


Research  
Based  
Curricula

MAKE  
—  
HAPPEN



**The impact of Brexit on the  
UK's Financial system**  
Key Stage 5  
Finance & Economics

2021



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*Each resource is a chapter with activities to complete to demonstrate learning*

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# For Students Getting Started

*RBC means Research-Based Curriculum,. Each RBC coursebook is written by a PhD student at a university about their cutting edge research.*

## **Why complete an independent 'RBC' study pack?**

RBC courses are challenge courses to sharpen your skills and resilience: finishing an RBC course is a major accomplishment to add to your academic CV. To get into a university, you must demonstrate that you are intellectually curious, and will make the most of the academic opportunities available to you. Completing a pack will allow you to gain invaluable experience to write about in your university application..

It allows you to:

- ✓ Build your subject experience to mention in your UCAS Personal Statement
- ✓ Sharpen your academic skills
- ✓ Experience what it's like to study beyond school and at university
- ✓ Better understand what you enjoy and don't enjoy
- ✓ Improve your overall subject understanding ahead of final exams





# For Students Getting Started

## What's in this booklet?

Your RBC booklet is a pack of resources containing:

- ✓ More about how and why study this subject
- ✓ Six 'resources' each as a lesson with activities
- ✓ A final assignment to gauge learning
- ✓ Extra guidance throughout about the university skills you are building
- ✓ End notes on extra resources and where to find more information

## Who should complete this pack?

Anyone interested in improving their academic skills or understanding what they should do at university. This pack is especially suitable for anyone interested in studying Finance and Economics.

Even if you are unsure of where your interest in Finance and Economics can take you, by completing this pack you will have a clearer idea of the variety of subjects that link to one another.

If you have any questions while you are using the resources in this pack, you can contact your teacher or email us directly at [schools@access-ed.ngo](mailto:schools@access-ed.ngo).

**Good luck with your journey to higher education!**





# For Students University Skills

Look out for these **Key Skills Badges** throughout the coursebook. These show that you're building the learning skills you'll need to succeed at University and in Higher Education.



independent research

creativity

problem solving

building an argument

providing evidence

academic referencing

deep dive

source analysis

data interpretation

active reading

critical thinking

To complete this resource, you will have to demonstrate impressive academic skills. When universities are looking for new students, they will want young people who can study independently and go above and beyond the curriculum. All these skills that you will see here will demonstrate your abilities as a university student – while you're still at school!

Every time you have to look something up or write up a reference, you are showing that you can work independently.

Every time you complete a challenging problem or write an answer to a difficult question, you might demonstrate your ability to think logically or build an argument.

Every time you evaluate the sources or data that you are presented with, you are showing that you can 'dive deep' into an unfamiliar topic and learn from it!

## Skills you will build for university:

your ability to work on your own and find answers online or in books

your ability to create something original and express your ideas

your ability to apply what you know to new problems

your ability to logically express yourself

your ability to refer to sources that back up your opinions/ideas

your ability to refer to what others have said in your answer, and credit them for their ideas

your ability to go above and beyond the school curriculum to new areas of knowledge

your ability to evaluate sources (e.g. for bias, origin, purpose)

your ability to discuss the implications of what the numbers show

your ability to engage with what you are reading by highlighting and annotating

your ability to consider questions with an open mind and evaluate what is important or not



# Where can this subject take me?

## Pathways

Studying Finance or Economics can open the doors to many degrees and careers. It intersects with Business, Computer Science and other Sciences. Whatever interests you is likely to relate to Economics in some way. See a snapshot of where studying Finance and Economics can take you.

### 'Transferrable skills' from Finance & Economics to a career:

- Highly motivated
- Teamwork and leadership skills
- Good written communication
- Organisation and time management skills
- Numeracy
- IT skills
- Proactive
- Problem solving
- Analytical and critical ability

## What are some are the 'interdisciplinary' subjects in this course?

Interdisciplinary is a term you will hear used by higher education institutions. It's also how many professionals and academics in the real world operate: they use multiple subjects, or disciplines, to carry out their work.

Thinking about which subjects you like, alongside Economics, can help you choose a career pathway later.

Read more about subject selection and careers pathways:

<https://targetjobs.co.uk>

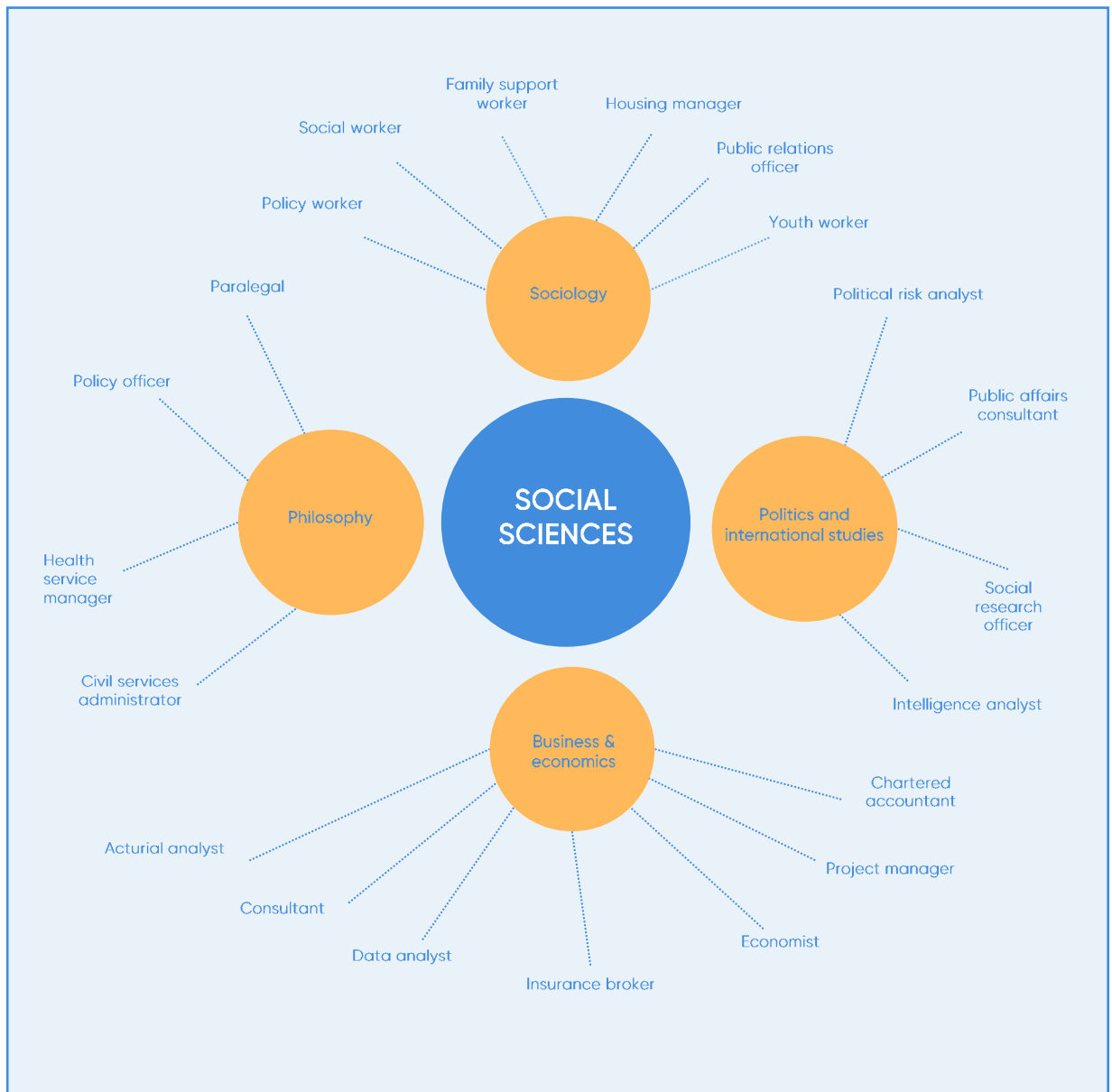
<https://www.prospects.ac.uk>

<https://thinkuni.org/>

# Subject map: Social sciences



Most students with a Social Sciences degree go on to work in public policy, financial services, civil services, and law. Approximately 25.4% of students doing a Bachelor's degree in Social Sciences choose to pursue a higher degree later on. A combination of the subjects in Social Sciences are very popular amongst students in their sixth form.



Find out about Science-related careers here:

PROSPECTS: <https://www.prospects.ac.uk>

TARGET JOBS: <https://targetjobs.co.uk>



# For Teachers

## RBC Guide

- Learner aims** The Research-Based Curriculum aims to support student attainment and university progression by providing classroom resources about cutting-edge research at local universities. The resources are designed to:
- ✓ promote intellectual curiosity through exposure to academic research
  - ✓ stretch and challenge students to think deeply about content that may be beyond the confines of the curriculum
  - ✓ develop core academic skills, including critical thinking, metacognition, and written and verbal communication
  - ✓ inform students about how subjects are studied at university, and provide information, advice and guidance on pursuing subjects at undergraduate level

**Content** The programme represents a unique collaboration between universities and schools. Trained by AccessEd, PhD Researchers use their subject expertise to create rich resources that help bring new discoveries and debates to students.

The Research-Based Curriculum offers twelve modules suitable for KS5 study. The modules span a range of disciplines, including EBacc and A-level subjects, as well as degree subjects like Biochemistry. Each module includes six hours of teaching content, supported by student packs, teacher notes and slides. All modules are available online and free of charge for teachers at select schools.

**Using the RBC pack** These resources are designed to be used flexibly by teachers. The resources can be completed by students individually or in groups, in or out of the classroom.





# For Teachers

## Using the RBC packs

### Extra-Curricular Subject Enrichment Clubs

Here are five examples of delivery options:

The resources can be completed in small groups (4-8 pupils) across a series of weekly lunch clubs or after-school clubs online or in person. Groups can reflect on their learning by presenting a talk or poster on the subject matter at the end of the course.

The resources can be used by students to explore subjects that they are interested in studying at university. This can inform their decision making with regards to university degree courses and allow students to write more effective Personal Statements by including reflections on the Research-Based Curriculum.

The resources can be used to ignite curiosity in new topics and encourage independent research. Schools could hold a research challenge across a class or year group to submit a piece of work based on the resources. Pupils could submit individually or in small groups, with a final celebration event.

Resource packs can function as 'transition' projects over the summer, serving as an introduction to the next level of study between KS3 and KS4, or KS4 and KS5. Students could present their reflections on the experience in a journal.

The Research-Based Curricula programme builds on the University Learning in Schools programme (ULiS), which was successfully delivered and evaluated through the London Schools Excellence Fund in 2015. The project was designed in a collaboration between Achievement for All and The Brilliant Club, the latter being the sister organisation of AccessEd. ULiS resulted in the design and dissemination of 15 Schemes of Work based on PhD research for teachers and pupils at Key Stage 3. The project was evaluated by LKMCo. Overall, pupils made higher than expected progress and felt more engaged with the subject content. The full evaluation can be found here: [ULiS Evaluation](#).

### Questions

For more information contact [hello@access-ed.ngo](mailto:hello@access-ed.ngo)

# Introduction to Topic

## Brexit and Financial markets



The topics within this pack will include:

Introduction to financial markets

Introducing Brexit and the timeline

Brexit and the affected industries

Examining the wave of change brought on by Brexit

Cost-benefit analysis of Brexit

What does the future hold?

Brexit is one of the most historic recent events to have occurred in the UK and it is important to have a detailed understanding of how this can affect the common person. This understanding will provide insights in the areas of Finance as well as Economics, as we will try to understand important theories from both.

Finance is a very broad topic and this resource mainly introduces the basic concepts that are necessary to understand the overall impact of Brexit. For example in the first chapter, you are introduced to the different types of financial markets, concluding with the theories of risk-return trade-off and uncertainty prediction. I am then providing a detailed timeline of Brexit, how it happened and what obstacles it faced along with arguments from both sides in favour and against this decision. This will help you gain an overall idea of the rationale behind this event and understand the various arguments.

We will also discuss the main affected industries, focusing on their overall losses and gains in the longer run. In Chapter 4 we will try to grasp the overall idea of change in the economy, mainly from a macro-perspective with a particular focus on macro-aspects like investments, employment and growth of the economy.

