

# How to Write the Economics Internal Assessment (Getting Started)

The next 3 posts will provide you with a **bullet-proof system for scoring full marks on your Economics Internal Assessments**, following the new [2013 syllabus](#). The IA is a brilliant opportunity to put some marks in the bank and make that 6 or 7 in the course much easier to achieve.

This first article will focus on choosing an appropriate article.

## Why does this matter?

If you choose a bad article you'll find it like competing in the Olympic 100 meter dash wearing your granny's high heels. It doesn't matter how good you are. Your name might be Usain Bolt. You're working with the wrong equipment, so you're gonna get beat. Here, [just like in your Extended Essay](#) and so much else in life, you've got to make good decisions at the start of the thing to end up where you want to go.

Actually, you need to **decide on the concept you want to explore BEFORE you go looking for your article**. You should normally focus on one of the really major concepts like supply and demand, market failure, or aggregate supply and taxes. And once you've done that you'll know what type of article you're looking for.

Here is how to spot the perfect article for your commentary

- Of course **the article can't be written by an economist**. It relates to course concepts, but doesn't explain or understand the economic reasons behind what's going on. It might say something like, "apples are more expensive than they were before the drought, but no one can figure out why." So you get to come in and be a hero.
- The article **relates to theories that you have covered in class**. If it's about development, but you haven't covered development yet, save that article for a later IA and find something you're sure you can nail.
- The article **can be sufficiently explained using two related theories**. For example it might be explainable using (1) supply and demand, and (2) elasticity. It isn't always necessary that two concepts be involved in your analysis to achieve full marks, but it allows you to show how theories interrelate (and that you know more than one concept).

- Make sure the article is **not from a source or a country that you have covered in a previous IA**. Using several different online sources are fine. But several articles from the same news organisation (i.e. all from the BBC, or all from the New York Times) is not okay.
- **The article must be published within the last 12 months**. This isn't 12 months from the start (or the end) of the course, but from the time you write that specific commentary.
- Finally, **the article will be a slam-dunk, perfect example of the concept you want to discuss**. You don't want to have to waste words trying to justify why you think a certain product has negative externalities of consumption. It needs to be obvious. For example, vaccinations obviously have positive externalities of consumption. Wheat, while good for you (because if you don't eat anything you'll die) is a much worse choice. So you'd much rather go with the subsidising vaccinations article, if market failure is your concept of the concept of choice.

[Google news](#) is obviously a great source. Once you've chosen your concept you can go a long way doing simple searches like "[cotton subsidy shortage](#)," or "[vaccination price africa](#)." And then test the articles you find against the criteria above. It should take you too long if you know what you need. However, even if it does take you a couple of hours that's time well spent.

The next post will lay out a step-by-step approach that get you top marks on your IA's every time.

# How to Structure an Economics IA

This post will go through what you should write in your Economics IA, with step-by-step instructions and with word counts for each section.

## **What you need to know before you write:**

1) Avoid writing anything that isn't going to earn you marks. You're going to need all the words you can get for your analysis and evaluation. **Avoid quotes from the article and introductions longer than 2 sentences.**

2) **Stick with one section of the course** (micro, macro, international, or development). Don't start off in micro (apple prices rise, supply and demand, elasticity) and then evaluate the potential macro effects (this could hurt economic growth). Even if this is true, the IA is about going deep into one part of the course, rather than showing the linkages between different parts.

3) **Less is (often) more.** Because of the very constraining word count (750 words) you'll want to focus on really developing just one or two (two at the most) diagrams in your IA. And only evaluate one potential solution (the one in the article or one of your choice if (and only if) there isn't one in your article. Some of you, I know, are wondering, "What if the article mentions two solutions? Like price ceilings AND subsidies?" Answer: the International Bacheloreate Organization says you can highlight the section of the article you're going to focus on, so just highlight one solution (and not the other) and you're good to go. Bibliographies are not obligatory, but they're nice. And if you include them, they won't count against you for the word count. **Now you're ready. Here's the Method:**

## **Step 1 – 6-10 Key words** 150 Words

Don't waste words with a lengthy introduction (or quotations). Instead right away start explaining the case using at least 4 course words (and then use more later). You may want to define some of these words, but we're definitely not looking for a list of definitions and actually definitions are not entirely required in this new syllabus. The rubric only asks for terms to be "used appropriately." So you can get away without definitions if you are using terms in ways that show you definitely know what they mean. If you do define a word, do so only after you've used it in a sentence.

