



Economics Reading List

Text book used in lesson:

- AQA A-level Economics Book 1 – Ray Powell and James Powell [9781471829796]

Additional A Level Economics textbooks

- Letts A-level In a week - New Curriculum - A-level Economics Year 1 (and AS) In a Week – Letts A-Level – [978-0-00-817967-0]
- My Revision Notes: AQA A-Level Economics – Steve Stoddard and David Horner [9781471865879]
- A-Level Year 1 and AS Economics – CGP Books - [9781782943570]

Further Reading

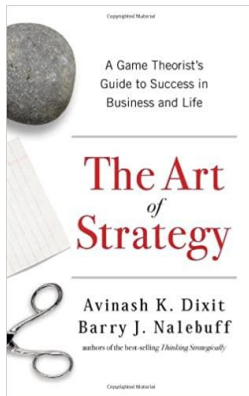
On top of understanding the theoretical elements of economics, we strongly encourage students to conduct wider reading into more specialist areas. By reading some of the books below it may well help to understand theoretical concepts but under a different light. If you intend applying to a Russell group university or Oxbridge it is essential to make reference to reading outside of standard textbooks.

23 Things They Don't Tell You About Capitalism (Ha-Joon Chang) – challenges conventional thinking

Turns received economic wisdom on its head to show you how the world really works. In this book, the author destroys the biggest myths of our times and shows us an alternative view of the world, including: there's no such thing as a 'free' market Globalization isn't making the world richer; poor countries are more entrepreneurial than rich ones.



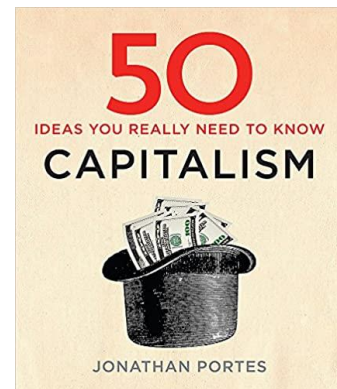
Art of Strategy: A Game Theorist's Guide to Success in Business and Life (Dixit and Nalebuff) – especially good for Game Theory examples and analysis



Game theory means rigorous strategic thinking. It's the art of anticipating your opponent's next moves, knowing full well that your rival is trying to do the same thing to you. Though parts of game theory involve simple common sense, much is counterintuitive, and it can only be mastered by developing a new way of seeing the world. Using a diverse array of rich case studies—from pop culture, TV, movies, sports, politics, and history—the authors show how nearly every business and personal interaction has a game-theory component to it. Are the winners of reality-TV contests instinctive game theorists? Do big-time investors see things that most people miss? What do great poker players know that you don't? Mastering game theory will make you more successful in business and life, and this lively book is the key to that mastery.

Capitalism: 50 Ideas You Really Need to Know (Jonathan Portes) – compact and excellent reference material

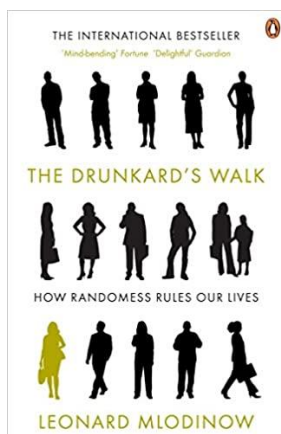
Controversial and unavoidable, it shapes our society and our lives - but what really is capitalism? Does it mean greed is good? Are inequality and poverty its inevitable consequences? Can economic growth continue forever or are constant cycles of boom and bust a foregone conclusion? Indeed is capitalism in a fatal crisis - and what, if any, are the alternatives?



From capitalism's history, core theories and key institutions to its current-day political power and social impact, this book explains everything you need to understand the world's dominant economic system. Jonathan Portes demystifies the fundamental concepts of capital, creative destruction, the market and the invisible hand; dissects the rival ideologies of socialism, liberalism and Keynesianism; predicts what capitalism means for immigration, the environment and the future of work; and much more - all in 50 concise and authoritative essays.

