

ECONOMICS

Overall grade boundaries

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|--------------------|-------|--------|---------|---------|---------|
| Grade: | E | D | C | B | A |
| Mark range: | 0 - 7 | 8 - 15 | 16 - 22 | 23 - 28 | 29 - 36 |

The range and suitability of the work submitted

Please be aware that this subject report contains much of the same information that was in the 2009 reports. This subject report also includes the check-list that students can use to self-check their essays.

Many candidates are choosing appropriate topics that are suitable for economic analysis. The global economic crisis has generated a huge number of topics, some of which are appropriate, but many of which have been too broad and unfocused. Unless narrowed down to a particular region, macroeconomic topics are problematic as they also tend to be too broad.

All too often, a supervisor's report will note that a student had expected to get certain information but had not been successful. Wherever possible, students should be urged to ensure that information is available before settling on a research question. If vital information is not available, then students should be advised to amend their question to match the information that they were able to collect.

In some centres, there has been an over-reliance on research questions involving market structures. Properly done, these can be good essays, but there is a real danger of presenting pages and pages of standard textbook economic theory, with superficial and unsubstantiated links to the case study.

Candidate performance against each criterion

Criterion A: research question

Successful candidates chose research questions that were sufficiently narrow and based on a topic for which there was sufficient information available.

Unsuitable approaches included:

- essays on a historical topic; there is no hard and fast rule on this, but students should confine their topics to something that has taken place in the recent past.
- essays on a future event; these are problematic as the conclusions are largely hypothetical or speculative.

- essays on the performance of the whole economy; the global financial crisis has generated a flurry of research questions, including ones on the whole of individual economies. These are rarely successful. They tend to be descriptive, lacking in analysis, and summaries of secondary sources.
- essays on the effect of a major event, without specifying what it is that is being examined, i.e. the effect on *what*.

Candidates should be encouraged to find things that have actually happened or to look at actual changes in economic policy and analyse these changes using economic theory.

Criterion B: introduction

The descriptors for this criterion are very specific, and it is disappointing that candidates do not get full marks for their introductions. Good essays clearly link the research topic to economic theory, and outline the context of the research question. Weaker essays have introductions that are rambling and too personal. In the weaker essays, there is little indication of the economic theory that is to be used and the candidates fail to convince the reader that the topic is significant or worthy of investigation.

Criterion C: investigation

It is worth noting that primary research is **not** compulsory. It would appear that some centres feel that it is obligatory for candidates to carry out surveys and questionnaires. This is not the case. Frequently, essays that are based on such surveys are mainly descriptive; candidates do their surveys, and simply describe their results without meaningfully applying any theory. Alternatively, candidates make naïve conclusions based on surveys with too small a sample, or too homogeneous a sample. For example, conclusions based on a survey of the students' friends, or parents' friends would be too narrow unless the research question specifically referred to that particular demographic.

Candidates sometimes frame their survey questions using economic terminology. Any conclusions based on the opinions of people who have no knowledge of economics are likely to be far-fetched. For example, "Do you think that the market is in oligopoly?" or "What are the biggest externalities of the road construction?" are poor questions to ask people who have no knowledge of economics.

Students continue to inappropriately generate conclusions about elasticity based on data that they have gathered through surveys. Where surveys ask questions such as "How much would you buy if the price increased by 10%, 20%, 30%?" produce hypothetical and unreliable conclusions. Elasticity theory should only be used if prices actually do change.

Where students have conducted surveys, they often provide descriptions/analysis of all of the questions, where only a few generated information that was relevant to the research question.

In cases where primary research is not obvious, students should be encouraged to contact (email is the easiest way to start) an economist, an economics professor, a journalist or a government official for information.

Sadly, it is still common to read essays where no economic textbook or only one basic textbook has been used. Such essays tend to be less successful. Given that the extended essay is a research task, one would expect candidates to consult a wider range of economics literature than one basic textbook.

Effective planning may be illustrated by a good structure to the essay. Weaker essays tend not to be broken into sub-sections.

Criterion D: knowledge and understanding of the topic studied

Successful essays demonstrate that the candidates have thoroughly investigated their topic and meaningfully integrated relevant economic theory.

In weaker essays, there was either not enough economic theory to support the argument, or careless mistakes were made in the use of economic theory, with inaccurate diagrams and/or terminology.

