



Bank of England

Economics in practice – suggested activities

Introduction

Thank you for inviting a Bank Ambassador to visit your school/college. We have developed a series of short tasks to support the visit, these have been divided into pre-visit and post-visit activities and we suggest that all students complete at least activity one.

Completion of the activities will help to prepare students for the talk and generate questions that the Bank Ambassador can answer during the session (please email these to your speaker in advance). The post-visit activities will encourage students to explore more about the different aspects of the Bank of England's work.

Pre-visit activities

Activity 1: Inflation targeting

The Government have set the Bank of England a target of keeping inflation at 2%. You can find out more about the target from the [Bank of England website](#) Using the information from the webpage, or other sources, write a short paragraph explaining:

- why the target has been set at 2%
- the actions the Bank must take if they don't meet the target.

Activity 2: The role of the MPC

Read the latest Bank of England Monetary Policy Report, which is accessible via the [Bank of England website](#) and answer the following questions:

- What is the role of the Monetary Policy Committee (MPC)?
- In terms of Bank rate, what decision was taken by the MPC at the end of the last meeting?
- Identify three factors that contributed to the Committee's decision which are referred to in the report.

Activity 3: Consumer Price Index

Visit the Office for National Statistics website to view their [Shopping prices comparison tool](#) and answer the following questions:

- What does the annual inflation rate measure?
- What data does the shopping prices comparison tool use?
- Using the interactive tool, fill your basket with a selection of eight items from across the categories. What do you notice about the cost of
 - a) individual items (annual growth) b) the basket total (basket total).
- Which item in your basket saw the largest/smallest increase?

Post-visit activities

Activity 1: The Prudential Regulation Authority

The Bank of England, through the Prudential Regulation Authority (PRA), also play a key role in the regulation of the financial system.

You can read more about the work of the PRA and their supervision of financial institutions via the [Bank of England website](#).

Activity 2: Financial stability and the ‘resolution’ process

The Bank of England is responsible for ensuring that the financial system is resilient to risks and shocks. We call this our financial stability objective – ensuring that people can access and use money e.g., making payments, managing savings and borrowing money.

In March 2023 Silicon Valley Bank failed and the Bank of England was responsible for managing the situation to avoid any wider disruption to the financial system. Read the Explainer on the [Bank of England website](#) to find out more about Silicon Valley Bank and the ‘resolution’ process. Write a short summary of the actions taken by the Bank of England.

Further information

We have produced a series of six short, animated videos that explain the Bank of England’s role in maintaining monetary and financial stability.

The role of the Bank of England – [Part 1: Money](#)

The role of the Bank of England – [Part 2: Prices and the value of your money](#)

The role of the Bank of England – [Part 3: Controlling spending](#)

The role of the Bank of England – [Part 4: The financial system](#)

The role of the Bank of England – [Part 5: The money go round](#)

The role of the Bank of England – [Part 6: Keeping confidence](#)