Here is the essential one-volume guide to capitalism: its strengths and weaknesses, past and future - a future that will affect us all.

The Drunkard's Walk: How Randomness Rules Our Lives (Leonard Mlodinow) – a brilliant history of Maths and lots of relevant applications



Randomness and uncertainty surround everything we do. So why are we so bad at understanding them?

The same tools that help us understand the random paths of molecules can be applied to the randomness that governs so many aspects of our everyday lives, from winning the lottery to road safety, and reveals the truth about the success of sporting heroes and film stars, and even how to make sense of a blood test.

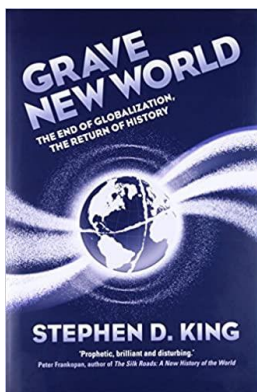
The Drunkard's Walk reveals the psychological illusions that prevent us understanding everything from stock-picking to wine-tasting - read it, or risk becoming another victim of chance.

GDP: A Brief but Affectionate History (Professor Diane Coyle) – very good on the GDP / well-being debate

Why did the size of the U.S. economy increase by 3 percent on one day in mid-2013--or Ghana's balloon by 60 percent overnight in 2010? Why did the U.K. financial industry show its fastest expansion ever at the end of 2008--just as the world's financial system went into meltdown? And why was Greece's chief statistician charged with treason in 2013 for apparently doing nothing more than trying to accurately report the size of his country's economy? The answers to all these questions lie in the way we define and measure national economies around the world: Gross Domestic Product. This entertaining and informative book tells the story of GDP, making sense of a statistic that appears constantly in the news, business, and politics, and that seems to rule our lives--but that hardly anyone actually understands.



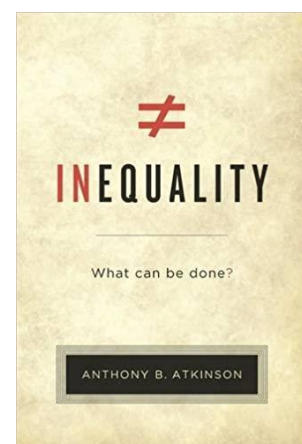
Grave New World: The End of Globalization, the Return of History: (Stephen King) – Former head of Econ at HSBC looks at the fracturing global economy



A controversial look at the end of globalization and what it means for prosperity, peace, and the global economic order. Globalization, long considered the best route to economic prosperity, is not inevitable. An approach built on the principles of free trade and, since the 1980s, open capital markets, is beginning to fracture. With disappointing growth rates across the Western world, nations are no longer willing to sacrifice national interests for global growth; nor are their leaders able-or willing-to sell the idea of pursuing a global agenda of prosperity to their citizens. Combining historical analysis with current affairs, economist Stephen D. King provides a provocative and engaging account of why globalization is being rejected, what a world ruled by rival states with conflicting aims might look like, and how the pursuit of nationalist agendas could result in a race to the bottom. King argues that a rejection of globalization and a return to "autarky" will risk economic and political conflict, and he uses lessons from history to gauge how best to avoid the worst possible outcomes.

Inequality (AB Atkinson) – a superb book on one of the defining economic/political issues of the age