Too many candidates are including economic concepts that may be related to the main economic theory, but that are not pertinent to their particular question. Students should not include any theory that isn't relevant to their particular question and that is not supported by their research findings. The most commonly mis-used theory is the kinked demand curve theory. All too often, students who do a market structure essay will stick this theory in when there is absolutely no evidence that it is applicable. The inclusion of such theory reveals a lack of knowledge and understanding.

Criterion E: reasoned argument

If candidates asked an appropriate research question and carried out meaningful research, then they were usually able to develop a reasoned argument.

Good essays stayed on track, breaking the argument into sections and consistently referring back to the research question.

Weaker essays included large sections of information that were not used to actually address the research question. It is not appropriate to include sections of discrete economic theory that are not integrated with the information from the case study.

Criterion F: application of analytical and evaluative skills

It is a pleasure to read so many excellent essays with a high level of analytical and evaluative skills. This was most likely to be evident in essays where a good research question was asked, and appropriate research carried out.

To substantiate an earlier point, if students carried out superficial research that did not lend itself to economic analysis, it was very difficult for them to score highly on this criterion since both analytical and evaluative skills were lacking. Students often seemed unaware of the assumptions inherent in the economic models that they were using, missing an opportunity to carry out some meaningful analysis.

Where candidates indiscriminately included economic theory that was not directly related to their research question, they showed a lack of appropriate analysis. There continue to be too many instances where students identify relevant economic theory and include it in the essay, but they do not apply it in the context of their own research question.

Weaker essays contained graphs, tables or charts that included much information that was not analysed. Candidates would refer to the data, but leave the examiner to carry out the analysis, rather than use the information in the data to support the argument. No graph, chart, diagram or table should ever appear without a reference to it in the text with some analysis of its economic significance.

It is unfortunate when students do not make their diagrams appropriate to the actual markets they are examining. Generic labels such as 'price' and 'quantity' should be turned into appropriate labels for the market, such as 'price of haircuts (€ per cut)' and 'quantity of haircuts (100s per week)'. It is also important that actual numbers be gathered, wherever possible. When surveys/questionnaires have been done, then the essay must include an explanation of this research (how many respondents? Where? When? etc) along with a summary of the relevant results. However, there is no need to provide a pie chart to show the answers to every single question if they are not relevant to the research question.

Criterion G: use of language

Economic terms were appropriately used and defined by the good candidates; weaker candidates tended to define terms loosely or not at all. There is obviously a clear overlap between this criterion and criterion D (Knowledge and understanding). If students do effective research and become an expert in their topic, then they are more likely to communicate their argument accurately and convincingly.

The biggest lapses in terminology continue to occur in the use of elasticity language where candidates continue to use expressions such as 'cigarettes are inelastic', rather than 'demand for cigarettes is inelastic' or 'a small change in price leads to a big change in quantity demanded' rather than 'a given change in price leads to a proportionately larger change in quantity demanded'. Another common error which should be avoided involves confusing 'demand' and 'quantity demanded'.

Criterion H: conclusion

Almost all students presented a conclusion and it helps when this is laid out separately under a heading. The best conclusions summarised the main points of the essay, providing a final succinct answer to the research question. The conclusion is also an important place to present a final evaluation of the work done, and to recognise limitations. However, there does **not** need to be a separate section titled 'Evaluation and Limitations'.

Students commonly add new information in their conclusions, or begin a new line of argument. This is not appropriate.

Criterion I: formal presentation

The full range of marks was awarded here to a large number of candidates who had clearly paid close attention to the requirements of a formal essay.

The largest weaknesses were in inadequately sourcing the information that had been gathered or in poorly presenting the sources used in the bibliography. This is particularly the case with the citing of Internet-based resources where candidates often cited only the website, leaving out important information such as the full address of the article, the title of the information, the author (where known) and the last date accessed.

It is evident that some students are simply not familiar with any formal procedures for using references and presenting a bibliography. The IB does not advocate the use of any particular system over another, but it is necessary for students to adopt one consistent style, and be aware of the need to provide full bibliographic information for all sources.

A common weakness was to include items in the bibliography that had not been cited in the body of the essay. The bibliography is **only** to include any source that was referenced at some point in the essay. Other weaknesses, though less common, were poor presentation of diagrams and/or the absence of any of the required elements (e.g. table of contents, page numbers).