Also, make sure to always use the economic terms rather than the common terms for things throughout your IA. So instead of writing "money" write "consumption" or "expenditure" or "spending." This will help to convince the reader of your familiarity with the subject.

## Step 2: Draw the Diagram 0 Words

The diagram (and it's titles, etc) do not count in your word count.

You need to diagram the problem explained in the article. And also diagram your solution. Sometimes both the problem and the solution can be shown on one diagram. Sometimes not.

Of course don't include a diagram (or any theory at all) that doesn't help you to explain the case.

Include in your diagram as much information as you can. It will need to:

- Use a full title such as, "The Market for Apples in Singapore"
- Label all of your lines
- Mark all of your intersections with a letter, so you can refer to them later in your article
- Shade in and fully label the areas of the shapes on your diagram (i.e. excess demand),
- Indicate the exact prices and quantities (or percentage changes in price or quantity if they are included in the article. If not, label them Q1, Q2, P1, P2, etc.

Show as much as you can in your diagrams. A clear picture can help you tell a lot.

Obviously you will want to fully label your X and Y axis. Let's look at a simple supply and demand curve for apples:

## Step 3: Fully explain your diagram 200 words

A big mistake students make is that they will identify the key concepts that explain the case, but they don't explain how those concepts work. They skip steps in their explanation. It's human nature to do that. We all do that all the time. We assume the reader is understanding what we're saying. In this case you can't do that. You need to force yourself to explain things step by step. Let's look at an example. I have a students' (practice) commentary in front of me that reads:

"Supply shifts inward because there was a draught. This leads to a higher price and a lower quantity demanded"

Maybe you're thinking this isn't too bad. However, this student has skipped a few steps. He doesn't make it understandable to a reader who doesn't know the theory. If you have to be an expert to understand what you're talking about you aren't doing it right. You can't think of your reader as an expert. My student here could have written something like.

"The leftward shift of the supply curve, means that for any given price, less is supplied. This creates excess demand at the original equilibrium price, which upward pressure on price. Producers receive the signal to increase their prices and they do."

Writing like this isn't easy. Luckily in this case you get to edit your own writing as many times as you want before you hand it in.

## **Step 4: Develop Your Explanation** 100 words

Analysis is about explaining how the theory relates to the case. You have already done a lot of that by FULLY explaining your diagram. But now I want you to take it a step further. Go deeper in your explanation. For example, explain how what is happening in the article is not exactly what the theory said would happen (i.e because of the external factors that exist). Explain to us to what extent the theory you have used explain what's actually going on in the article? And show the linkages between different aspects of theory. Basically you're trying to take it to the next level. But you aren't evaluating. You're just making sure that you have fully explained the theory and how the theory relates to the case.

## **Step 5: Evaluate a solution** 300 words

Every article is about a problem. For example, apples are too expensive after the drought. In your commentary you're expected to evaluate ONE possible solution. If one is mentioned in the case it must be that one that you evaluate. YOU only have a solution isn't mentioned.

To evaluate you'll need to use at least 3 different (CLASPP) approaches. ([The CLASPP approach to Economics evaluation is explained here](#)). Try to include Assumptions of the theory if you can, to show the limits of the theory and that it doesn't always work out in real life.

# Meeting The Economics IA Rubric Requirements

On this, the third of three posts to make sure you score full marks on your Economics Internal Assessments, I want to give you a detailed checklist you can use to check your own work.

I have included what the IB says they expect for full marks, and translated that into actionable steps.

If you do everything on the checklist your teacher will have to give you full marks.