Finally, we will dive into a couple of specific financial laws that might need to be amended due to the changed nature of the economy as a whole. This is followed by a chapter on cost-benefit analysis which is one of the simplest decision-making procedures used in research. The last chapter concludes with a broad discussion on what the future might hold once things stabilise but this is limited to the short-run predictions available.



# Introduction to Topic

## Financial Economics



### Studying at University

Financial Economics is one of the most important branches of studying economics as it is a collusion of various subjects like developmental economics, public policy and its evaluations, econometrics, game theory and many more. Specialising in the subject only means improving your understanding about markets and theories which affect your surroundings. I believe that the study of economics should be given higher priority because it is one of the core aspects of the very functioning of a country. This makes it important to be understood by every individual as it is likely to affect them.

Moreover, a University degree in Financial Economics will equip you with research tools like using the R language (Statistical programming language) and advanced excel tools for developing various economic models to help measure the magnitude of any specific event. However, the main job of an Economics or Finance student is to be able to analyse whether or not the impact of any event is positive or negative.

### Careers

After gaining a University level degree in Finance or Economics you can look forward to a career as an Analyst, Data Scientist, Teacher/Professor, Economist, Researcher, Financial advisor, Economic Advisor, etc. Huge firms and multinational organisations, no matter what industry they belong to, hire economists and financial experts to understand the economy and make sound financial decisions. You can look forward to a successful high-paying job once you get a degree in Finance or Economics.

Moreover, in the world of fast developing technology, a job as an analyst or an economist is one of the few jobs left which do not have risk extinction where humans can be replaced by robots.

# Meet the PhD Researcher Bhumika Godhwani



## My Journey

I started my journey towards Research in India when one of my professors introduced me to the subject of Economics when I was 14. I found it so intriguing that, despite my core courses not including the subject, I decided to start studying it on my own by going to the library every day and asking questions from my professor. My interest grew as I started combining the subject with others like Finance, Law, Business Administration and Mathematics. I also understood the importance of research in any subject and am looking forward to pursue my career in this field. Currently, I am trying to understand the impact of Brexit on markets and the economy. I understand that the decision of Brexit has been on and off and even at the current stage, it is very complicated to offer comments as it is a sensitive issue. Here I have tried to focus on the changes that we have already noticed and tried to comment from a neutral perspective without judging the change to be positive or negative.

## My studies

I am an international student at the University of Essex and have done most of my studies in India. I come from a small town in the state of Gujarat and finished my high school there. For my Bachelor's studies I moved away from my hometown to study at the prestigious Ahmedabad University and completed my Bachelor's in Business Administration with a dual specialisation in Finance and Economics. I went on to explore my interests further and pursued a Post-Graduate Diploma in Investment and Finance to get a deeper understanding of financial markets, and then continued with my MA in Financial Economics at the University of Essex.

## Why this subject?

I think Economics and Finance is the basis of any economy and its functioning and hence, it makes all the difference in our personal lives if we know the subject better. It helps us make more rational decisions and pursue our financial goals with adequate planning and understanding.

# Glossary



Term	Definition
Financial instruments	Assets or packages of capital that can be traded in the financial markets
Stock	Capital raised by a company through the process of issue of shares in the market
Stock holder	A person who holds at least one share of the company is called the stock holder or a shareholder of that company
Stock broker	An individual or firm offering stock broking services – acting as intermediaries between the buyer of stock and seller of stock in return for a specified percentage of commission
Bond	A fixed income instrument which is a representation of a loan made by the investor to the borrower (company issuing the bond)
Derivative	A financial instrument deriving its value from an underlying-asset for example forwards, futures and options
Clearing house	A financial institution formed to facilitate exchange of payments securities or derivatives transactions. It stands between two clearing firms and ensures none of them fail to honour the trade settlement
Commercial paper	Short-term unsecured financial instrument issued by corporations and government organisations to raise capital
Exchange rate	The value of one currency for the purpose of conversion to another currency
No-deal Brexit	A potential withdrawal of the UK from EU without any specified agreed upon trade-deal. This would mean no further trade practices taking place between the UK and any of the EU nations without a specified agreement, leading to loss of trade between the UK and EU nations
G7 countries	The G7 countries are Canada, France, Germany, Italy, Japan, the UK and the US formed during France' oil crises with a purpose to conceive an informal dialogue between leading economic powers and to coordinate economic and financial policies free of specific protocol

# Glossary



Term	Definition
Capitalist economy	An economy which has the production and consumption based on the principles of supply and demand can be called a Capitalist economy.
Securities	The financial instruments used to raise money in public and private markets and are tradable and replicable in nature
Stock-exchange	An exchange where the stock-holder or stock-brokers meet the traders and organizations for trading the securities and other financial instruments. These markets can also be known as the Bourse or securities exchange.
Over-the-counter (OTC)	A type of trading also known as off-exchange trading carried out directly without supervision of any regulating organisation between the two parties
The Invisible Hand	An economic concept introduced by Adam Smith claiming that when an individual acts in self-interest and has freedom of production and consumption, society achieves its best interest
Investment	The action or process of investing any form of resource with a profit or gain motive
Capital	Cash or liquid assets being held or obtained for expenditures. In a broader sense, it can include all of a company's assets that have monetary value, such as its equipment, real estate, and inventory/stock.
Risk	A possibility of something bad happening, in financial context, a possibility of loss on investment
Portfolio	A range of investments in the name of a person or an organisation determining the investment capacities of the individual or firm
Brexit	The exit of Britain from the European union or the withdrawal of UK from the European Union and deciding to function as a country and make independent decisions without any influence of the European Union.
Referendum	A direct and universal voting system in which the entire electoral is invited to vote on a phenomenon affecting the whole nation, before it is made into a law.

# Glossary



Term	Definition
Anti-trust/competition law	A law established to maintain the market competition through regulation of anti-competitive organizational practices.
Immigration law	A law controlling and governing the immigration into a country along with deportation from the country
Sovereignty	Sovereignty can be in simple terms defined as the supreme power or authority in a specified state or region. Also, it can be explained as the ability of the state to govern itself. This entails the hierarchy within the state along with a hold on external autonomy.
Trade	Exchange of goods or services between two or more parties can be defined as Trade
Passporting	When a firm is authorised to establish its base in one of the EU membership holder states, it can apply for 'passport to do busines throughout the EU which phenomenon is known as passporting
Gross Domestic Product (GDP)	The total value of goods produced in an economy along with services provided during a year
Trade deal	An agreement between two parties defining the trade, investment and tax rates for the trade are decided for a time period can be called a trade-deal.
Social division	A regular division seen in the members of the society who are associated with particular social groupings raising inequalities
Xenophobia	Dislike of or prejudice towards people belonging to other countries and cultural backgrounds.
Bird's eye view	An overall or elevated view of an object or situation from above with the perspective as though the observer is a bird.
Distortion	An act of giving someone a misleading account or impression about something in particular.



# Resource One Overview

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Topic	Introduction to Financial Markets
A-level Modules	Finance and Business
Objectives	<p>By the end of this resource, you will be able to:</p> <ul style="list-style-type: none"><li>✓ Understand what financial markets are, their functioning and importance</li><li>✓ Develop an understanding of key categories for classifying various markets</li><li>✓ Relate your understanding to your surroundings and day-to-day happenings in news and media</li></ul>
Instructions	<ol style="list-style-type: none"><li>1. Read the data source</li><li>2. Complete the activities</li><li>3. Explore the further reading</li></ol>

## FINANCIAL STOCK MARKET

Learn from some of the world's most successful investors and discover how they think and invest in the financial stock market.







# Resource One

## Data Source

### Section A

#### What are financial markets?

A market is a place where buyers of a commodity meet the sellers of the same commodity. There they come to an agreement over price for the exchange of that commodity. In the same way, financial markets are markets for the trade of a **financial instrument**. These financial instruments can be anything from a **stock** or a **bond** to a **derivative**. With the advancement of technology financial markets are now not necessarily a physical place to trade. Trading is now possible virtually through applications or online platforms.

It is important to understand that financial markets form the very base of any **Capitalist economy**. Financial markets include the trade of **assets** or **securities** which are listed on a country's **stock exchange** or are being traded **OTC (Over-the-counter)**. For example, the stock NSRGY (stock name for the Nestle brand) trades on the OTC market whereas the stock of the firm Deliveroo trades on the stock market or stock exchange. Financial markets' disruption is at the core of any economic recession. Some major examples are the dot com bubble burst, the 2008 financial crises, and even the 1992 Britain Black Wednesday crises.



Financial markets act as intermediaries between investors and organisations. These markets create an **investment** opportunity for the buyers who have access to funds and provide these funds to the borrowers who need money.

For example, organisation XYZ Ltd issues its **shares** on the stock market. Each share costs \$100. Ms. Smith purchases 500 shares of the company XYZ making her total investment **portfolio** of \$50000 (500 shares x \$100 per share). This helps the company raise a **capital** of \$50000 and Ms. Smith is now entitled to a return on her shares (**dividend**) in case the company makes profits. In this way, both parties benefit from the transaction. There are various transaction costs involved with each exchange.

# Resource One Data Source



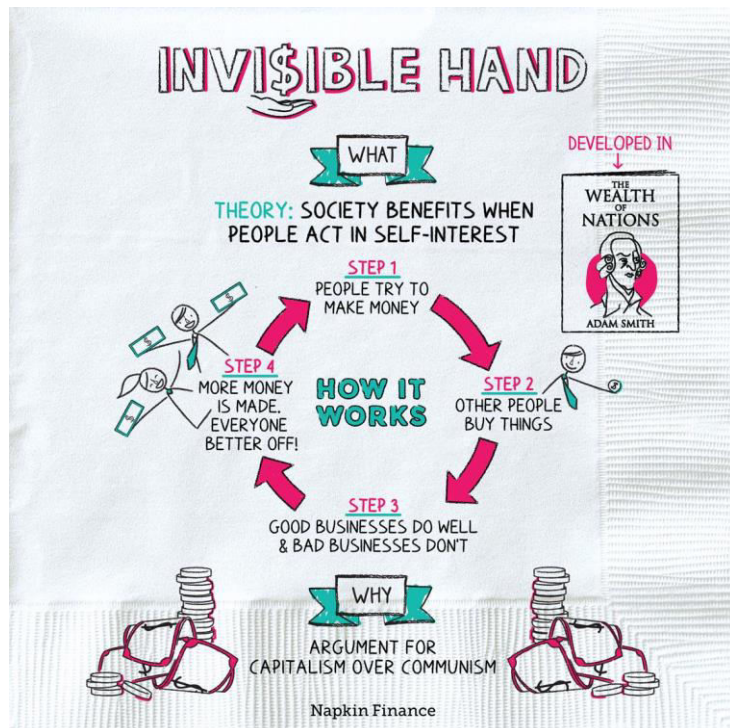
## Section B

### The law of the invisible hand

Now it is important to understand that there are various types of financial markets. Each of these are dedicated to the trade of a particular **financial instrument**. For example **stock markets** are dedicated to the exchange of **stocks**. The famous **law of 'the invisible hand'** devised by the Scottish economist Adam Smith is very important to understand the decisions made during this trade. Demand and Supply are the core working levers to operate the Invisible Hand in financial markets.

Figure 1

Explaining the Invisible Hand



According to the law of the invisible hand, 'through individual self-interest and freedom of production and consumption, the best interest of a society, as a whole, is fulfilled'.

In simple terms, the main factors demand and supply are in force when markets are not regulated which is in the best interest of Society according to the law of the invisible hand.

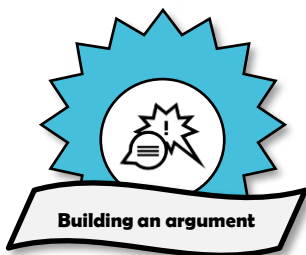
# Resource One Data Source



## Section C Types of financial markets

There can be various ways to differentiate between financial markets. For the sake of simplicity, we have divided them into five main types.

Figure 2  
Classification of  
Financial Markets



It is important to understand that different schools of thought classify financial markets in different ways but the basic nature of a particular market does not change. These classifications can be based on the nature of the commodity traded, the maturity of claim, the timing of delivery or the organisational structure as well as other factors.