Criterion J: abstract

This should be a criterion on which students do well. The descriptor is clear and identifies the three required elements. It is disappointing when students leave out a required element and earn no marks for this criterion. They should also be aware that examiners do count the words in the abstract, and no marks are awarded if the word count exceeds 300 words.

Criterion K: holistic judgement

It is very important for supervisors to write meaningful and honest comments about the work undertaken by their students, as this information is very important for examiners in assessing this criterion. It is a pleasure to award high marks to candidates whose supervisors showed genuine appreciation of the work done by their students.

Recommendations for the supervision of future candidates

- It is essential that the students are made familiar with the extended essay guidelines. This includes the information related to all subjects, and the chapter of the guide containing the economics guidance.
- The importance of a good research question cannot be over-emphasised, and so the greatest support that a supervisor can give is in the development of the research question.
- If students find that they cannot get the information that they had hoped to find, they should really be advised to amend the topic.
- When working with the candidates, it is appropriate for supervisors to comment on the accuracy of their use of economic theory. It is a shame to read essays where candidates have clearly worked hard but have applied basic economic theory incorrectly.

Economics Extended Essay Checklist for students

| Criterion | Questions to ask yourself: |
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| A – Research Question | <p>Have you stated the RQ in the intro?</p> <p>Is the RQ clearly stated (in bold)?</p> <p>Is the RQ sharply focused, and appropriate for an economics EE?</p> |
| B – Introduction | <p>Is there an introduction?</p> <p>Have you made the link between the RQ and appropriate, relevant economic theory?</p> <p>Have you identified how the RQ is appropriate for economic analysis and why it is worthy of investigation?</p> <p>Have you given the introduction a title?</p> <p>Is it clear where the introduction ends?</p> |
| C – Investigation | <p>Have you used an appropriate range of resources and/or gathered primary and secondary data?</p> <p>Has your primary research generated appropriate information that is relevant to the question?</p> <p>Is there evidence of good planning?</p> <p>Have you only included material in support of the reasoned argument?</p> <p>Have you used several economics resources to get a full understanding of the theory that goes a little bit beyond the material covered in your class?</p> |
| D – Knowledge and understanding of topic covered | <p>Does the EE shows an understanding of the economic theory relevant to the topic?</p> <p>Have you made good use of the economic theory, i.e. is the theory integrated with the case study meaningfully (and not presented in separate sections)?</p> <p>Are the diagrams well-labelled, appropriate to the case study, and do they indicate accurate relationships between variables?</p> |
| E – Reasoned argument | <p>Is there evidence that you have developed an argument in relation to the RQ?</p> <p>Have you used relevant economic concepts and theory, data and information to answer the RQ?</p> <p>Have you presented ideas in a logical and coherent manner?</p> <p>Have you made repeated references to the RQ to show that you are staying on track and developing you argument?</p> |
| F – Application of analytical and evaluative skills appropriate to the subject | <p>Have you shown critical awareness of the validity of the information and possible limitations of the argument?</p> <p>Are your diagrams relevant and supported by the information in the case study?</p> <p>Have you provided analysis of all of your data (diagrams, tables, charts) in the context of the RQ?</p> <p>Have you indicated any of the assumptions inherent in the theories and suggested how these assumptions may limit the validity of the conclusions?</p> <p>(If your essay is mostly descriptive, the essay will score poorly here)</p> |
| G – Use of language appropriate | <p>Have you used appropriate economic terminology?</p> <p>Have you included definitions of relevant terms?</p> <p>Have you used economic terminology accurately?</p> |

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| H – Conclusion | <p>Is there a clear conclusion (with a title to set it out clearly)?</p> <p>Is it consistent with the RQ and the argument?</p> <p>Have you summarised the obvious limitations to the argument/analysis?</p> <p>Have you referred to any obvious unresolved questions?</p> <p>Are you sure that you have not presented any new information (other than the unresolved question)?</p> |
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- While primary research is valuable, candidates must be able to discriminate between meaningful primary data that can be used to answer the research question and contrived or superficial data that only serves to add charts and words to the essay.
- Candidates should be advised to ask themselves all through the essay whether they are really answering their research question and staying on track. There should be no page that does not contain some reference to the case study, and some argument in response to the research question.
- Theory should never be presented as a separate and independent section; it should always be integrated with the analysis of the case study.
- Candidate must be taught that bibliographies are to include detailed information about all sources, so that the sources can be found and checked.
- Supervisors might provide their students with a checklist that allows them to assess their own work against the criteria. There is one below that could be used: