

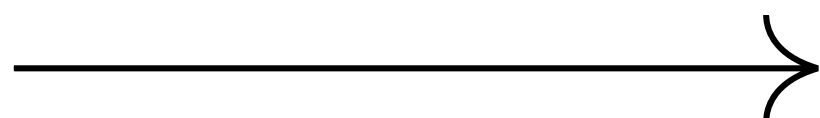
CFA Level 1

Economics

Simplified



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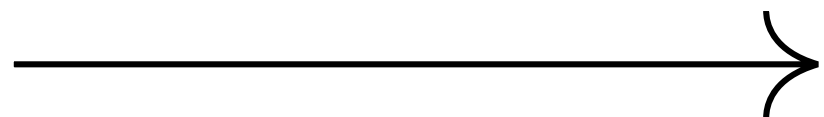
01

Introduction:

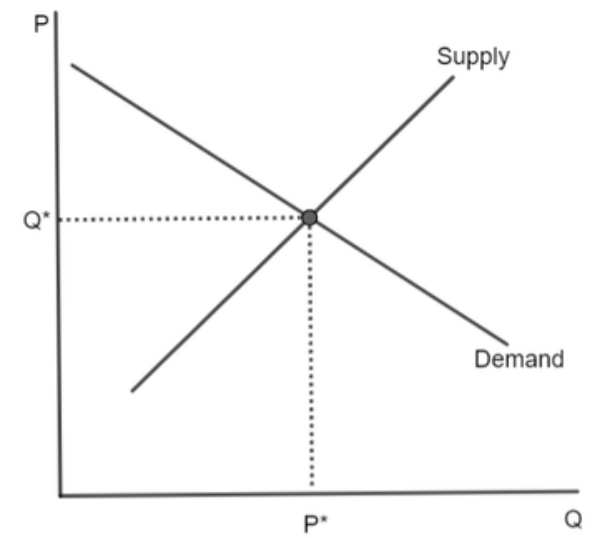
Lets understand
CFA Level 1 Economics with
Innovative real-life
examples



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02



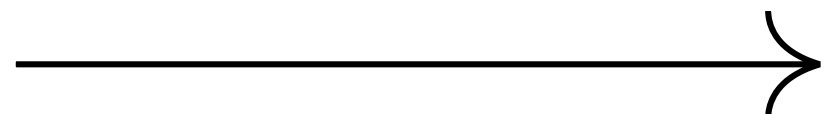
1. Topics in Demand and Supply Analysis

This learning module covers the basics of supply and demand, and how they interact to determine prices.

For example, if the demand for a product increases, but the supply remains the same, the price will go up.



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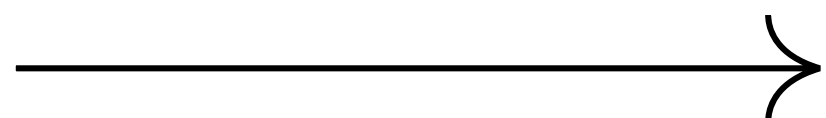
03

Real-life example: The price of concert tickets often goes up when a popular artist announces a tour.

The recent **Taylor Swift concert** can be taken as an example here. This is because the **demand for tickets increases, but the supply remains the same.**



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04



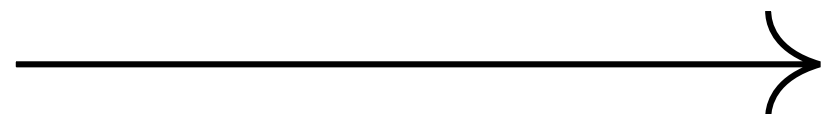
2. The Firm and Market Structures

This learning module covers the different types of market structures, and how they affect competition.

For example, in a perfect competition market, there are many sellers and buyers, and no one seller has a lot of control over the price.



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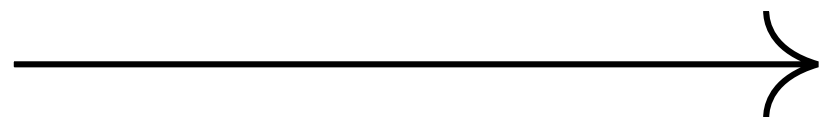


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Real-life example: The market for wheat is a good example of a perfect competition market. There are many wheat farmers, and no one farmer has a lot of control over the price of wheat.