1. **Money markets** are referred to as the short-term trading markets for trading loans. The volume of trade can be large or limited depending on the investor, for example the trade of **commercial paper**. Trade included in shares using the indices FTSE100 and S&P500 are also included here.
2. **Over-the-counter Markets** are a form of decentralised markets in which any financial instrument can be traded without the involvement of a particular broker or exchange organisation, i.e. buying and selling directly from the company.

# Resource One Data Source



3. **Derivatives Markets** trade the financial instruments which have their value based on an underlying asset (derivatives) like options and futures.
4. **Bonds Markets**, also known as the debt market, concerns the exchange of debt securities brought in by government organisations or corporations.
5. **Forex Markets** are a part of **over-the-counter markets** wherein the trade of currencies from various economies takes place. They are also responsible for determining the exchange rate for any currency.

## Section D

### Risk and uncertainty



Investment in any financial instrument involves risk and uncertainty. In the case of risk, the investor is at least aware of all the possible outcomes of their investment which is not so when there is uncertainty.

**Risk** and **uncertainty** are two important aspects of any decision-making process. Risk determines the hurdles involved in any decision-making, and uncertainty of the outcome of that decision-making is where risk is to be considered.



# Resource One

## Data Source



### Section E

#### Risk-return trade-off



**Risk-return trade-off** is one of the most common theories used in financial markets which shows that when the risk of an investment rises, the return rises as well and vice versa. This in turn means that the probability of higher returns is only possible when the buyer is ready to take higher risk.

Financial advisors, while creating an investment portfolio, keep this main trade-off in mind to understand the risk-bearing appetite of any investor. In this instance, the period of investment and diversification of an investor portfolio is also considered. For example, the investor in a younger age group with no dependents will be able to invest more in the equity markets for a longer term (involving higher risk and higher return), hence, improving the probability of averting the risk from declining markets. In the same way, an investor who is closer to retirement or has a greater number of dependents, may wish to have a more stable, regular income and might consider investing in government bonds (fixed return with low risk) and fixed income schemes. However, the probability of a higher return is very low in this case.



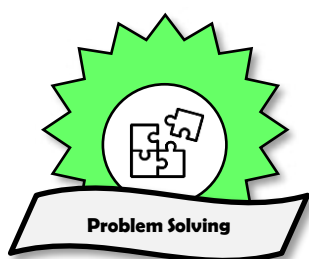


# Resource One Activities



## Activities

1. Which financial instrument has the least maturity period?
2. Which financial market category includes the trading of government-issued bonds?
3. What does risk-return trade-off mean?
4. In which category of the financial markets are equity stock indices like FTSE100 and S&P500 included according to you?
5. Company ABC Ltd is a registered organisation on the London Stock Exchange. The company issues a share capital of \$3.9 million on 10<sup>th</sup> May 2021. If the number of shares issued is 130000, what is the price per share? How many shares can Mr. Tall buy if he wants to invest a total of \$6000 in ABC Ltd?



# Resource One

## Further Reading



### Explore



- Explore the blog [theceterisparibus](https://ecosocsrcc.wordpress.com/) for more finance-related content:
- Find out if anyone around you is actively involved with Financial Markets and ask them about the investment process and the kind of financial instruments they are interested in.
- Research market indices.

### References

- [wallstreetmojo.com](https://wallstreetmojo.com)
- [theceterisparibusblogs.wordpress.com](https://theceterisparibusblogs.wordpress.com)

# Resource Two Overview



Topic Introducing Brexit and the timeline

A-level Modules Economics

Objectives By the end of this resource, you will be able to:

- ✓ Understand the meaning of Brexit and the history behind it
- ✓ Examine the main milestones the British economy went through to achieve Brexit
- ✓ Explore debates and arguments for and against Brexit

Instructions

1. Read the data source
2. Complete the activities
3. Explore the further reading

A graphic featuring the European Union flag (a circle of twelve yellow stars on a blue background) on the left and the Union Jack (the flag of the United Kingdom) on the right. The word "BREXIT" is written in large, white, uppercase letters across the center, with a yellow star from the EU flag positioned behind the letter 'R'.

**BREXIT**





# Resource Two

## Data Source

### Section A

#### Brexit - the timeline



'Brexit', one of the most historic events in the recent history of the UK, has its roots in the past when in 1957, the European Economic Community (EEC) was established with six main countries, namely Belgium, Luxembourg, Germany, France, the Netherlands and Italy. This group is now known as the European Union. The main purpose of creating the EU was to bring the countries together in peace after the Great Wars and establish free trade between these nations.

Fast forward to 2013 and David Cameron, the Prime Minister of the UK at the time promised a **referendum** where the people of the UK would get the right to vote whether to leave the EU or not if the Conservative Party won the elections, which they did in 2015! On 23<sup>rd</sup> June 2016, the population of the UK voted in a referendum to leave the EU. However, this decision was conflicted as the voting was 52 percent for the leave camp to 48 percent for the remain camp. Due to this slim majority, David Cameron, an active supporter of the 'stay' campaign (i.e. staying with the EU), resigned on 24<sup>th</sup> June, 2016 and Theresa May was appointed as the new Prime Minister on July 13<sup>th</sup> 2016. On January 17<sup>th</sup>, 2017, she laid out her Brexit strategy and on 29<sup>th</sup> March triggered Article 50 which was necessary to put a deadline on the UK's exit from the EU.

# Resource Two Data Source



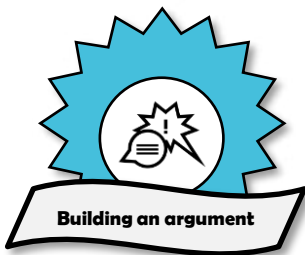
## Section B

### Article 50 and the events that followed

Article 50, a treaty signed by all EU member nations in 2009, triggers a two-year deadline whenever a country requests to leave the European Union. Within these two years all the necessary negotiations take place including deals on trade and tariffs between the EU commission and the parting country. The deadline was set for 29<sup>th</sup> March 2019.

Figure 3

Article 50 in the News



However, in the general election on 8<sup>th</sup> June 2017, Mrs. May lost her majority in Parliament. Still, she was able to strike a deal with Northern Ireland's DUP political party giving her the majority again in Parliament. Finally on 26<sup>th</sup> June, 2017 the negotiations for the UK leaving the EU began. On 25<sup>th</sup> November 2018, a draft agreement on the UK's withdrawal from the EU ('the deal') was approved by the EU leaders.

15<sup>th</sup> January 2019 was one of the biggest government defeats in British parliamentary history as the MPs voted 432-202 against the deal. Again on 12<sup>th</sup> March 2019, Parliament rejected the deal by 391-242, and again on 29<sup>th</sup> March with 344-286. Finally on 11<sup>th</sup> April, the EU agreed to delay Brexit to October 31<sup>st</sup> 2019. This meant that Britain was now obliged to organise parliamentary elections again on 23<sup>rd</sup> May. An anti-EU Brexit party won, prompting Theresa May to resign in June. On 23<sup>rd</sup> July 2019, Boris Johnson was appointed Prime Minister promising Brexit by 31<sup>st</sup> October with or without a deal. On 2<sup>nd</sup> October 2019, he published his final proposal which was again rejected by the EU.



# Resource Two

## Data Source

### Section C

#### The Irish Backstop



The Irish Backstop was introduced on 10<sup>th</sup> October 2019 when the Prime Minister along with his Irish peer finally found common grounds as the UK wanted to keep the borders open for trade as well as travel. This was considered the last available solution to maintain the relationship between the UK and Ireland, as it prevented the creation of a border between Northern Ireland and the Republic of Ireland.

This meant that no matter what happened, i.e. whether the UK decided to leave the EU or not, Northern Ireland would adhere to some of the EU rules on things like food products and trade. On 19<sup>th</sup> October 2019, the British Parliament gathered on a Saturday for the first time in 37 years to review the new draft of the Brexit agreement. However, it was decided that the MPs needed more time to come to any conclusion and the second deadline of 31<sup>st</sup> October passed without a deal.

Finally on 23<sup>rd</sup> January 2020, the UK's EU deal became law and on 29<sup>th</sup> January, the European parliament passed the deal between the UK and the European Union.

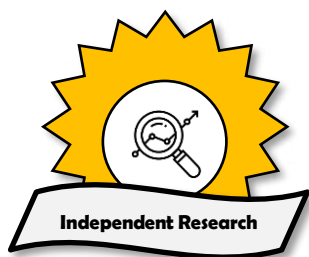
On 31<sup>st</sup> January 2020 at 11:00 PM the UK left the European Union and from 1<sup>st</sup> February onwards what was called the transition period began. There were still many loose ends where both parties needed to work out their relationship and establish specific laws.

The relationship in terms of trade between the EU and the UK is worth nearly \$900 billion according to the Bank of England Governor Andrew Bailey. On 23<sup>rd</sup> October 2020, the UK signed its first ever **free-trade deal** with Japan marking a historic moment. This event showed that the UK was now ready to take individual steps for growth and economic development. In spite of the stresses between Northern Ireland and the UK over the Irish Backstop, the UK government has promised to end all barriers to internal trade.

# Resource Two Activities



## Activities



1. What is the main purpose of establishing the European Union? What are all the member countries?
2. Draw a simple timeline for all the milestones discussed in the chapter on a chart paper. Discuss these with an adult.
3. What is Article 50? When was the treaty for Article 50 signed by the UK?
4. Under what ruling party was Brexit successfully achieved and on what date?
5. Why was the Irish Backstop necessary?
6. Which campaign did the Prime Minister David Cameron support? Which campaign did Theresa May and Boris Johnson support?

# Resource Two

## Further Reading



### Explore

- Keep following the hashtags Brexit on social media platforms, especially Twitter.
- Read the book: *Brexit - Why Britain voted to leave the European Union* by Harold D. Clarke



# Resource Three Overview

MAKE  
—  
HAPPEN



Topic      Brexit and the affected industries

A-level Modules      Economics and Business management

Objectives      By the end of this resource, you will be able to:

- ✓ Know various industries intertwined with the EU
- ✓ Understand the financial impact on these industries
- ✓ Understand the changes in terms of prices and inflation around you

Instructions      1. Read the data source  
2. Complete the activities  
3. Explore the further reading



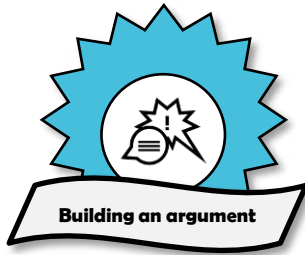


# Resource Three Data Source



## Section A

### State of panic



With the 'leave' decision on 31<sup>st</sup> January 2020, the whole economy was in a mixed state of panic and hope. Panic is never good for markets and hence a lot of industries were affected by this. Moreover, by March 2020, a new virus, Covid-19 had also struck most countries across the globe. This gave businesses an extra push down and the UK economy went through one of the biggest recessions in the last 300 years according to the Office of National statistics.

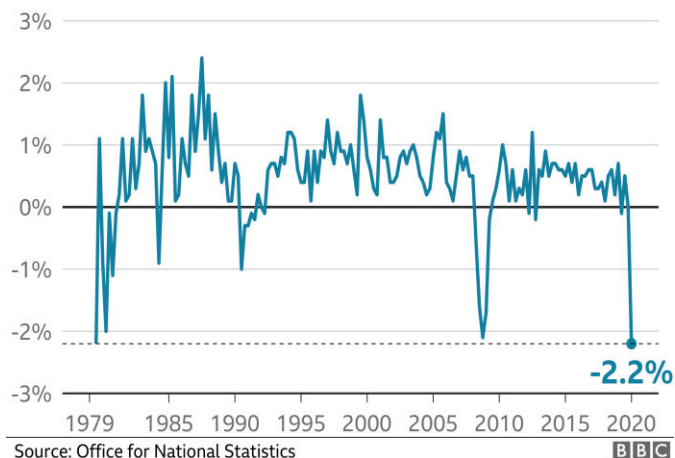
Industries and markets across the UK were not prepared for such a fall-back with a sudden drop in investments as well as revenue. International markets panicked as well, when the pound fell to its lowest in 30 years.