## **A: Diagrams (3 marks)**

**IB Explanation:** This criterion assesses the extent to which the student is able to construct and use diagrams.

**IB Expectations:** Relevant, accurate and correctly labelled diagrams are included, with a full explanation.

### **Checklist (to get full marks):**

#### **Drawing the diagram:**

- You have fully labelled your x and y-axis ([See the method here](#))
- You've chosen the most appropriate diagram (the one that best explains the theory that relates most to your case).
- You've used a full title (such as, "The Market for Apples in Singapore")
- You've labelled all of your lines (D1, D2, S1, S2)
- You have marked all of your intersections with letters (i.e. E1, E2)
- You have shaded in and fully label the areas of the shapes on your diagram (i.e. excess demand)
- You have indicated the exact prices and quantities (or percentage changes in price or quantity if they are included in the article. (If no prices or percentage changes are mentioned, label them Q1, Q2, P1, P2, etc.)

#### **Explaining the diagram**

- You have made sense of the diagram for the (unschooled) reader
- You have explained WHY the curves shift (etc), not just THAT they do.
- You have taken a step-by-step approach ([See the method here](#))

## **B: Terminology (2 marks)**

**IB Explanation:** This criterion assesses the extent to which the student uses appropriate economic terminology.

**IB Expectations:** Terminology relevant to the article is used appropriately throughout the commentary.

### **Checklist (to get full marks):**

- You have defined the 4-5 words most important words related to the concepts involved
- You have connected these definitions to the case
- You have used economics words whenever possible

## **C: Application (2 marks)**

**IB Explanation:** This criterion assesses the extent to which the student recognizes, understands and applies economic information in the context of the article.

**IB Expectations:** Relevant economic concepts and/or theories are applied to the article appropriately throughout the commentary.

### **Checklist (to get full marks):**

- You have stayed focused on the theory that's related
- You have developed these theories
- You've chosen the most appropriate diagram

## **D: Analysis (3 marks)**

**IB Explanation:** This criterion assesses the extent to which the student can explain and develop appropriate economic theories and/or concepts in the context of the article.

**IB Expectations:** There is effective economic analysis relating to the article.

**Checklist (to get full marks):**

- You have fully explained the diagram
- You have referred to areas that you've shaded in (i.e. consumer surplus), shifts in curves, (D1-D2), percentage increases in price, etc. Anything that can help you to fully explain the theory.
- You have explained clearly all of the effects the change (i.e. the drought) has had (i.e. supply, demand, price, quantity)
- You have explained related theory
- You have pointed out the extent to which what has actually happened (in real life) is not what theory would say would happen (i.e. perhaps price increased, but there was no increase in supply).

**E: Evaluation (4 marks)**

**IB Explanation:** This criterion assess the extent to which the student synthesizes his or her analysis in order to make judgments that are supported by reasoned arguments.