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06

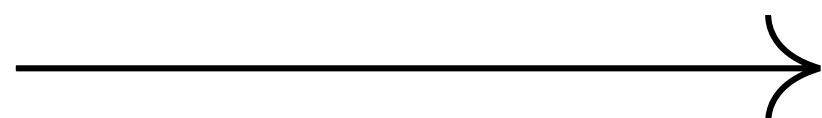


3. Aggregate Output, Prices, and Economic Growth

This learning module covers the factors that affect economic growth, such as investment, government spending, and technological change.

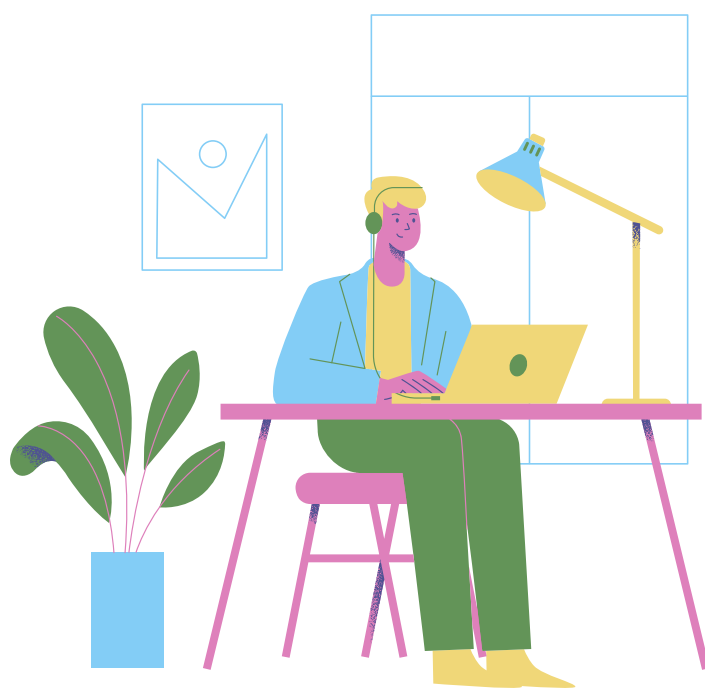


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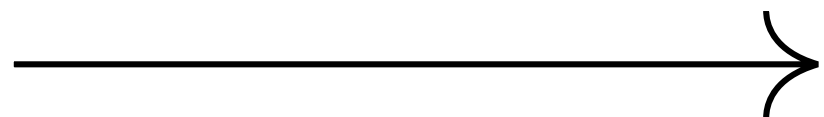


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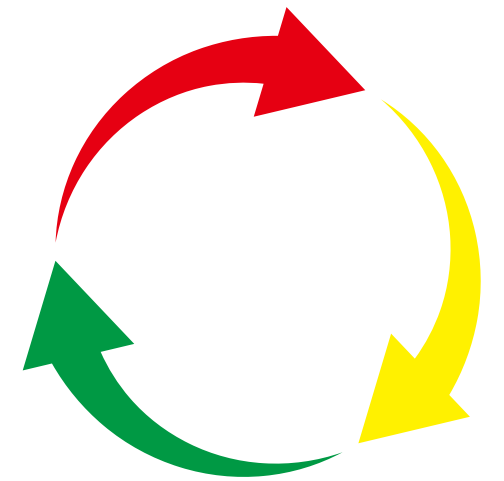
Real-life example: The internet made it possible for businesses to reach new customers and for people to **work from home**. This led to **increased investment and productivity**, which in turn boosted economic growth.



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08

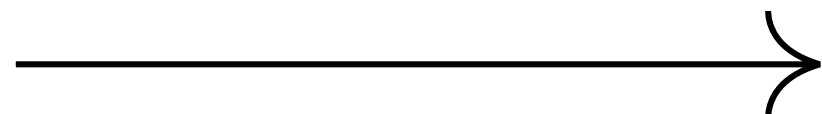


4. Understanding Business Cycles

This learning module covers the different phases of business cycles, such as recessions and expansions.



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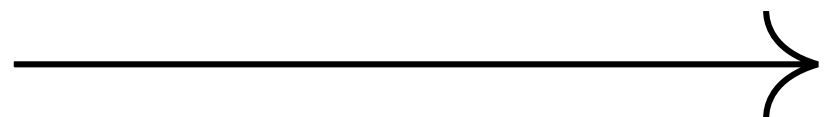


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Real-life example: The United States experienced a recession in 2008–2009. The recession was caused by a financial crisis, which led to a decrease in economic activity.