Figure 4

UK GDP fluctuations since 1979

### UK economy in worst quarterly fall since Q3 1979

GDP, % change on previous quarter



It is important to understand the significance of the value of a currency in the Forex markets on a country's GDP. GDP is the monetary value of all finished goods and services of a country. Simply put, when the production of goods and services increases, the GDP rises. With this, the value of the currency of that economy rises as more produce can be exchanged for a single unit of that currency.

# Resource Three

## Data Source



For example, when £1 can buy two mangoes imported from India, with the decrease in exchange rate between the British pound and the Indian rupee, that £1 can now only buy one mango. Also, the gross domestic product is the sum of all the goods and services produced in a country including the imports and exports of that country.

However, there are two sides to this argument as some industries claimed to gain from UK leaving the EU, especially mining firms and specialised machine parts' manufacturers that do not have much interaction with the EU. Moreover, the UK has been taking steps like entering into new **trade deals** with various countries.

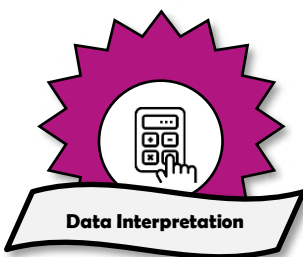
### Section B

#### Industries with positive impact

When the post-Brexit trade deal with Europe was agreed on 31<sup>st</sup> December 2020, the pound sterling hit \$1.35 which was a 0.47 percent rise on the dollar. Sterling was also up by 0.6 percent on the euro. This was a significant high when compared to the previous two and a half years. One of the reasons for this boost was also because France lifted its ban on freight coming from Britain.

Figure 5

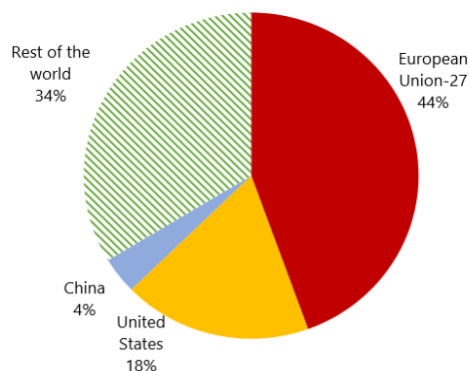
#### UK's trade across the world



#### EU-UK: the closest of partners

The EU is the UK's largest trading partner. UK exports to the EU account for about half of its total gross exports.

(percent)



Source: Office for National Statistics.







# Resource Three

## Data Source

### Section C

#### Industries with negative impact



The UK relies on the EU for more than 40% of its trade activities which is why with the decision to leave without a deal affected many markets drastically.

British car manufacturing had been experiencing a boom over the past ten years. The UK's automotive industry had been producing around 1.6 million cars a year. Brexit had the potential to disrupt supply chains and hit imports as well as exports. Following the Brexit deal in December, the UK's airline industry took a hit as they would now have to reconsider their flights governed by EU law and include additional costs in ticket prices. The share price of EasyJet suffered a 20% drop after the decision. The fishing industry was also one of the largest obstacles to reaching a trade deal.

Finally, financial services' firms, more than 1,000 of them from the EU, started to look at establishing bases in London in order to preserve their existing clients. More than 7,500 financial sector jobs shifted from London to various European cities as well. One of the major disadvantages for these firms was that Brexit ended their '**passporting** rights' which meant they now needed to obtain EU equivalence recognising the regulations of the bank's home country as well as those of the EU. Even though London has been known to be the financial hub of the world, its status was potentially set to diminish.

### Section D

#### Why focus on the financial sector?

The UK's financial system contributes more than 12% of the UK's total GDP growth. Moreover, it generates more than two billion jobs in the economy every year and is also a major exporter resulting in more than 5% of the UK's trade surplus. A majority of the EU's investment banks have their activities based out of London. It was understood that the UK's financial sector may be one of the sole benefactors of the single markets which is why it is important to assess and understand the impact of Brexit on the UK's financial system of the UK.

# Resource Three Activities



## Activities



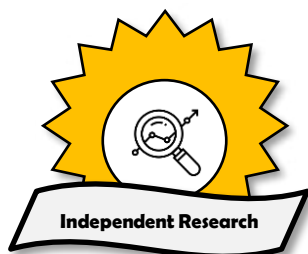
1. What are the two main winners from Brexit in terms of industries?
2. Define Gross Domestic Product in your own words.
3. What is the relationship between the GDP of a country and its currency?
4. What is the contribution of the financial sector to the UK's GDP per year?
5. Suppose the exchange rate between the UK and India is  $\text{£}1=\text{₹}100$  ( $\text{₹}$  is the symbol of the Indian currency, the rupee). When the value of pound sterling deteriorates, this exchange rate drops to  $\text{£}1=\text{₹}90$ . With this information, if Mr. Jay wants to import 300 KGs of mangoes (price of 1KG =  $\text{₹}50$ ), how much will it cost him before the currency deterioration and afterwards? Give your answer in pounds.

# Resource Three

## Further Reading



### Explore



- Follow the LSE's latest research on Brexit and the financial markets:  
<https://www.lse.ac.uk/News/Latest-news-from-LSE/2020/q-July-20/Brexit-hit-looms-for-industries-that-escaped-worst-of-pandemic>
- When you next go to your local superstore, try to examine price changes in different types of fish and research the reasons why.
- Research the shifting trends in the FTSE100 from 2017 to 2021.

### References

- <https://www.fca.org.uk/consumers/how-brexit-could-affect-you>

# Resource Four Overview



Topic	Examining the wave of change brought on by Brexit
A-level Modules	Business and Economics
Objectives	By the end of this resource, you will be able to: <ul style="list-style-type: none"><li>✓ Understand changes in UK laws after Brexit</li><li>✓ Explore loopholes that might be observed in these laws due to the connection between the EU and Brexit</li><li>✓ Analyse immediate changes seen in the markets and what to expect</li></ul>
Instructions	<ol style="list-style-type: none"><li>1. Read the data source</li><li>2. Complete the activities</li><li>3. Explore the further reading</li></ol>





# Resource Four

## Data Source

### Section A

#### Potential changes to EU laws

Since the UK joined the European Union, its laws have been highly influenced by those in the EU. Some of the most influenced laws are in the areas of trade, agriculture, financial services and the environment. Following Brexit, significant changes were expected.

One of the arguments for leaving the EU was the numerous EU laws which the UK would be free from. Michael Gove, avid pro-Brexiter, claimed during the Brexit campaign that “outside the EU we wouldn’t have all the EU regulations which cost our economy £600 million a week.” The credibility of this statement might be questionable but no one doubts the huge volume of EU directives and rules.

For now, the following main law changes have been expected:



1. Drivers to be banned from picking up mobile phones
2. Implementation of a new point-based system for workers entering the UK, meaning skilled workers with a job offer from an approved employer sponsor would be allowed to work in the UK
3. End to free mobile roaming in Europe for British mobile users
4. Strict regulations in terms of Covid for UK travellers entering the EU
5. Bringing back Blue passports: after 30 years, the UK planned to re-introduce its iconic blue covered passports
6. Important changes to copyright laws. For example, the UK would now not be obliged to implement any EU copyright directives.
7. Validity of the European health insurance card in question
8. Complications in trade laws, relating for example to import and export tariff decisions between the UK and other EU nations

# Resource Four

## Data Source

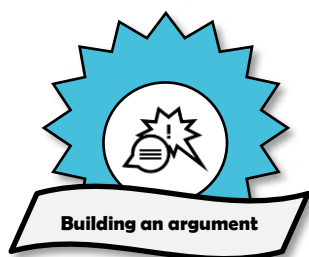


### Section B

#### Expected abolishment of laws

Here are some of the rules which could be abolished by the post-Brexit government. Some of them may be favourable to the UK and others might affect the UK adversely.

- **Free movement of labour:** One of the biggest reasons argued in favour of Brexit was immigration. Previous EU laws put restrictions on the number of people coming into the UK seeking work or for higher studies. The pro-Brexiteers supported the introduction of an Australian-style point-based system giving equal rights to migrants. Post-Brexit, the Prime Minister Boris Johnson signed a free-trade agreement with Russia which included conditions to not only enhance trade but allow the transfer of skilled labour between the two countries as well.
- **Child benefits for migrant workers:** EU citizens were able to claim child benefits while working in the UK which now seemed unlikely.
- **The right to be forgotten:** According to EU law, any individual has the right to demand to be removed from search links during any google or online search and hence, their personal information cannot be accessed. Google was likely to now request the UK to remove this right.
- **Fishing:** 'Fishing quotas' established by the EU have been considered unfit for purpose by the UK government. Fishing quotas determine how much (in tons) of a particular type of fish a fisherman is allowed to catch in a given fishing area. UK boats might now get a greater share of fish compared to the EU post-Brexit.
- **VAT on green bills:** The EU had a strict requirement to charge 15% VAT on everything. Post-Brexit the government might remove or reduce this rate for some basic items like gas and electricity to help the poorer members of society. However, green activists have argued against this but would like a lower VAT rate to be applied to green goods, like refurbishing a property with solar panels.



# Resource Four

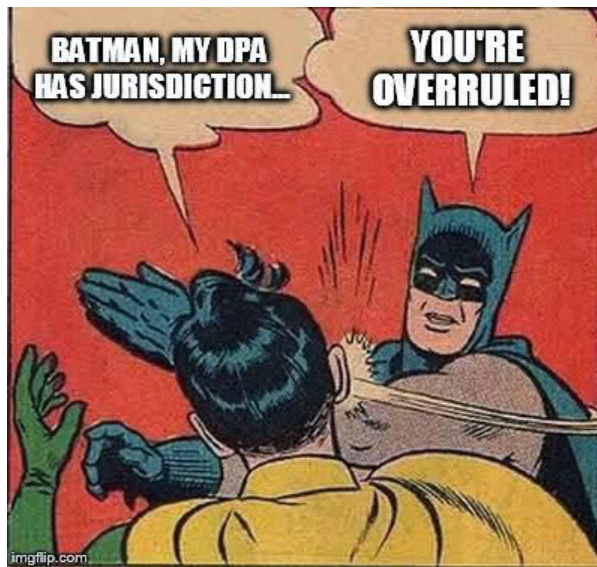
## Data Source



### Section C

#### Changing structures of EU-UK competition law

The law that promotes healthy-competition in the economy and bans the anti-competitive agreements between firms is termed as the **competition law** or **anti-trust law**. Here the economic terms like monopoly and market competition are important to be understood. For example, if two firms like Pepsi and Coca-Cola come to an agreement to fix prices or form a merger, the competition between their products will end. This would lead to the creation of a monopoly as no other competitor in the market would be able to beat them. Hence, the promotion of healthy competition keeps a check on prices and benefits the consumer.



Leaving the European Union could allow the UK to now diverge from the EU's competition laws altogether. The UK's Competitions and Markets Authority (CMA) could be expected to have an increased work load, which might prove to be a challenge.

One of the most important breaches of competition laws due to Brexit could be expected in mergers and acquisitions where an increased intervention from the government might be expected. According to trends so far the decisions regarding this were mostly seen to be based on the CMA's opinions.



# Resource Four Activities



## Activities

1. What are the eight main changes to be expected post Brexit?
2. What are the changes that may be positive for British citizens and which ones can be negative?
3. What is the competition law?
4. What is CMA? Why do you think the work load for this authority will increase post-Brexit?
5. Why are green activists against the removal of VAT from basic items?
6. Why is a monopoly not healthy for any economy? Which parties are harmed by the monopolies?