Inequality is one of our most urgent social problems. Curbed in the decades after World War II, it has recently returned with a vengeance. We all know the scale of the problem talk about the 99% and the 1% is entrenched in public debate but there has been little discussion of what we can do but despair. According to the distinguished economist Anthony Atkinson, however, we can do much more than skeptics imagine. Atkinson has long been at the forefront of research on inequality, and brings his theoretical and practical experience to bear on its diverse problems. He presents a comprehensive set of policies that could bring about a genuine shift in the distribution of income in developed countries. The problem, Atkinson shows, is not simply that the rich are getting richer. We are also failing to tackle poverty, and the economy is rapidly changing to leave the majority of people behind. To reduce inequality, we have to go beyond placing new taxes on the wealthy to fund existing programs. We need fresh ideas. Atkinson thus recommends ambitious new policies in five areas: technology, employment, social security, the sharing of capital, and taxation. He defends these against the



common arguments and excuses for inaction: that intervention will shrink the economy, that globalization makes action impossible, and that new policies cannot be afforded. More than just a program for change, Atkinson's book is a voice of hope and informed optimism about the possibilities for political action."

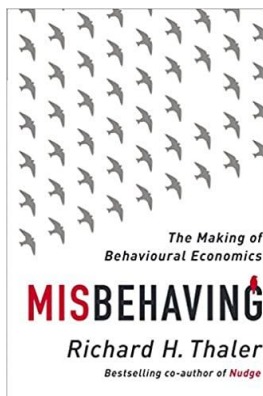
Misbehaving: The Making of Behavioural Economics (Richard Thaler) – Superb biography

***ECONOMIST*, *FINANCIAL TIMES* and *EVENING STANDARD* BOOKS OF THE YEAR 2015**

Shortlisted for the *Financial Times* and McKinsey Business Book of the Year Award

From the renowned and entertaining behavioural economist and co-author of the seminal work *Nudge*, *Misbehaving* is an irreverent and enlightening look into human foibles. Traditional economics assumes that rational forces shape everything. Behavioural economics knows better. Richard Thaler has spent his career studying the notion that humans are central to the economy - and that we're error-prone individuals, not Spock-like automatons. Now behavioural economics is hugely influential, changing the way we think not just about money, but about ourselves, our world and all kinds of everyday decisions.

Whether buying an alarm clock, selling football tickets, or applying for a mortgage, we all succumb to biases and make decisions that deviate from the standards of rationality assumed by economists. In other words, we misbehave. Dismissed at first by economists as an amusing sideshow, the study of human miscalculations and their effects on markets now drives efforts to make better decisions in our lives, our businesses, and our governments.

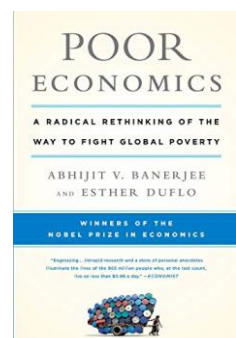


Coupling recent discoveries in human psychology with a practical understanding of incentives and market behaviour, Thaler enlightens readers about how to make smarter decisions in an increasingly mystifying world. He reveals how behavioural economic analysis opens up new ways to look at everything from household finance to assigning faculty offices in a new building, to TV quiz shows, sports transfer seasons, and businesses like Uber.

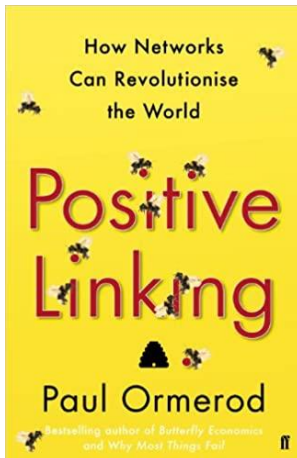
When economics meets psychology, the implications for individuals, managers and policy makers are both profound and entertaining.

Poor Economics: Rethinking Ways to Fight Global Poverty (Banerjee & Duflo) – development economics

Why do the poor borrow to save? Why do they miss out on free life-saving immunizations, but pay for unnecessary drugs? In *Poor Economics*, Abhijit V. Banerjee and Esther Duflo, two award-winning MIT professors, answer these questions based on years of field research from around the world. Called "marvelous, rewarding" by the *Wall Street Journal*, the book offers a radical rethinking of the economics of poverty and an intimate view of life on 99 cents a day. *Poor Economics* shows that creating a world without poverty begins with understanding the daily decisions facing the poor.



