

ECONOMICS ESSAY GUIDE

PREAMBLE

Economics students at A Levels often first struggle to understand the theoretical concepts of economics introduced to them during lectures; and then having understood the concepts and applications of them, fail to demonstrate their understanding properly in their essay-writing. This is usually the result of a combination of failure to apply the concepts in context of questions, provide apt examples for the point being illustrated or the inability to analyse questions in a way that aid organization of ideas in the writing of the essay.

This guide is specially written for economics students dealing with the subject at A Levels, explaining the intricacies of economics essay writing that are not specifically taught at school. The time constraint during examinations is accounted for in our guide and thus there are tips on how you can help yourself put down the maximum content on paper within the time limit. Through the application of the techniques and the habits introduced in this guide, we hope you'll maximize your potential at writing economics essays.

GENERAL WRITING GUIDE

Regardless of the subject you're writing an essay for, you should have a grasp of the basic structure of an essay; an essay should contain an 'introduction', 'body' and 'conclusion'. This is no different from the essays we write for English Language, Literature, History or Geography that most students would have encountered in Secondary School days. Yet what generally goes into these different sections differs a little for Economics at A Levels. Here's a brief structure within each of the sections of the essay.

Introduction	<p>Introduce the context (in reality or theoretically) Define key terms in the essay Define your stand (agree, disagree, to what extent, what should or should not be done)</p>
Body	<p>Explanation Portion Give an overview of the theory to be explained Elaborate on the theory, using diagrams, numerical illustrations, examples wherever applicable Point out assumptions, weak points of the theory (inability to explain certain behaviours or potential unintended consequences)</p> <p>Argument Portion Topic Sentence (the point you're trying to make) Elaboration of your point, giving conceptual support and explanation Cite examples, real world evidence to support your point and the conceptual framework Evaluate the counter-arguments</p>
Conclusion	<p>Raise alternative prescriptions/policies/explanations Make a summary of your arguments and consolidate your stand Conclude the essay</p>

A more concise, and well-defined essay structure is given in the Appendix.

UNDERSTANDING QUESTION OBJECTIVES

There are 2 main objectives for the essay questions that you will be working on for A Levels:

1. Test your knowledge of the economics theory in concern (ie. A concept, law, theory or policy)
2. Assess your understanding of concepts in real world context; knowledge of specific context & analytical abilities

Therefore your approach to the essay questions should be to satisfy these objectives by demonstrating what is expected of you. In particular, part (a) will be a question on theory and understanding of particular concept. Thus, make good use of diagrams, theoretical explanations to answer while supporting your explanations with examples and real world evidence whenever necessary or applicable.

The part (b) will often question you on the application of a concept in the real world or particular context. Therefore, your approach should be to analyse the context and question in your introduction, then define and describe concepts sparingly (since examiner is expecting more of analysis) before you provide evaluation based on context (which should take up between 30% to 40% of the essay).

For questions that are 25 marks, devote 60% attention to theoretical foundations and explanation, 20% to critique of traditional theories based on their own assumptions; 20% to evaluate based on context of the question. This is only a recommendation; students have been able to achieve high scores by devoting much less words to explanations owing to the use of concise chunks of explanations for theory and then using the spare time/words to make their critique. This is a worthy goal if you are aiming for a high grade – focus therefore on being able to explain all theoretical abstractions within a certain amount of words so you can dwell beyond theory in your essays.

ANALYSING QUESTIONS

Upon getting your essay question, you should be asking yourself if the question can be broken into further smaller questions. It is definitely possible and is absolutely necessary. By segmenting your essay question into smaller guiding questions, you are not only able to expand on the potential of the content of your essay but also aid yourself with the organization of ideas in the midst of writing your essay.

Is it justifiable for the government to provide goods that are not classified as public goods? [17]

Sub-Questions

- What are the goods that government provides? Are they classified in any ways?
- What are the justifications government use to provide those goods? [Positive Externalities Market Failure]
- How does the externality arise from these non-public goods in the free market?
- What are the social and private costs and where does the under-production occur?
- Why must the government provide the goods and not use other means to correct the market failure?
- How is the outcome improved with government intervention? Is there any unintended consequences?

