

Economics Summer Task: Market Structure and Free Markets

Sainsbury's



Key Skills:

- Research
- Selecting key information
- Analysing
- Evaluating
- Reaching a reasoned conclusion

Your Task:

- 1) Title: **Task 1 - Market Structure.** The merge between Sainsbury's and Asda was blocked this year. Evaluate (400 to 600 words) if blocking the merger was the correct decision.
- 2) Title: **Task 2 - The price mechanism and free market.** We live in a world where there are limited resources. The price mechanism is one way to allocate resources. Write a short analysis (300 to 500 words) on what a 'free market' is and how the price mechanism works. Then explain the benefits and limitations of having a free market.

Your starting points:

TASK 1:

Explain why the firms wanted to merge
 Explain the potential benefits of merger
 Explain the CMA's concerns
 Provide a conclusion on whether you think it was the right decision or not.
 Research news articles on the proposed merger.
 Check <https://www.gov.uk/cma-cases/j-sainsbury-plc-asda-group-ltd-merger-inquiry>

TASK 2:

Summarise three main functions of the price mechanism
 Summarise what a free market is
 Use examples to illustrate 'market failure' in free market

How you will be assessed:

Grade A – Your work will include:

- is well organised, showing sound knowledge and understanding of economic terminology, concepts and principles with few, if any, errors. Includes good application of relevant economic principles to the given context and, where appropriate, good use of data to support the response. Includes well-focused analysis with clear, logical chains of reasoning includes supported evaluation throughout the response and in a final conclusion.

Grade C – Your work will include:

- Includes some limited knowledge and understanding of economic terminology, concepts and principles but some errors are likely. Includes some limited, application of relevant economic principles to the given context and/or data to the question. Includes some limited analysis but it may lack focus and/or become confused includes attempted evaluation which is weak and unsupported.

Grade E

- Includes little relevant knowledge and understanding of economic terminology, concepts and principles. Includes application to the given context which, at best, is very weak. Includes attempted analysis which is weak and unsupported.