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Economics Revision Map

OCR AS Economics – Module 2882:

Market Failure and Government Intervention

This revision map is designed to help you plan your revision of the OCR AS Economics examination (Unit 2882) on Market Failure and Government Intervention. It maps the OCR syllabus against a wide range of free revision resources that you can find on Tutor2u. Each resource is hyperlinked - so you open the resource direct from this revision map.

This Revision Map is best used in conjunction with Tutor2u's award-winning AS Economics Course Companion - the market leading revision guide for economics - and our range of Q&A Rapid Revision Guides for Economics. [You can order these products from our online store](#)

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Online Learning Resource of the Year 2003

HOW TO USE THIS REVISION MAP

This revision map provides links to a selection of free resources on tutor2u for students taking the OCR AS Unit 2882 examination.

The map is not intended to provide a complete list of all the revision you should do before the exam. But hopefully it will provide some useful materials that will help supplement your teacher's resources and other materials you are using for revision.

We recommend highlighting or marking each resource once you have visited the site.

We also recommend trying the interactive quizzes fairly often during your revision – so that you can track your progress. There are over 1,000 AS standard questions for Economics students alone on tutor2u – plenty to keep you tested!

Please note, you will need a recent version of your favourite internet browser (we recommend Internet Explorer) to get full benefit from the interactive quizzes.

Please send feedback about this revision map to Jim Riley at jimriley@tutor2u.net so that we can develop the resource for future students.




Best wishes and GOOD LUCK from everyone at Tutor2u

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Tick When Covered	Revision Notes	Presentations	Interactive Quizzes
	<p>1 ECONOMIC EFFICIENCY WITHIN COMPETITIVE MARKETS</p> <p>Candidates should be able to:</p> <ul style="list-style-type: none"> • Describe what is meant by efficiency in economics • Explain what is meant by productive efficiency • Explain what is meant by allocative efficiency • Explain what is meant by Pareto efficiency • Illustrate how the concepts of efficiency can be applied to the productive possibility curve • Understand how competition can lead to an efficient allocation of resources <p>Content of the Syllabus:</p> <p>The conditions for efficient allocation of resources including the concepts of allocative, productive and Pareto efficiency. Competition and the efficient allocation of resources.</p>		
1.1	<p>Conditions for Efficient Allocation of Resources</p> <p>Economic Systems Factors of Production Scarcity Production Possibility & Economic Efficiency Shifts in the Production Possibility Frontier</p>	<p>The Basic Economic Problem</p>	<p>Basic Economic Concepts Production Possibility Frontier</p>

Tick When Covered	Revision Notes	Presentations	Interactive Quizzes
2 WHY MARKETS MAY NOT WORK EFFICIENTLY			
	Candidates should be able to:		
	<ul style="list-style-type: none"> Describe what is meant by market failure Understand why market failures arise Describe what is meant by positive and negative externalities and explain these in terms of a divergence between private and social benefits and costs Analyse why market dominance can lead to inefficiency, including X-inefficiency Differentiate between public, quasi-public and private goods with an understanding of the terms 'non-excludability' and 'non-rivalry' Explain why public goods may not be provided by the market Explain the problems created by information failures, including the concepts of merit and demerit goods and why these create market failures Explain the possible inefficiencies caused by factor immobility, such as structural and regional unemployment Understand that markets can lead to an 'unacceptable' distribution of resources such as 'unfair' access to healthcare and education Apply these concepts of market failure to a range of possible economic issues Comment upon their likely impact 		
	Content of the Syllabus:		
	The causes and consequences of why markets may not work efficiently to include the market failures of externalities, market dominance, public goods, merit goods, de-merit goods, information failures and factor immobility. The unequal distribution of income and wealth.		
2.1 Market Failure and Externalities	Introduction to Market Failure What are Externalities? Positive Externalities Government Policy & Externalities	Market Failure – Negative Externalities Market Failure – Positive Externalities Market Failure and Government Failure	Externalities and Government Policy
2.2 Public Goods	Public Goods	Market Failure and Government Failure	Merit and Public Goods
2.3 Merit and Demerit Goods	Merit Goods and Services	Market Failure and Government Failure	Merit and Public Goods

Tick When Covered	 Revision Notes	 Presentations	 Interactive Quizzes
2.4	Market Imperfections & Factor Immobility Immobility of Factors of Production	Monopoly	Monopoly and Concentrated Markets
2.5	Poverty – Unequal Distribution of Income and Wealth Measuring Inequality United Nations Poverty Index Rise of Mass Affluency Absolute and Relative Poverty Household Wealth	Poverty and Inequality Measuring the Standard of Living	Living Standards

Tick When Covered	Revision Notes	Presentations	Interactive Quizzes
3	MAKING CHOICES AND THE IMPACT OF GOVERNMENT INTERVENTION ON MARKET OUTCOMES AND EFFICIENCY		
	Candidates should be able to:		
	<ul style="list-style-type: none"> Understand what is meant by a cost-benefit approach 		
	<ul style="list-style-type: none"> Understand and interpret information collected in a cost-benefit study 		
	<ul style="list-style-type: none"> Understand the limitations of a cost-benefit approach 		
	<ul style="list-style-type: none"> Describe the various methods by which governments intervene in markets 		
	<ul style="list-style-type: none"> Analyse how the imposition of taxes and subsidies affects equilibrium in markets 		
	<ul style="list-style-type: none"> Analyse the effects of price control and minimum wage control in product and factor markets respectively 		
	<ul style="list-style-type: none"> Explain how state provision, regulation and standards can be applied in markets 		
	<ul style="list-style-type: none"> Discuss the possible role of information provision in a range of possible market failures 		
	<ul style="list-style-type: none"> Examine the role and analyse the impact of competition policy in tackling problems of market power 		
	<ul style="list-style-type: none"> Discuss how governments may create inefficiencies when they intervene in markets due to such factors as political objectives, distorting incentives and lack of information 		
	Contents of the Syllabus:		
	The cost-benefit approach as a means of identifying and measuring market failure. Broad use and limitations of cost-benefit approach. [Note: knowledge of the technical methodology of cost-benefit analysis, including discounting, is not required.]		
	The way governments, in pursuit of their economic, social and distributional objectives, intervene in markets to correct market failure, for example, through taxation, subsidies, price controls, state provision, regulation, information provision and competition policy. The impact of these forms of intervention on markets.		
	The ways in which governments may create rather than remove distortions.		
3.1	Cost Benefit Analysis		
		Cost Benefit Analysis	
3.2	Government Intervention in Markets		
	Correcting for Externalities Government Failure Government Regulation of Monopolies Indirect Taxation Buffer Stocks and Price Support Schemes	Market Failure – Negative Externalities Market Failure and Government Failure Smoking and Externalities	Subsidies and Taxes

Tick When Covered	 Revision Notes	 Presentations	 Interactive Quizzes
	Producer Subsidies Government Intervention in Housing Government Intervention – Landfill Tax		
4 GENERAL REVISION			
			Introduction to AS Economics 1 Introduction to AS Economics 2 AS Microeconomics Mock Quiz 1 AS Microeconomics Mock Quiz 2 A-Z of Economics