores well then, it has landed. If it does not, it needs a lesson, not a starter.

For the front of their books

Print this, cut it, and stick it inside the front cover of their books. It is the same routine written for them rather than for you, and it saves you explaining the second colour every week until October.

THE FOUR-MINUTE RULES

1. Five questions. Four minutes. Books open, notes away.
2. Number your answers one to five. If you cannot do one, leave a gap and move on to the next.
3. When the timer goes, pens down and second colour out.
4. Mark your own, honestly. A five you did not earn tells you nothing and costs you later.
5. Circle the number of any question you got wrong.
6. Questions marked BACK TO WEEK are from earlier in the term. They repeat on purpose.
7. If you got a BACK question wrong, that is the thing to revise tonight. It is a five-minute job now and a lost mark in the summer if you leave it.
8. Write your score out of five in the margin. That number is the whole record.

Why we do this: most of a lesson fades fast unless something makes you pull it back out. That is what these four minutes are. The questions you find hard are not a sign you are behind. They are the point of the exercise.

Before Monday

Do this	Why
Check the seven-week map against your own scheme of work and move the weeks to match.	The recall questions name a week, and they only work if that week actually happened.
Decide now whether you are running three a week or two.	Deciding on the Tuesday of week three is how a half term of starters turns into four starters.
Print the tracking sheet before week one, not after week three.	Scores you did not write down are scores you do not have.
Read the answer block for your first two sets before the lesson.	You will be reading them aloud at speed, and a hesitation over an answer is what makes a class stop trusting the routine.

The twenty answers to have automatic by half term

Business	Economics
The four factors of production, and which one the entrepreneur supplies	The economic problem, in one sentence
Added value, and how to work it out from two figures	The three questions every economy has to answer
Unlimited liability, and what it can cost the owner	Opportunity cost, defined and then used in an example
Limited liability, and why an investor cares about it	Specialisation and the division of labour, with one benefit and one cost
The difference between an aim and an objective	The four functions of money
Four stakeholder groups and what each of them wants	Why the demand curve slopes down
Market share as a percentage, worked out without a prompt	Movement along the curve against a shift of the curve
The difference between primary and secondary research	Four things that shift demand and four that shift supply
The difference between a mass market and a niche market	Equilibrium, surplus and shortage, and what each does to price
Three reasons a new business does not survive its first year	The PED formula, and what elastic and inelastic mean

If a student can give these twenty answers cold in October, the content of the first half term has stuck. If they cannot, you know exactly which starter to run again.

Every answer here is the author's own wording, written to be reproduced by a student under time. It is not an exam board mark scheme.

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