



# Introduction to Macroeconomics

A 1-page guide for parents · 90-second read.

EXPECTED MARKS

**5-6 out of 6.**

TIME TO MASTER

**6-8 hrs**

HELPLINE

**70330 05444****WHAT THIS CHAPTER IS, IN PLAIN ENGLISH**

Your child is learning the foundation of **MACROECONOMICS** – the study of the entire economy as one big system (vs microeconomics, which studies individual buyers and sellers). They learn how macro emerged after the Great Depression of 1929 (Keynes), what the 'central economic problems' are (what to produce, how, for whom), and the key idea of **CIRCULAR FLOW** (how money and goods cycle between households and firms). This chapter sets up the entire macroeconomics paper.

**5 QUESTIONS TO ASK YOUR CHILD**

- Distinguish micro from macro in your own words.
- Why did macroeconomics emerge as a separate discipline?
- Draw and explain the circular flow of income.
- Give 3 examples each of stock and flow variables.
- Name the 4 economic agents and one role of each.

**WEAK-SPOT INDICATORS**

- Cannot draw the circular-flow diagram from memory.
- Confuses stock with flow (uses 'wealth per year' or 'income at a point').
- Treats macro as 'sum of micro'.
- Cannot list the 3 central problems.

**WHEN TO WORRY – AND WHAT TO DO**

Macro Ch 1 is conceptual; failures here mean foundational confusion. The fix is daily 15-minute review of definitions + diagram practice for 2 weeks.

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