Positive Linking – Networks and Nudges (Paul Ormerod) – good introduction to network economics



According to Paul Ormerod, author of the bestselling *Butterfly Economics* and *Why Most Things Fail*, the mechanistic viewpoint of conventional economics is drastically limited - because it cannot comprehend the vital nature of networks. As our societies become ever more dynamic and intertwined, network effects on every level are increasingly profound. 'Nudge theory' is popular, but only part of the answer. To grapple successfully with the current financial crisis, businesses and politicians need to grasp the perils and possibilities of Positive Linking.

Our social and economic worlds have been revolutionised by a massive increase in our awareness of the choices, decisions, behaviours and opinions of other people. For the first time in human history, more than half of us live in cities, and this, combined with the Internet, has transformed communications. Network effects - the fact that a person can and often does decide to change his or her behaviour simply on the basis of copying what others do - pervade the modern world.

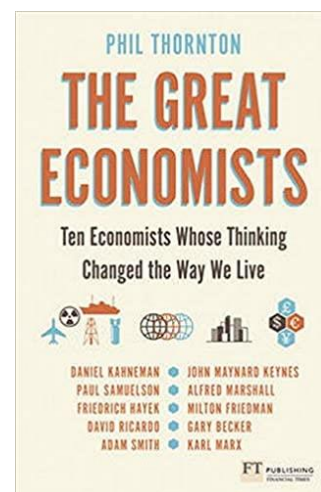
As Ormerod shows, network effects make conventional approaches to policy, whether in the public or corporate sectors, much more likely to fail. But they open up the possibility of truly 'Positive Linking' - of more subtle, effective and successful policies, ones which harness our knowledge of network effects and how they work in practice.

Ten Great Economists (Philip Thornton) – biographical background, well worth a read

The Great Economists succinctly and accurately describes the thinking of the world's leading economic thinkers. It captures their key beliefs, explores their backgrounds, assesses their thinking and evaluates their legacy. It explains the schools of thought named after them and clearly shows how they influence our everyday lives.

The Great Economists will help readers:

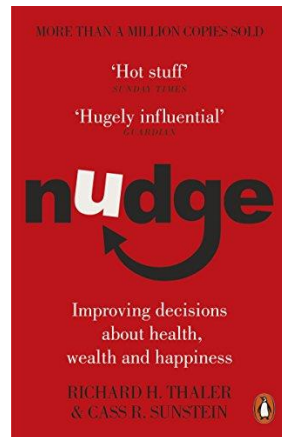
- Learn about interest rates, exchange rates, economic indicators and equity markets
- It will help them make better decisions about investing and obtaining mortgages
- By working out how to understand and spot secondary effects and possible unintended consequences
- It will help them make more informed decisions as both a consumer by having a better view of the macro and the micro economic decisions that shape all our lives
- It will explain why it's important to know about economics
- It will educate by showing readers which political leader has been influenced by which theorist



Nudge: Improving Decisions About Health, Wealth and Happiness

From Cass R. Sunstein and Richard H. Thaler, winner of the 2017 Nobel Prize in Economics, *Nudge* is the book that changed the way we think about decision-making.

Nudge is about choices - how we make them and how we can make better ones. Every day we make decisions: about the things that we buy or the meals we eat; about the investments we make or our children's health and education; even the causes that we champion or the planet itself. Unfortunately, we often choose poorly. We are all susceptible to biases that can lead us to make bad decisions. And, as Thaler and Sunstein show, no choice is ever presented to us in a neutral way. By knowing how people think, we can make it easier for them to choose what is best for them, their families and society. Using dozens of eye-opening examples and original research, the authors demonstrate how to nudge us in the right directions, without restricting our freedom of choice.



'How often do you read a book that is both important and amusing, both practical and deep? ... A must-read for anyone who wants to see both our minds and our society working better' Daniel Kahneman, author of *Thinking, Fast and Slow*.