# Resource Four

## Further Reading



### Explore



- Find out the websites for DLA Piper, Clifford Chance and Hogan Lovells and search for recently published articles and papers on Brexit and post-Brexit changes.
- Look for any active cases between 2019 to 2021 on the websites of these law firms. Filter out the competition law or anti-trust law-based cases and read the cases' history.
- Changes to copyright laws post-Brexit:  
<https://www.reedsmith.com/en/perspectives/2021/01/implications-of-brexit-for-uk-copyright-law>
- Changes and complications in trade laws post-Brexit:  
[https://www.bakermckenzie.com/-/media/files/insight/publications/brexit\\_tradeflows.pdf](https://www.bakermckenzie.com/-/media/files/insight/publications/brexit_tradeflows.pdf)  
[https://www.gleisslutz.com/en/Brexit\\_and\\_competition\\_law.html#:~:text=To%20date%2C%20where%20a%20merger,%2Dstop%20shop%E2%80%9D%20principle](https://www.gleisslutz.com/en/Brexit_and_competition_law.html#:~:text=To%20date%2C%20where%20a%20merger,%2Dstop%20shop%E2%80%9D%20principle)

### References

- the one-stop-shop principle:  
<http://eulawanalysis.blogspot.com/2015/03/when-super-regulators-fight-one-stop.html>

# Resource Five Overview



Topic	Cost-benefit analysis of Brexit
A-level Modules	Business, mathematics and economics
Objectives	By the end of this resource, you will be able to: <ul style="list-style-type: none"><li>✓ Understanding the meaning and properties of a cost-benefit analysis</li><li>✓ Briefly exploring pros and cons of Brexit using the cost-benefit analysis</li><li>✓ Evaluate the impact on macro level for yourself</li></ul>
Instructions	<ol style="list-style-type: none"><li>1. Read the data source</li><li>2. Complete the activities</li><li>3. Explore the further reading</li></ol>





# Resource Five

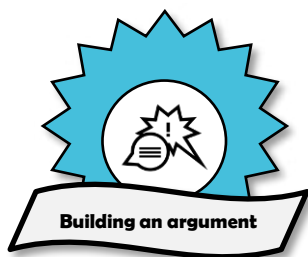
## Data Source

### Section A

#### Cost-benefit analysis explained

Before conducting a cost-benefit analysis of Brexit, it is important to understand what points should be considered. There are five main established steps to conduct such an analysis:

1. Understand all the variables affecting the analysis
2. Decide in what context the costs and benefits are to be analysed and discussed
3. Properly identify all the variables and the measurement indicators that will affect the analysis
4. Forecast the impact caused during the lifetime of the proposed regulation (in our case forecast the impact of Brexit)
5. Convert the analysis into figures to understand the monetary impact of any decisions



The cost-benefit analysis is of great relevance in any decision-making process and as mentioned in Step 5, it is important to give the level of impact a number in order to understand the extent of that impact by the end of the analysis.

In our case, it makes sense to use this particular method for decision-making as we are trying to understand the potential financial impact of Brexit on the economy. There are various aspects like changes in laws that can affect the functioning of organisations. However, at the end of every analysis, it comes down to by how much an organisation might gain or lose due to Brexit.

We are now ready for a thorough cost-benefit analysis with the information available to date.

# Resource Five Data Source



## Section B

### The cost-benefit analysis of Brexit

Figure 6

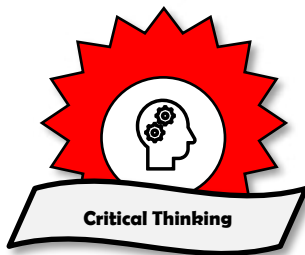
Cost-benefit analysis of the Brexit decision to the UK

Some of the major points of the cost-benefit analysis for Brexit are listed in the table below:

Cost-Benefit Analysis of the Brexit Decision to the UK	
Benefits	Costs
Lesser regulation, speedier decision-making	Loss of access to the single market (free movement of goods, capital, services, and people)
Savings on European Union membership fees and other contributions	Possible tariffs to be imposed, as 'dispatches' change to 'exports' to the European Union
Skills-based migration policy	Impact on employment and labor availability
Ability to strike new trade deals	Decline in capital inflows on account of uncertainty

Market Realist<sup>®</sup>

Source: Capital Economics



There have been a lot of other pointers which should be considered like the UK avoiding a complete breakdown of the economy thanks to stock-piling during Brexit, when the Covid-19 virus hit the economy.

Also, due to some decisions taking place during the transition period, the EU seemed to retain some control over aspects like mergers and acquisitions as discussed in Resource Four. For this reason, there have been various merger cases under consideration that for the time being have remained under European jurisdiction until a decision is made regarding the new anti-trust laws in the UK. This can be quantified as a loss for the UK.



# Resource Five

## Data Source



### Section C

#### Major costs and benefits

#### Costs:

- The UK will have to revisit the 759 trade agreements it had through the EU and this will require time and resources.
- Costs for leaving the EU
- Government and resources tied up to resolve and renegotiate trade deals, not to mention the damage to more than 3,000,000 businesses which were wholly or partly dependent on EU membership
- Ambiguous relationship with Northern-Ireland
- Fall in the value of Pound sterling
- Fall in housing prices due to loss of jobs leading to increased unemployment and recession
- Loss of income for UK universities: with new rules in place it might not be as easy for EU citizens to study in the UK
- Free trade with the EU allowed businesses in the UK to grow
- Investment from EU businesses in the UK worth billions of pounds every year will now stop



#### Benefits:

- Freedom to make decisions that are beneficial for the economy
- Control of immigration laws and freedom to decide the rules in trade deals with any country
- Control over UK fishing waters
- Domestic security improvements
- EU membership fees amounting to billions to be used for issues that matter to the UK
- Savings on EU VAT contributions and agriculture subsidy policies

# Resource Five Data Source

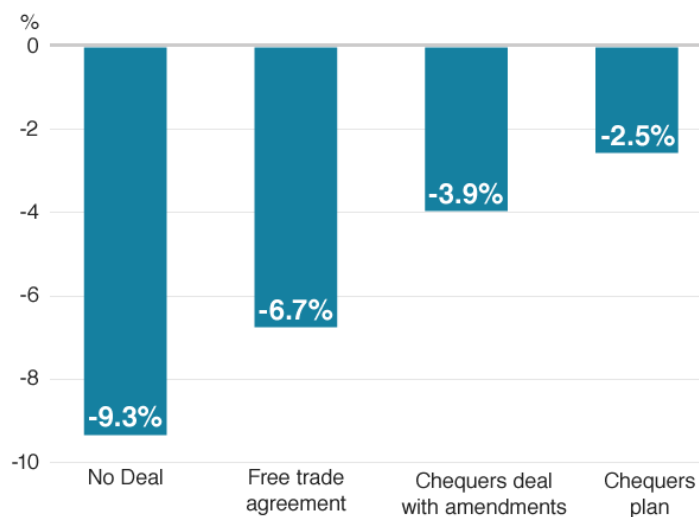


From a **bird's eye view**, for now, Brexit seems to have a longer list of costs when compared to the benefits, financial or otherwise. According to a study there is an increased xenophobia and social division post-Brexit as well.

## How Brexit will affect UK growth

Figures estimate impact on GDP 15 years after the UK leaves the EU

Figure 7  
Predicted impact of  
Brexit on the growth of  
the economy



Note: Each scenario has a range of outcomes, these figures show the middle point assuming 100% reduction in migration.

Source: Office for National Statistics, Bank of England



The graph above shows the estimated impact of Brexit on GDP. We have various scenarios under consideration here. For the No-deal Brexit, the negative impact forecasted is the highest.

The Chequers plan, officially known as the future relationship between the UK and EU is a white paper published on 12<sup>th</sup> July 2018 by the former Prime Minister Theresa May. This plan was mainly concerned with four main areas: economic partnership, security partnership, future areas of cooperation such as aviation and nuclear power, and the frameworks needed to enforce the agreement. However, this plan was rejected by the EU.



# Resource Five Activities



## Activities

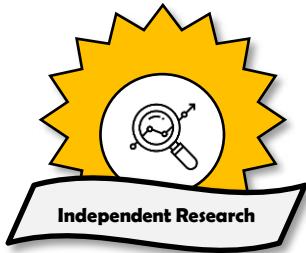
1. What is the process of the cost-benefit analysis? List the five main stages of analysis.
2. What was the Chequers plan? When was it introduced?
3. List five costs and five benefits attached to Brexit?
4. How many trade agreements will the UK have to revisit due to Brexit?
5. Why can you not implement the cost-benefit analysis of Brexit to its final stage?

# Resource Five

## Further Reading



### Explore



- A brief cost-benefit analysis for Brexit:  
<https://andybodle.medium.com/when-sammie-dumped-barry-a-cost-benefit-analysis-of-brexit-6bfebbdd1064>  
<https://rainbowsandlollipops.net/project-fear-watch/>
- The pros and cons of Brexit:  
<https://brexitshitstormforecast.com/>
- Read about the recent highlight fluctuations in the value of sterling and analyse the reasons behind them.
- Who is Nigel Farage? What is his stand on Brexit? What are the main arguments he makes?

### References

- The Chequers plan:  
<https://www.theweek.co.uk/brexit/95003/chequers-plan-explained-brexit-white-paper> For understanding the Chequers plan in detail
- <https://www.bbc.co.uk/news/uk-politics-46366162>

# Resource Six Overview



Topic	What does the future holds?
A-level Modules	Business and Economics
Objectives	By the end of this resource, you will be able to: <ul style="list-style-type: none"><li>✓ Understand the changes required in the governing system</li><li>✓ Understand what to expect from the government in the future and the nature of loss faced by the economy</li><li>✓ Understand the financial impact on the economy of the UK and its worth</li></ul>
Instructions	<ol style="list-style-type: none"><li>1. Read the data source</li><li>2. Complete the activities</li><li>3. Explore the further reading</li></ol>



# Resource Six Data Source



## Section A Nature of loss

It was clear from the cost-benefit analysis that the UK has to incur a lot of costs for Brexit. Now one of the main points to be understood is that whether these losses are permanent in nature or temporary? The main reason for this is that, whenever any economy makes an important decision or goes for change, a lot of losses and costs are initially incurred during the transition period only to gain fruitful results in the future. In this resource we will focus on the nature of change brought on by Brexit.

Figure 1: International comparisons of GDP highlight how the UK has been hit relatively worse than other advanced economies

Current price and volume G7 GDP, Quarter 4 (Oct to Dec) 2019 to Quarter 3 (July to Sept) 2020

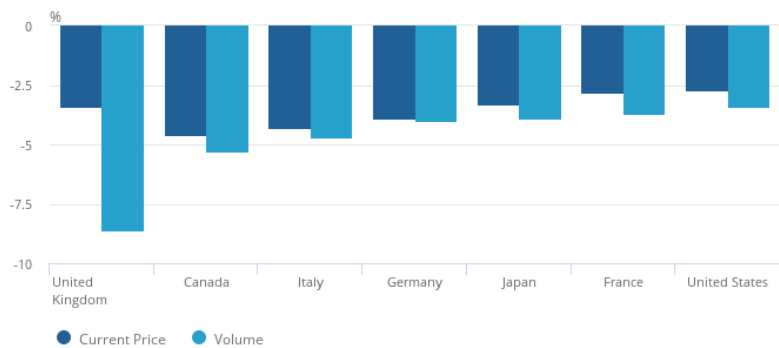
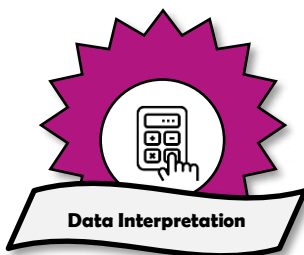


Figure 8

Quarter on quarter GDP growth presentation of G7 countries



Source: Office for National Statistics, Organisation for Economic Co-operation and Development

“Even if Britain and the European Union reach an agreement, UK companies will still have to face added costs in doing business with EU nations, such as border checks and custom rules at a time when many are already facing the effects of the pandemic on trade,” said Charles Riley reporting to CNN business.

The graph in Figure 8 shows the difference in volume of the GDP and current price for the UK compared to other countries. Not only did the UK economy have to get through the Covid-19 pandemic like all other economies, it also faced Brexit.

# Resource Six Data Source



## Section B

### Brief analysis of the main impacts

In order to understand the nature of change, let's briefly analyse some of the main arguments in favour of and against Brexit.