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10

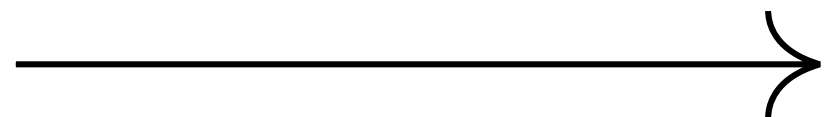


5. Monetary and Fiscal Policy

This learning module covers the tools that governments and central banks use to influence the economy, such as interest rates and government spending.

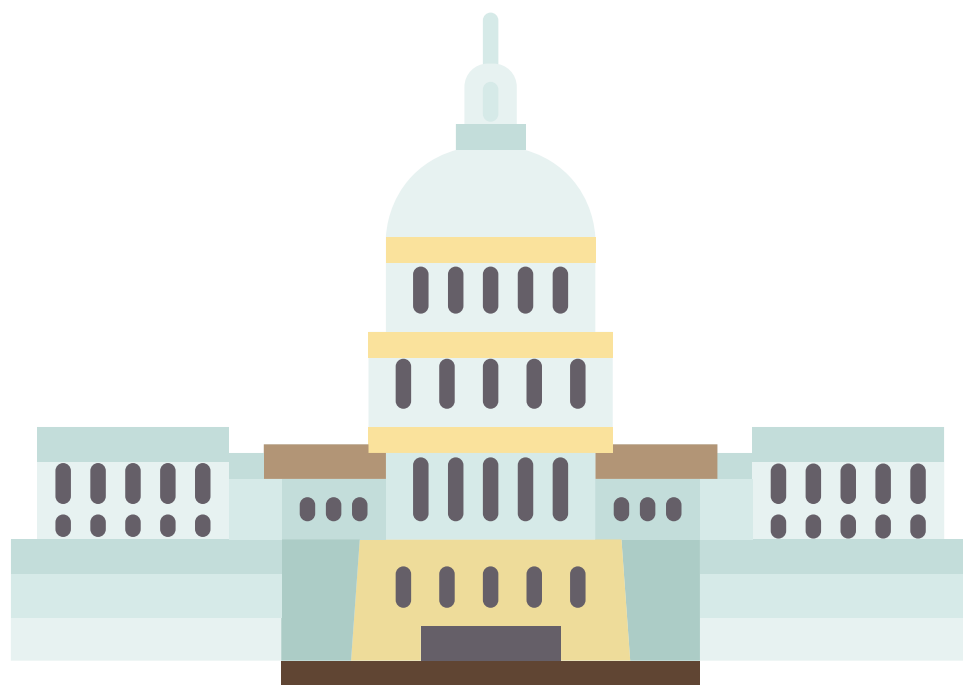


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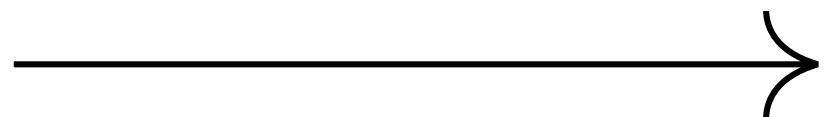


11

Real-life example: The Federal Reserve lowered interest rates in 2020 in an attempt to stimulate the economy during the COVID-19 pandemic.



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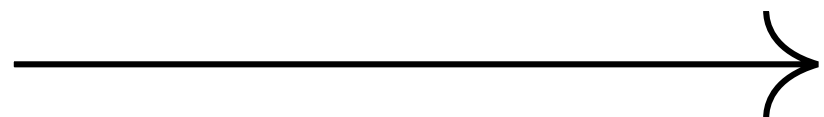
12

6. Introduction to Geopolitics

This learning module covers the role of international relations in the global economy.