**IB Expectations:** Judgments are made that are supported by effective and balanced reasoning.

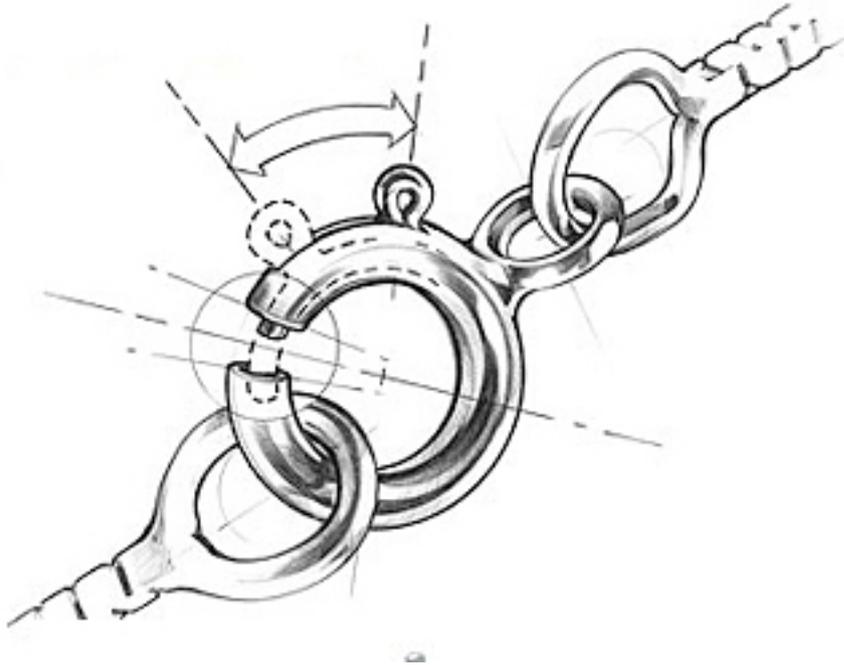
**Checklist (to get full marks):**

- You have evaluated using at least 3 different areas of [CLASPP](#)
- You have developed your evaluative insights
- You leave the reader feeling that they understand that this is a complicated situation, that you've laid out (for example) the pros and cons, stakeholder effects and the assumptions that the theory is based on fairly.
- You have drawn together (synthesised) the different [CLASPP insights](#) to draw conclusions for the policy (i.e. whether, as a whole, the policy is appropriate or not).
- You have made it easy for the reader to understand the full picture and believe ('to be convinced by') your final conclusion.

**And that's it. Updates:**

- Students must complete a summary portfolio sheet with details of the sources, syllabus sections, the date commentaries were written and word counts (from IB).
- Students should not avoid choose excerpts from books, tutorial guides, government reports or personal blogs (from the IB).
- When you attach your article it should be the original print out from the internet, not a cut and pasted version. This will reassure your teacher that you didn't cut any bits of it out.

## Evaluation in Economics



Evaluation is a very important concept in economics. It is what you do when you have finished analysing. By analysing we mean giving your **D**efinitions, **E**xplanations, **E**xamples and **D**iagrams (DEED). Show how the theories relate to the question and explain the theories. Basically analysing is drawing out the theory and then evaluation is drawing your conclusions and also challenging the analysis.

The hard part about all of this is making sure that you say enough in your analysis and in your evaluation. So you don't forget, remember to "Do the **DEED**" when you analyze and then "**CLASPP** it all together" when you're evaluating.

On your essay questions and data response questions (on your exams) you'll need to evaluate. But you don't need to evaluate in your short-answer questions.

### **CLASPP**

*(d.) – A clasp is something that holds things together. But (spelled with 2 P's) it's also an acronym for the 6 types of evaluation in IB Economics.*

Use at least 3 of these in your Part B questions. Personally, **I recommend to my students that they try use Stakeholders, Assumptions each time and include a third one of their choice.** We always care a lot about stakeholder effects and assumptions is impressive because it shows that you really understand the theory.

### **Conclusions**

-What can we conclude from the theory (that you've explained in your analysis)?

## Long-term and short-term effects

- Is the change good in the short-term, but over in a few years it will have undesirable consequences?
- Will the policy be really hard on people in the short-run, but it fixes the long-term problem?
- Will this policy fix one problem, but create another?

## Assumptions

- Are there some assumptions being made, that the theory depends on that may not hold true? This is the same as “ceteris paribus” –the assumption that all other things are being held equal, when in fact they might not stay constant. Explain what might change and how that would effect your analysis.
- Tell us the weaknesses in the theory?
- What is unrealistic about the theory?

## Stakeholders



- What effects would this policy (i.e. an indirect tax) have on the government, consumers, producers and the rest of society?
- Policies (i.e. price ceilings) are often made with particular stakeholders in mind, so are there undesirable effects on other parties (i.e. price increases for consumers)?
- Is the policy great for some groups, but bad for others?

## Priorities

-Discussing the priorities of a society, or the government is also a good way to keep things in perspective. A policy like subsidising schools is good for families, good for the long-term macro economy, but bad for tax payers who don't have children, what are the priorities as a society?

-Is there an important normative (i.e. values aspect) that the theory doesn't consider?

## Pros and Cons

-What are the advantages and disadvantages of this policy?

-What are the costs and the benefits of this policy?

-What are the arguments for and the arguments against this policy?

-This one is to double-check that you haven't left anything out in the preceding ones.