- **Trade:** One of the most prominent arguments was that trade would fall after leaving the EU. This proved correct as it was down by 22% in the first year after Brexit. However, the UK has already started entering various trade deals with Russia, the US and many more are on the list. So far, the trade deals in the UK were made

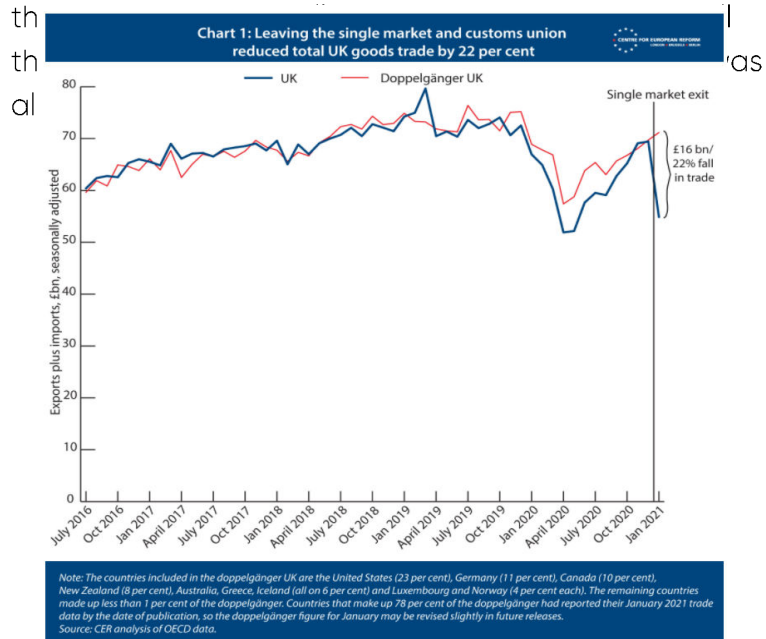


Figure 9

Reduced trade seen in the market post Brexit

- **Loss in GDP growth:** Markets in any economy are connected to the GDP growth rate as it shows the rate at which the production of goods and services increases. It is obvious that when trade reduces or faces an extraordinary event, the GDP will be affected. However, there are no specific long-term predictions that markets will never bounce back. The very nature of markets is to maintain an equilibrium.

# Resource Six Data Source



- **Impact on Employment:** Post-Brexit, it was predicted that many firms (especially financial organisations) would have to move their base. However, the UK might now have an opportunity to establish more beneficial rules and regulations for the economy. The shift of European firms cannot be totally plausible because these firms have clients in the UK as well. Moreover, the EU citizens working in the UK will be the ones facing unemployment which could mean that there might be better opportunities for UK citizens.

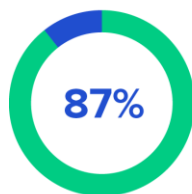
Hence, the change and loss seen in the economy today due to Brexit is temporary in nature.

## Section C Changes in financial institutions

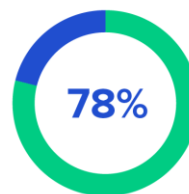
Post- Brexit, so far, no particular trade deals or no particular laws and boundaries have been established. This means there is uncertainty. As seen in Resource 1, uncertainty is never good for markets and could lead to recession.

### U.K. - EU Ties

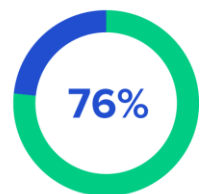
EU capital markets activity is mostly handled in the U.K.



of U.S. Investment banks' EU staff work in the U.K.



of EU27 capital markets activity conducted in the U.K.<sup>1</sup>



of all MIFID<sup>2</sup> passporting done by U.K. - based firms<sup>3</sup>

One of the most crucial impacts of Brexit is the clearance of Euro-dominated trades. The size of the European **derivatives** market was worth more than \$830 trillion as of 2019 and these assets used to be cleared using London-based **clearing houses**. Due to Brexit, there are complications to clear these derivatives but the UK has said it aimed to clear these by June 2022. This made it clear that EU investors would not want to do business with UK's clearing houses anymore.



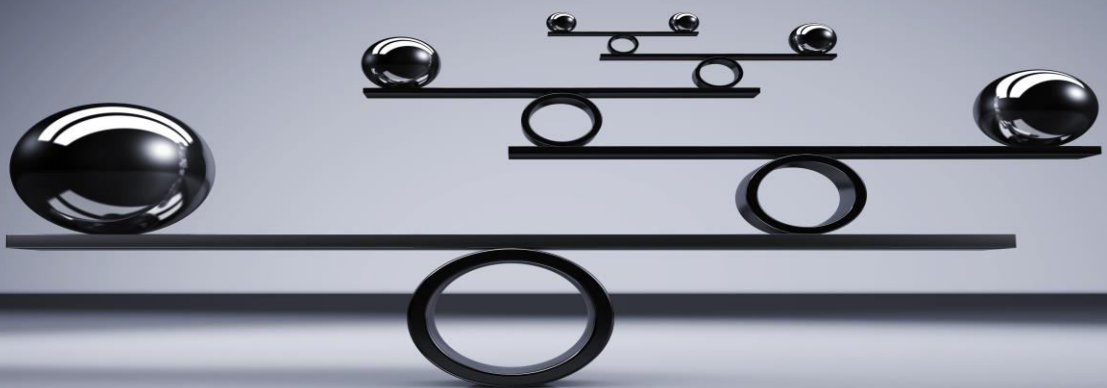
# Resource Six

## Data Source



**Section D** It is important to take away the following main points from  
**Concluding remarks** the study of this coursebook:

- This analysis hasn't considered the damage caused by the Covid-19 pandemic and hence, the reports and figures of loss seen in the markets can be ambiguous.
- The event of Brexit is a historic change for the UK and even though there can be two sides to the argument, it might be beneficial to the UK in the longer run, as proper regulations and treaties for trade should be put in place with other economies as well as EU nations in the future.
- No specific predictions for the economy in the long term can be made. Only short-term targets and predictions are available and even then, after the initial losses, the economy seems to be improving.



# Resource Six Activities



## Activities

1. What is the impact on trade post-Brexit? Provide a brief analysis.
2. What are the G7 countries?
3. What percentage of EU staff for US Investment banks works in the UK?
4. What is the European derivatives market worth?
5. Why is there ambiguity in the reports and figures of the impact of Brexit on the UK's economy?
6. What is the nature of loss seen due to Brexit? Support and elaborate on your arguments.

# Resource Six

## Further Reading



### Explore

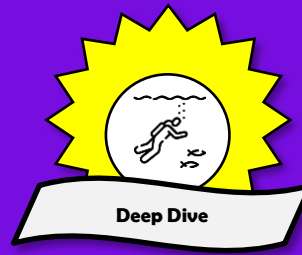


- The impact of Brexit on employment:  
<https://www.theguardian.com/business/2017/feb/07/brexit-uk-finance-brussels-thinktank-city-banking-eu-bruegel>
- The transition period and highlight:  
<https://www.cer.eu/insights/cost-brexit-january-2021-end-transition-edition>

### References

- The impact of Brexit on the financial sector:  
<https://www.toptal.com/finance/market-research-analysts/brexit-and-its-effect-on-the-uk-european-and-global-financial-sector>

# Final Reflection Activity



1. Read the White Paper on Brexit by Theresa May available on the government's website. Analyse her arguments and stand-point. Try to undertake a brief cost-benefit analysis of Brexit from this paper.
2. Analyse the performance of the following stocks using the most recent data available from reliable sources: Barclays, British telecom and British Petroleum. Can you relate the rise and fall of stock prices to the Brexit timeline from Resource 2? Compare each one of these stocks with the overall rise and fall in the FTSE100 and understand the impact these three stocks have on the index.
3. Using the methods explained in the coursebook, develop a timeline of the Covid-19 pandemic. Following the timeline, conduct a detailed cost-benefit analysis and research the data available. With your analysis, understand the nature of change in the economy due to the pandemic and make comments on what you think the future holds.
4. Write a detailed Essay on Brexit including all the information provided in the coursebook and check your understanding of financial markets and the whole event of Brexit. Include your personal thoughts and comments on what you think the future holds.



## Part 3 – Study Skills, Tips & Guidance

This section includes helpful tips to help you complete this pack, as well as improve your study skills for any courses you take next year.

It also includes a few fantastic easy-to-use resources on what to do next if you are hoping to go to university in the next few years, like UCAS advice and web links to more academic opportunities.

In this section:

### University Study Skills:

- ✓ Cornell Notes
- ✓ Key Instruction Words
- ✓ Academic Writing
- ✓ Referencing
- ✓ Evaluating Your Sources

### University Guidance:

- ✓ What next?

### Subject Guidance:

- ✓ More on studying your subject



# University Study Skills

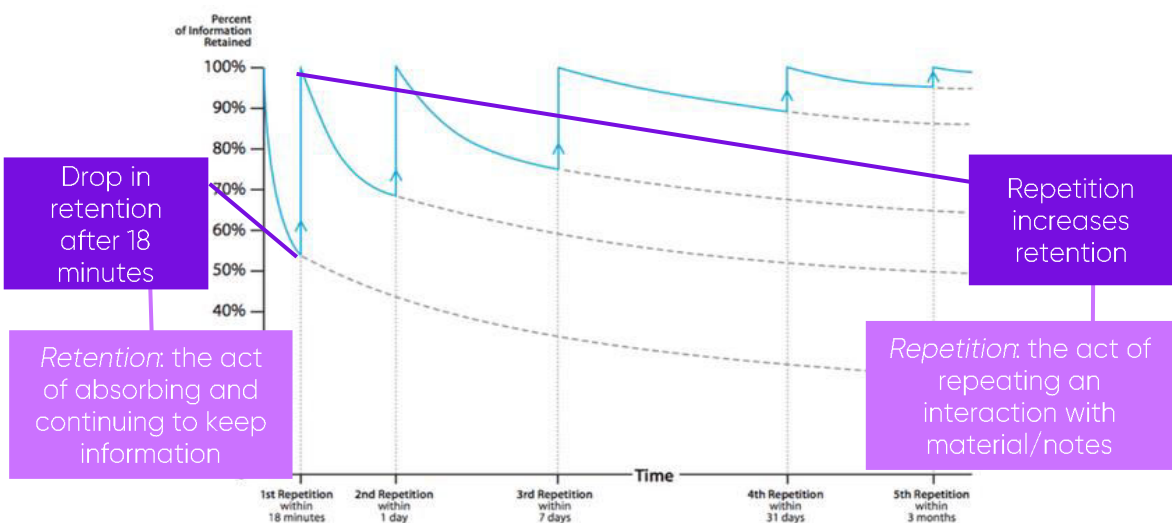
## Cornell Notes



### Why is good note-taking important?

If it feels like you forget new information almost as quickly as you hear it, even if you write it down, that's because we tend to lose almost 40% of new information within the first 24 hours of first reading or hearing it.

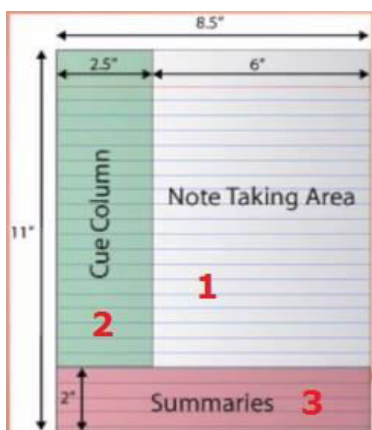
If we take notes effectively, however, we can retain and retrieve almost 100% of the information we receive. Consider this graph on the rate of forgetting with study/repetition:



### Learning a new system

The Cornell Note System was developed in the 1950s at the University of Cornell in the USA. The system includes interacting with your notes and is suitable for all subjects. There are three steps to the Cornell Note System.

#### Step 1: Note-Taking



1. **Create Format:** Notes are set up in the Cornell Way. This means creating 3 boxes like the ones on the left. You should put your name, date and topic at the top of the page.

2. **Write and Organise:** You then take your notes in the 'note taking' area on the right hand side of the page. You should organise these notes by keeping a line or a space between 'chunks'/main ideas of information. You can also use bullet points for lists of information to help organise your notes.