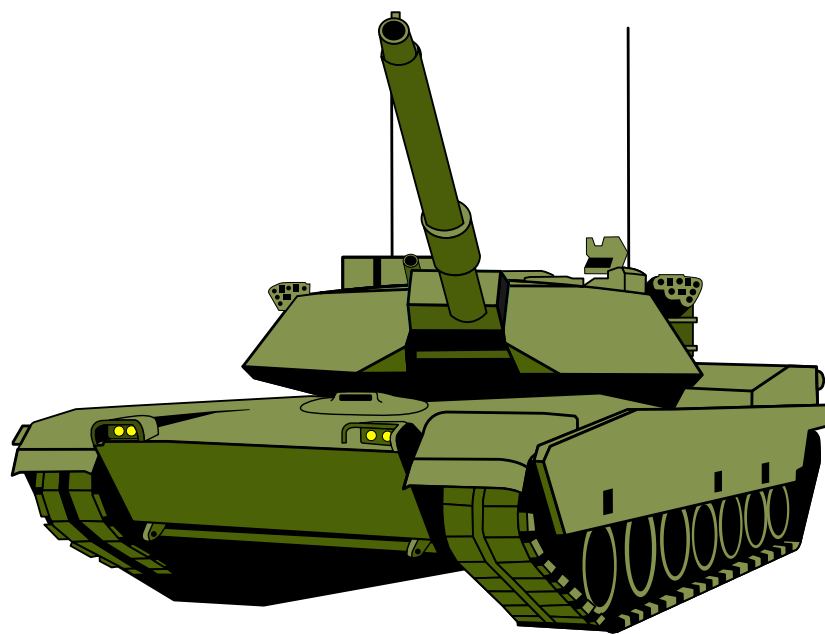


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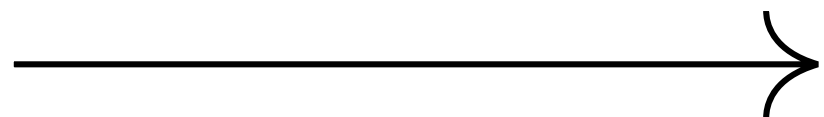


13

Real-life example: The war in Ukraine has had a significant impact on the global economy. The war has led to an increase in energy prices, and it has also disrupted supply chains.



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14

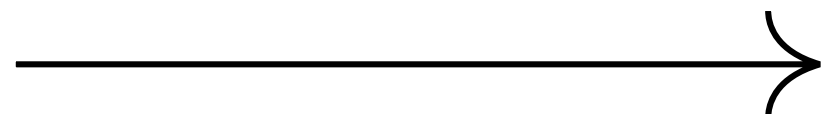


7. International Trade and Capital Flows

This learning module covers the different types of international trade and capital flows, and how they affect economies.



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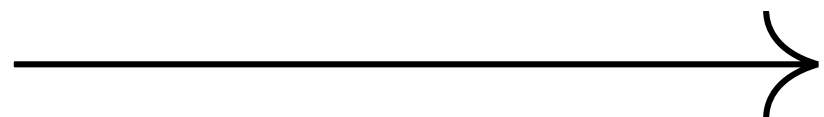


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Real-life example: The United States imports a lot of goods from China. This trade deficit has led to a decrease in the value of the US dollar.



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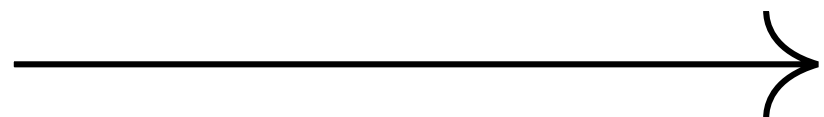
16

8. Currency Exchange Rates

This learning module covers how currency exchange rates are determined, and how they can affect businesses and investors.



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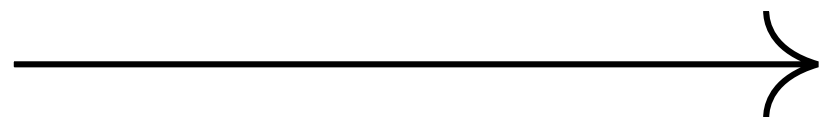


17

Real-life example: When the US dollar gets stronger, it makes it more expensive for American businesses to export their products. This can hurt their profits.



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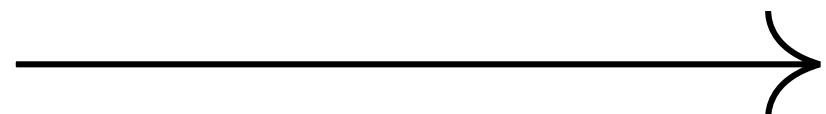


The more you know about economics, the better equipped you will be to make sound financial decisions and to understand the global economy.

So keep learning, and good luck on your CFA Level 1 journey!



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