The answers to these sub-questions are usually points for the essay and they sometimes open up more sub-questions to be answered in your essay, much like how the answer to the 2nd question above brings about the 3rd and 4th questions. The questions surfaces concepts that needs to be explained and addressed in the question but not mentioned in the question at all. For example, this question is evidently about positive externality as a market failure but the keywords like 'positive externality' is not even in the question. Only by looking beyond the wording of the question and considering the concepts implicated would you be able to deliver the answer to the question

The list of sub-questions may go on but do remember when you should stop. Give reference to the coverage you would have; aim for a good coverage rather than a complete one because you are operating within a time limit. Explore the aspects of the issue that most interest you but do not go overboard dwelling on them; make sure you cover the 'traditional' areas for the particular topic in question.

"Integrated Resorts are a significant proposal to boost our tourism industry. The more attractive we are as a tourism destination, the easier it is for us to develop our convention and exhibition industry, and grow as aviation hub." Adapted from *Round-Up Parliamentary Debate April 2005* by PM Lee Hsien Loong. To what extent can the completed Integrated Resorts achieve the various macroeconomic goals for Singapore. [25]

Sub-Questions

- What are the various macroeconomic goals for Singapore? [Growth, Stability, Trade (Balanced or Surplus), Equitable Distribution of Income]
- What sort of policy is the Integrated Resorts from the perspective of the government?
- What are the effects of the Integrated Resorts on each of those macroeconomic goals of Singapore? What are the effects on Inflation, Employment, Economic Growth (Aggregate Demand & Supply), Trade Balance?
- What is the theoretical basis for these expected effects?
- Are there any potential Trade-offs or drawbacks to these effects?
- How might the Integrated Resorts have a negative effect on attaining any of the macroeconomic goals of Singapore?
- What would be the overall effects on the Singapore economy?

WRITING BY ECONOMICS TOPICS

It is good to understand the kind of topics that comes up for essay questions; one could ignore the typical micro-macro classification, and use a more intuitive system as like below. Make sure you familiar yourself with the content in each of these topic areas and be able to deliver bite-size explanations of the concepts involved while not losing any essence of the theories.

Topics	Content
Markets	Demand & Supply Cost Theory Firms & Competition Market Failures
Governments	Microeconomic Policies Interventions in Markets Public Finance Macroeconomic Policies
Economies	Trade & Comparative Advantage National Income Accounting Macroeconomic Goals (Inflation, Employment, Growth) Exchange Rate Systems

Arm yourself with examples in all cases: in other words, you must be able to name a monopoly offhand and explain why it satisfy the conditions of a monopoly or to name a recent government policy and discuss its impact on national income or other unintended consequences. The essay structure in the Appendix demonstrates the different types of examples that can be employed to bring about your point. Treat your examples as a means to drive your arguments rather than as an appended afterthought to each of the point you make; this requires you to weave your examples right into your paragraph. It allows you to convey more in less words and demonstrate your understanding of the subject.

ANALYSIS & ASSESSMENT FRAMEWORKS

In the subject of Economics at A Levels, you discover that you often have to make assessment of policies that are high level and some students might find it rather uncomfortable trying to say if they are right or wrong. Often, you find it difficult to judge because of the multitude of contentious issues involved and the fact that you have to consider so many different stakeholders. That's a challenge we all must face and it is a test of our ability to juggle

complex issues that would confront us. The trick to work on this is to give ourselves a framework to think about these issues.

We all pass judgment through our decision-making everyday and assuming we are rational and consistent (which we are not, but should be when it comes to essay writing), we try to approach all issues by giving the same sort of considerations and weighting to different aspects of the issues. Below are examples of frameworks that make use of when analyzing, assessing and evaluating policies.

POLICIES ANALYSIS FRAMEWORK (MICROECONOMICS)

- Does the policy achieve its objectives?
 - Does it overcome the market failure or just solve parts of it?
 - How long might be the time lag?
 - Are the effects gradual or sudden and abrupt?
- Does the policy have any unintended consequences?
 - Any trade-offs in terms of other goals in the economy? (Eg. Results in poorer distribution of income in the economy)
 - Does it compromise any type of efficiency?
- Does the policy have any long term effects on the economy?
 - Would the economy become dependent on the policy in long run? (Eg. Active trust-busting required to prevent collusion in the market)
 - Does the market become too used to the policy or start exploiting loopholes?
- How easy is the conduct of the policy?
 - Does it involve a high cost? Will the cost of conducting the policy outweigh the benefits?
 - Is the logistics involved in the policy implementation complicated?