# University Study Skills

## Cornell Notes



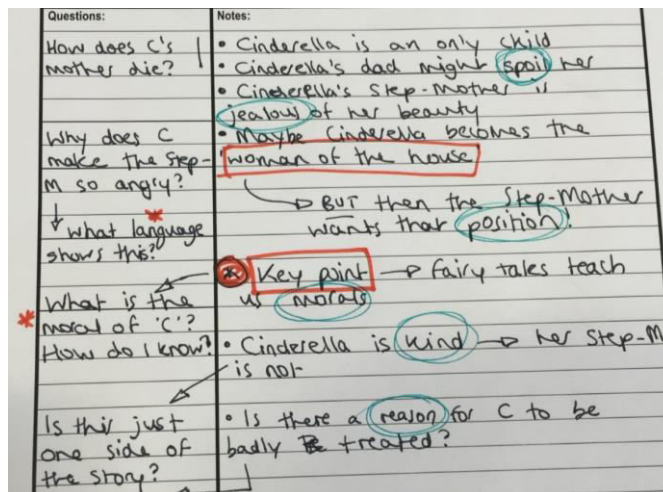
### Step 2: Note-Making

1. **Revise and Edit Notes:** Go back to box 1, the note-taking area and spend some time revising and editing. You can do this by: highlighting 'chunks' of information with a number or a colour; circling all key words in a different colour; highlighting main ideas; adding new information in another colour.

2. **Note Key Idea:** Go to box 2 on the left hand side of the page and develop some questions about the main ideas in your notes. The questions should be 'high level'. This means they should encourage you to think deeper about the ideas. Example 'high level' questions would be:

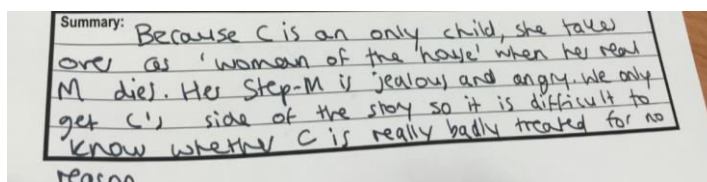
- Which is the most important/significant reason for...
- To what extent...
- How does the (data/text/ideas) support the viewpoint?
- How do we know that...

Here is an example of step 1 and step 2 for notes on the story of Cinderella:



### Step 3: Note-Interacting

**Summary:** Go to box 3 at the bottom of the page and summarise the main ideas in box 1 and answer the essential questions in box 2.



Give the Cornell Note Taking System a try and see if it works for you!

# University Study Skills

## Key Instruction Words



These words will often be used when university tutors set you essay questions – it is a good idea to carefully read instruction words before attempting to answer the question.

**Analyse** – When you analyse something, you consider it carefully and in detail in order to understand and explain it. To analyse, identify the main parts or ideas of a subject and examine or interpret the connections between them.

**Comment** – When you comment on a subject or the ideas in a subject, you say something that gives your opinion about it or an explanation for it.

**Compare** – To compare things means to point out the differences or similarities between them. A comparison essay would involve examining qualities/characteristics of a subject and emphasising the similarities and differences.

**Contrast** – When you contrast two subjects, you show how they differ when compared with each other. A contrast essay should emphasise striking differences between two elements.

**Compare and contrast** – To write a compare and contrast essay, you would examine the similarities and differences between two subjects.

**Criticise** – When you criticise, you make judgments about a subject after thinking about it carefully and deeply. Express your judgement with respect to the correctness or merit of the factors under consideration. Give the results of your own analysis and discuss the limitations and contributions of the factors in question. Support your judgement with evidence.

**Define** – When you define something, you show, describe, or state clearly what it is and what it is like. You can also say what its limits are. Do not include details but do include what distinguishes it from the other related things, sometimes by giving examples.

**Describe** – To describe in an essay requires you to give a detailed account of characteristics, properties or qualities of a subject.

**Discuss** – To discuss in an essay, consider your subject from different points of view. Examine, analyse and present considerations for and against the problem or statement.

# University Study Skills

## Key Instruction Words



### Continued

**Evaluate** – When you evaluate in an essay, decide on your subject's significance, value or quality after carefully studying its good and bad features. Use authoritative (e.g. from established authors or theorists in the field) and, to some extent, personal appraisal of both contributions and limitations of the subject. Similar to **assess**.

**Illustrate** – If asked to illustrate in an essay, explain the points that you are making clearly by using examples, diagrams, statistics etc.

**Interpret** – In an essay that requires you to interpret, you should translate, solve, give examples, or comment upon the subject and evaluate it in terms of your judgement or reaction. In other words, give an explanation of what your subject means. Similar to **explain**.

**Justify** – When asked to justify a statement in an essay, you should provide the reasons and grounds for the conclusions you draw from the statement. Present your evidence in a form that will convince your reader.

**Outline** – Outlining requires that you explain ideas, plans, or theories in a general way, without giving all the details. Organise and systematically describe the main points or general principles. Use essential supplementary material but omit minor details.

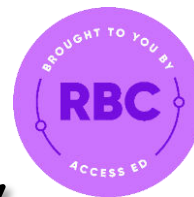
**Prove** – When proving a statement, experiment or theory in an essay, you must confirm or verify it. You are expected to evaluate the material and present experimental evidence and/or logical argument.

**Relate** – To relate two things, you should state or claim the connection or link between them. Show the relationship by emphasising these connections and associations.

**Review** – When you review, critically examine, analyse and comment on the major points of a subject in an organised manner

# University Study Skills

## Academic Writing



### What is academic writing?

'Academic writing' is a special way of writing when talking about research or a point of view.

It has a logical structure and uses formal language. Various sources of information are also used to support what is being said.

### Academic writing: how to guide

- Use words you know and are confident using, making sure that what you write makes sense and is clear.
- Do not use contractions, like 'don't' or 'can't'. Instead, write these out fully: 'do not', 'cannot'.
- Do not use colloquialisms, meaning words or phrases that are not formal and that you would use when you speak. Examples include 'ace', 'brilliant', 'like chalk and cheese', etc.
- Do not use slang or jargon, for example 'daft', 'bloke', 'dodgy'.

### Expressing your opinion in academic writing

In academic writing, it is best to express an opinion without writing in the first person. Your work should show that it is supported by specific evidence and facts, rather than your personal intuition.

Therefore, rather than saying 'In my opinion, this proves that', you can express the outcome of your reasoning in other ways:

- 'This indicates that...';
- 'The aforementioned problems in Smith's argument reveal that...';
- 'Such weaknesses ultimately mean that...', and so on.

### Signposting

Signposting guides your reader through different sections of your writing. It tells them what is being discussed and why, and when your piece is moving from one part to another. It links ideas together and helps with the flow of your writing. Below are some examples of using signposting to:

- Expand on a previous idea:
  - 'Building on from the idea that...' (mention previous idea), 'this section illustrates that...' (introduce your new idea).
  - 'To further understand the role of...' (your topic/previous idea) this section explores the idea that... (introduce your new idea).
- Present a contrasting view:
  - 'However, another angle in this debate suggests that...' (introduce your contrasting idea).
  - 'However, not all research shows that...' (mention your previous idea). 'Some evidence agrees that...'

# University Study Skills

## Referencing



### What is a reference or referencing?

A reference is just a note in your assignment that tells your reader where specific ideas, information or opinions that you have used from another source have come from. It can be done through 'citations' or a 'bibliography'.

When you get to university, you will need to include references in the assignments that you write. As well as being academic good practice, referencing is very important, because it will help you to avoid plagiarism.

**Plagiarism** is when you take someone else's work or ideas and pass them off as your own. **Whether plagiarism is deliberate or accidental, the consequences can be severe.** You must be careful to reference your sources correctly.

### Why should I reference?

Referencing is important in your work for the following reasons:

- It gives credit to the authors of any sources you have referred to or been influenced by.
- It supports the arguments you make in your assignments.
- It demonstrates the variety of sources you have used.
- It helps to prevent you from losing marks, or failing, due to plagiarism.

### When should I use a reference?

You should use a reference when you:

- Quote directly from another source.
- Summarise or rephrase another piece of work.
- Include a specific statistic or fact from a source.





# University Study Skills

## Referencing



### Is it a source worth citing?

Question your sources before referencing using these tips:

**Currency:** the timelines of the information

- When was it published or posted? Has it been revised or updated? Does your topic require current information, or will older sources work as well?

**Relevance:** the importance of the information for your needs

- Does the information relate to your topic or answer your question? Who is the intended audience? Have you looked at a variety of sources?

**Authority:** the source of the information

- Who is the author/publisher/source/sponsor? What are the author's credentials? Is the author qualified to write on the topic?

**Accuracy:** the reliability and correctness of the source

- Is the information supported by evidence? Has the information been reviewed or refereed? Can you verify whether it is a personal or professional source? Are there errors?

**Purpose:** the reason the information exists

- Does the author make their intentions/purpose clear? Is the information fact, opinion or propaganda? Are there are biases? Does the viewpoint appear objective?





# University Study Skills

## Referencing



### How do I reference?

There are a number of different ways of referencing. However, most universities use what is called the Harvard Referencing Style. Talk to your tutor about which style they want you to use – the most important thing is that you remain consistent!

The two main aspects of referencing you need to be aware of are:

#### 1. In-text citations

These are used when directly quoting a source. They should be located in the body of your work, after you have referred to your source in your writing. They contain the surname of the author of the source and the year it was published in brackets.

**Example:** *Daisy describes her hopes for her infant daughter, stating "I hope she'll be a fool – that's the best thing a girl can be in this world, a beautiful little fool." (Fitzgerald, 2004).*

#### 2. Bibliography

This is a list of all the sources you have referenced in your assignment. In the bibliography, you list your references by the numbers you have used and include as much information as you have about the reference. The list below gives what should be included for different sources.

- Websites – Author (if possible), 'title of the web page', 'Available at:' website address, [Accessed: date you accessed it].

**Example:** 'How did so many soldiers survive the trenches?', Available at: <http://www.bbc.co.uk/guides/z3kgjxs#zg2dtfr> [Accessed: 11 July 2019].

- Books – Author surname, author first initial, (year published), title of book, publisher

**Example:** Dubner S. and Levitt, S., (2007), *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*, Penguin Books

- Articles – Author, 'title of the article', where the article comes from (newspaper, journal etc.), date of the article.

**Example:** Maev Kennedy, 'The lights to go out across the UK to mark First World War's centenary', The Guardian Newspaper, 10 July 2014.

# University Study Skills

## Evaluating sources



Knowing about the different types of sources and what makes them worth using is important for academic work.

When doing research you will come across a lot of information from different types of sources. How do you decide which source to use? From newspaper articles to books to tweets, this provides a brief description of each type of source, and breaks down things to consider when selecting a source.



### Tweets

A platform for millions of very short messages on a variety of topics.



### Blogs

Blogs (e.g. Tumblr) are used for sharing both developed and unpublished ideas and interests with a niche community.



### YouTube

A collection of millions of educational, inspirational, eye-opening and entertaining videos.



### Newspaper

A reporting and recording of cultural and political happenings that keep the general public informed. Opinions and public commentaries can also be included.



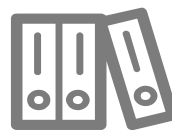
### Journals

A collection of analytics reports that outline the objectives, background, methods, results and limitations of new research written for and by scholars in a niche field.



### Academic book

The information presented is supported by clearly identified sources. Sometimes each chapter has a different author.



### Encyclopaedia

Books or online – giving information on many different subjects. Some are intended as an entry point into research, some provide detailed information and onwards references.



### Popular books

A glossy compilation of stories with unique themes intended for specific interests.

