

Summer 2021 Transition Work Y1 Economics

Read the two articles provided and answer the questions below:

Article 1: Covid-19 and the gender wage gap

1. What is a recession?
2. Can you explain why Covid-19 may have caused a recession in the UK in 2020?
3. Why did firms have to furlough some of their employees?
4. How is gender inequality measured?
5. Can you explain the difference between equal pay and the gender wage gap?
6. What was the gender pay gap in 2019 for all workers?
7. Can you list three possible causes of a wage gap between men and women?
8. Why do you think women are under-represented in senior management positions? How does it affect women's pay?
9. Which industries were more adversely impacted by Covid-19?
10. What percentage of men and women work in the sectors mentioned in your previous answer?
11. Explain two reasons why Covid-19 worsened the gender pay gap?
12. Which do you think is the most important reason for the gender pay gap? Justify your answer.
13. What policies do you think the government could introduce to reduce the gender pay gap?

Article 2: Covid-19, Keynes and the national debt

1. Can you explain why Covid-19 led to an increase in government spending on
 - Healthcare?
 - Welfare benefits?
2. Can you explain why Covid-19 led to decrease in government tax revenues received from
 - Income tax?
 - VAT?
 - Fuel duty?
3. How does the government finance its expenditure?
4. What is meant by a budget deficit?
5. Can you explain the difference between a budget deficit and national debt?
6. If the government doesn't receive sufficient tax revenue to cover government expenditure, how might the government finance expenditure then?
7. Can you identify two historical-economic events that led to a significant rise in public sector/national debt? Refer to figure 1. Try to explain why for at least one of them.
8. How did economist John Maynard Keynes suggest unemployment could be reduced during the Great Depression?
9. What was Tony Blair's golden rule during his time as Prime Minister from 1997 to 2007?
10. Is there a difference between government's accumulating "good" and "bad" national debt?
11. What was the government's role during the 2008 Financial Crisis? Think about what action governments undertook and how this may have affected national debt. Do you think it was right for governments to take this action?

12. According to EU standards, what is considered an acceptable target for national debt, as measured by national debt as a % of GDP? Use figure 5 to compare the UK's performance against this target relative to other economies.

13. Can you explain one reason why an increase in national debt may be good for the economy?

14. Should the size of a country's national debt matter? Explain why a change in interest rates may or may not lead to concern about rising national debt.

15. What measures could the UK government use to reduce national debt in the future?