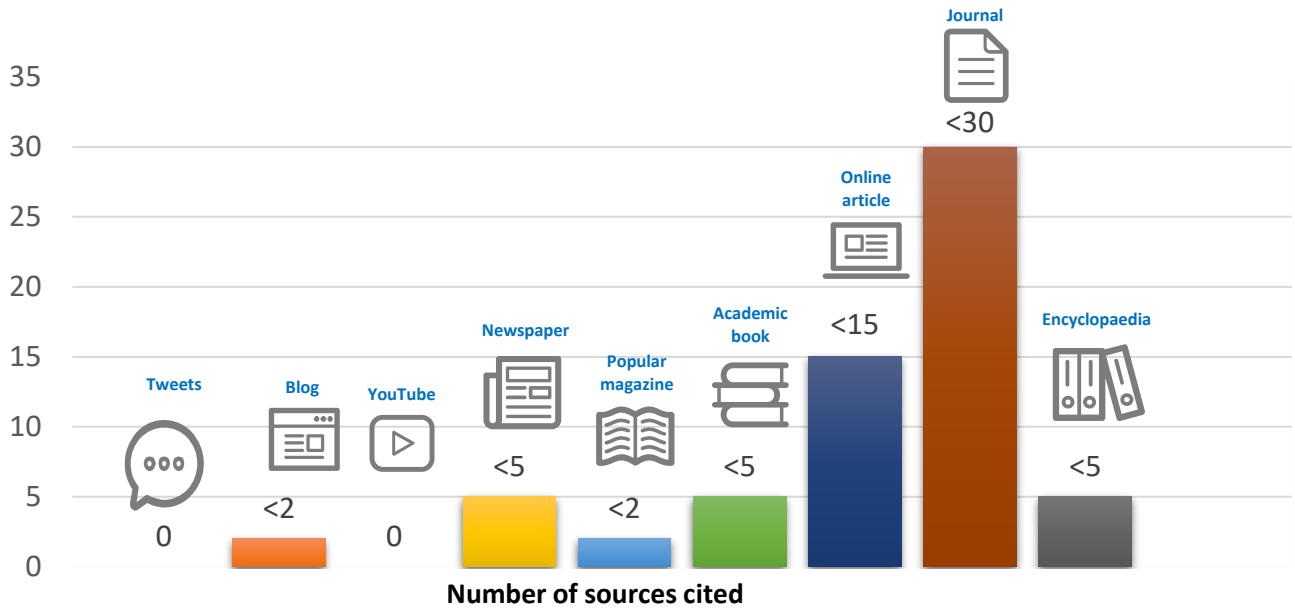
# University Study Skills

## Evaluating sources



### Number of outside sources

When an author used many outside sources in their writing, they demonstrate familiarity with ideas beyond their own. As more unique viewpoints are pulled into a source, it becomes more comprehensive and reliable. This shows the typical number of outside sources used in each type of publication.



### Degree of review before a source is published

Two factors contribute to the amount of inspection that a source receives before it might be published: the number of reviewers fact-checking the written ideas, and the total time spent by reviewers as they fact-check. The more people involved in the review process and the longer the review process takes, the more credible the source is likely to be.

#### Number of reviewers



Time in review

#### 0 reviewers



seconds



minutes



minutes

#### 1-2 reviewers



hours



days



days

#### 3-4 reviewers



2-3 months



6-12 months



3-5 years

# University Guidance

## What next?



### University Guidance

Different people go to university for different reasons. You might have a particular job in mind or just want to study a subject you are passionate about. Whatever your motivations, going to university can help improve your career prospects, as well as develop your confidence, independence and academic skills.

### Choosing a course and university

Choosing the right course to study is an important decision so make sure you take time to research the different options available to you. Here are some top tips:

- ✓ You don't have to choose a course which you have already studied, there are lots of courses which don't require prior knowledge of the subject. You can apply skills gained from school studies to a new field.
- ✓ The same subject can be taught very differently depending on the course and university you choose. Take a look at university websites to find out more about the course content, teaching styles and types of assessment.
- ✓ When choosing a university, think about what other factors are important to you. Do you want to study at a campus university or be based in a city centre? What accommodation options are there? Does the university have facilities for any extracurricular activities you're involved in?
- ✓ To research your options, have a look at university leaflets and websites, and check if there are opportunities to speak to current students who can give you a real insight in to what life is like there.

**MAKE**  
—  
**HAPPEN**

Take a look at the Make Happen website, [makehappen.org/guides](https://makehappen.org/guides), for some really useful basic guides and videos on a range of subjects – from being the first in your family to go to university, to what it all costs, university life, where to live, and more! You can also follow us on Twitter @MakeHappenEssex, at [//Facebook.com/MakeHappenEssex](https://Facebook.com/MakeHappenEssex) and on Instagram @makehappenessex.

# University Guidance

## What next?



### Exploring Careers and Subject Options

- ✓ Find job descriptions, salaries and hours, routes into different careers, and more at: <https://www.startprofile.com/>
- ✓ Research career and study choices, and see videos of those who have pursued various routes at: <http://www.careerpilot.org.uk/>
- ✓ See videos about what it's like to work in different jobs and for different organisations at: <https://www.careersbox.co.uk/>
- ✓ Find out where different degrees could lead to, how to choose the right course for you, and how to apply for courses and student finance at: <https://www.prospects.ac.uk/>
- ✓ Explore job descriptions and career options, and contact careers advisers at: <https://nationalcareersservice.direct.gov.uk/>
- ✓ Discover which subjects and qualifications (not just A-levels) lead to different degrees, and what careers these degrees can lead to at: <http://www.russellgroup.ac.uk/media/5457/informed-choices-2016.pdf>

### Comparing Universities

Use our platform [ThinkUni.org](https://www.thinkuni.org) to take a short quiz about your preferences and interests to find out which universities might be a great fit for you.

Other popular resources:

<https://www.ucas.com/>

<https://www.whatuni.com/>

<http://unistats.direct.gov.uk/>

<https://www.thecompleteuniversityguide.co.uk/>

<https://www.opendays.com/>



# University Guidance

## What next?

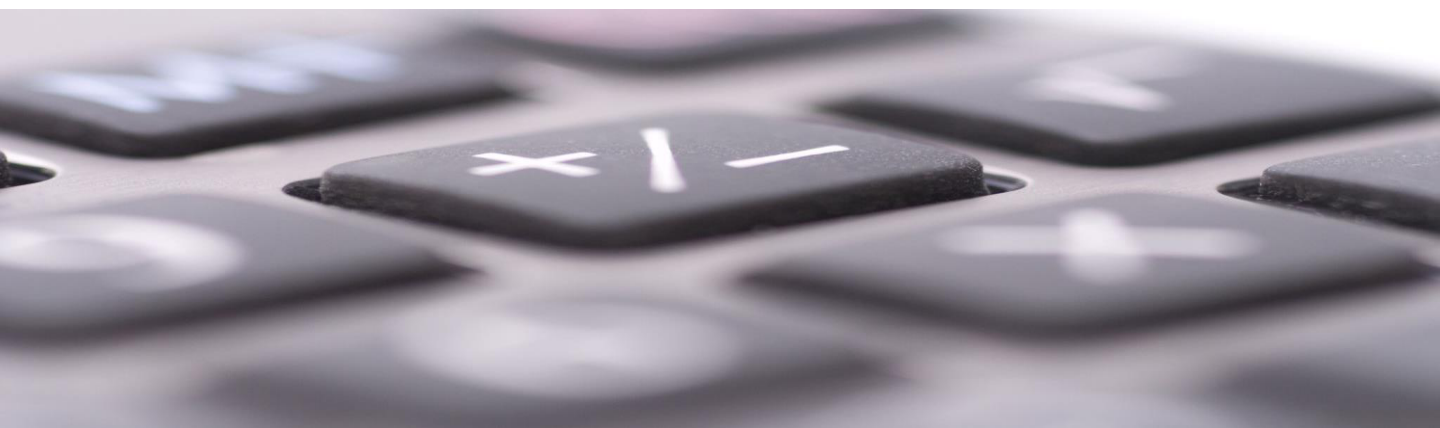


### UCAS and the university application process

All applications for UK degree programmes are made through [UCAS](#). There is lots of information on the UCAS website to guide you through the process and what you need to do at each stage.

These are the main steps you can expect:

- ✓ Applications **open in September** the year before you plan to start university.
- ✓ You can apply for up to **five courses**.
- ✓ The deadline for most courses is **15 January**, though there is an earlier deadline of **15 October** for Oxford and Cambridge, Medicine, Veterinary Medicine/Science and Dentistry.
- ✓ Some courses may require an interview, portfolio or admissions test in addition to the UCAS application. Check individual university websites for details.
- ✓ Check UCAS Track which will be updated with decisions from the universities you have applied for and to see your deadline for replying to any offers.
- ✓ You should choose a first and second choice university in case you don't get your first choice. If you already have your exam results or a university thinks your application is particularly strong, you might receive an **unconditional offer**.
- ✓ On the other hand, if you're holding a **conditional offer** then you will need to wait until you receive your exam results to have your place confirmed.
- ✓ Clearing & Adjustment allows you to apply to courses which still have vacancies if you didn't meet the conditions of your offer, have changed your mind about what or where you want to study, or have met and exceeded the conditions of your offer and would like to look at alternative options.





# University Guidance

## What next?



### Personal Statements

A really important part of your application is the Personal Statement. It gives you the opportunity to tell universities why they should offer you a place.

- ✓ You can only submit one Personal Statement so it's important that you are consistent in your course choices. Make sure you have done your research to show your understanding of the subject area and passion for it.
- ✓ Start by brainstorming all your skills, experience and attributes. Once you have everything written down, you can begin to be selective – you only have 47 lines so won't be able to include everything.

Here a few top tips for making your Personal Statement stand out:

- Explain why you want to study your chosen subject
- Say what area of your chosen subject fascinates you
- Demonstrate your interest by mentioning what you have recently read, watched or listened to, and how they helped your understanding of the subject
- Mention activities or practical work you have completed which helped to develop any subject-related skills
- Describe how your school or individual work has equipped you with the necessary knowledge and ability to be a successful student in that subject.

### Useful resources

- ✓ Key dates and deadlines: [www.access-ed.ngo/timelines-for-applying-to-university](http://www.access-ed.ngo/timelines-for-applying-to-university)
- ✓ Get tutor advice on writing a UCAS personal statement at: [www.access-ed.ngo/writing-your-ucas-personal-statement](http://www.access-ed.ngo/writing-your-ucas-personal-statement)
- ✓ An easy template to start practising your personal statement: <https://www.ucas.com/sites/default/files/ucas-personal-statement-worksheet.pdf>
- ✓ Untangle UCAS terminology at: <https://www.ucas.com/corporate/about-us/who-we-are/ucas-terms-explained>
- ✓ Discover more about the application process including when to apply and how to fill in your application on the [UCAS website](#).
- ✓ Read more useful advice about what to include in your personal statement on [UCAS, the Complete University Guide](#) and [The Student Room](#).
- ✓ Attend one of our [virtual sessions](#) to find out more about applying and personal statements.



# University Guidance

## What next?



### Student Finance

Concerns about money should not be a barrier to accessing higher education. There are lots of different forms of financial support available to you, including government loans and grants, as well as a range of scholarships and bursaries.

### Key facts to remember

- You do not have to pay tuition fees upfront. If you are eligible for funding through Student Finance authorities, which most students will be, then you can apply for a loan which covers the full tuition fee and is paid directly to universities.
- You can also apply for a living cost loan to help with costs such as accommodation, travel and food. How much you receive will depend on your household income and where you choose to live and study.
- Repayments don't start until the April after you finish or leave your course and only if your income is over the repayment threshold. The amount you repay is based on your income, not how much you borrow, and any outstanding amount is written off after 30 years.
- There are additional forms of support available depending on your individual circumstances including Disabled Students' Allowances and grants for students with adult or child dependants. These grants do not normally have to be repaid.
- Universities and other organisations will also offer bursaries, scholarships and other forms of financial support so make sure you research all the funding available to you.

### Useful resources

- ✓ Get the key facts and figures about Student Finance from: <https://www.gov.uk/student-finance>.
- ✓ Check how much you could be eligible to receive using the [Student Finance Calculator](#).
- ✓ Find out more about Student Finance England support on the [Student Room's Finance Zone](#).
- ✓ Check your money ready for university with this [online course](#).



# More on studying this subject

## A Deeper Look Into Finance and Economics

- ✓ **Read:** *One up on wall street* (Peter Lynch), *Rich Dad Poor Dad* (Robert Kiyosaki)
- ✓ **Watch:** News channels: CNN, BBC, Bloomberg, *Brexit-the movies* (Toby Haynes)
- ✓ **Listen:** Economics explained, weekly economics podcasts on Spotify
- ✓ **Do:** Follow the famous hashtags for Finance and Economics on social media platforms to keep getting updates about the news and more importantly to better understand the markets' reaction on every major event.



[www.researchbasedcurricula.com](http://www.researchbasedcurricula.com)



[www.access-ed.ngo](http://www.access-ed.ngo)



[@\\_AccessEd](https://twitter.com/_AccessEd)



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