POLICIES ANALYSIS FRAMEWORK (MACROECONOMICS)

- Does the policy achieve its objectives?
 - Is it growth, low employment, low inflation, more balanced trade/payments, more equal distribution of income?
 - How long might be the time lag?
 - Are the effects gradual or sudden and abrupt?
- Does the policy have any unintended consequences?
 - Any trade-offs in terms of long term macroeconomic goals? (Eg. Growth in the expense of widening income gap)
 - Does it compromise any type of efficiency?
- Does the policy have any long term effects on the economy?
 - Would the economy become dependent on the policy in long run? (Eg. Economy slow to restructure because it relies on Keynesian stimulus to maintain growth)
 - Does it have any positive supply-side effects?
- How easy is the conduct of the policy?
 - Does it involve a high cost? Will the cost of conducting the policy outweigh the benefits?
 - Is the logistics involved in the policy implementation complicated?

POLICIES ASSESSMENT & ANALYSIS

- What are the benchmarks you use to assess the policies?
 - Aggregate welfare of the society (in other words, efficiency)?
 - Distributional effects on the society (whether progressive or regressive)?

- Unintended consequences or undesirable impacts?
- Ease of implementation or management over the policies?
- Temporal considerations
 - Is your priority the long-term or short-term?
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EXAMINATION TIPS & GUIDELINES

You should have in mind a proper time allocation for the different parts of essay writing and try your best to stick to it during the exams. It is more important that you cover the questions with sufficient breadth and depth but then it is not exactly necessary for you to write down every single thing that answers the question, the time constraint is important as well. Therefore, we recommend the following time allocation.

Each essay should take you a maximum of 45 minutes to write, so the 25-mark questions are straight forward: spend 5 minutes with planning and then the rest of 40 minutes writing the full essay. How about the other common mark allocations 10/15-marks and 12/13-marks questions? For this two types of questions, spend 15 minutes on part (a) and then 25 minutes on part (b). As for the 8/17-marks questions that seem to be increasingly common, spend only 10 minutes on the part (a) and then 30 minutes on part (b). In both cases, any time you save from quicker planning should ideally go to part (a).

In any case, when you realize that you've only 2-5 minutes before the timing for that particular question or part is due, you must take the following actions:

1. End of the point you are writing; in fact when you are left with 5 minutes or less, don't start on a new point anymore
2. Start concluding the entire answer by raising 1 point for evaluation (can be a counter-argument or questioning an assumption) and then summarize all your points

25-mark Questions Timeline

Time Lapse	Question	What you should be doing
1 st – 5 th min	Planning	Break down the questions into sub-questions in your mind Pen down the points (answers to these sub-questions)
6 th – 40 th min	Full	Work on Essay
41 th – 45 th min	End	End the current point Write 1-2 evaluation points by questioning assumptions or citing counterarguments Conclude writing

10/15-mark or 12/13-mark Questions Timeline

Time Lapse	Question	What you should be doing
1 st – 5 th min	Planning	Break down the questions into sub-questions in your mind Pen down the points (answers to these sub-questions)
6 th – 18 th min	(a)	Work on Essay
19 th – 20 th min	End (a)	End the current point Write 1-2 evaluation points by questioning assumptions or citing counterarguments Conclude writing

21 st – 43 rd min	(b)	Work on Essay
44 th – 45 th min	End (b)	End the current point Write 1-2 evaluation points by questioning assumptions or citing counterarguments Conclude writing

8/17-mark Questions Timeline

Time Lapse	Question	What you should be doing
1 st – 5 th min	Planning	Break down the questions into sub-questions in your mind Pen down the points (answers to these sub-questions)
6 th – 13 th min	(a)	Work on Essay
14 th – 15 th min	End (a)	End the current point Write 1-2 evaluation points by questioning assumptions or citing counterarguments Conclude writing
16 th – 40 rd min	(b)	Work on Essay
41 th – 45 th min	End (b)	End the current point Write 1-2 evaluation points by questioning assumptions or citing counterarguments Conclude writing

AFTERWORDS

Much efforts have been made to think through the process of essay writing to come up with this guide for economics students at A Levels. I hope it can be used wisely and passed on to students entering Junior College in Singapore. It is important that one should focus on learning beyond examinations and that nothing can be a better substitute for passion as a source of motivation for learning any single subject.

Kevin, 2010

APPENDIX

Standard Essay Structure

Introduction

- * Define Terms
- * Explain and raise related concepts (like a prelude to the conceptual stuff that is to be mentioned following the introduction)
- * State stand/thesis

Body (with Evaluations)

- * Point expressed in a topic sentence
- * Example to illustrate point (example can be real, hypothetical or theoretical)
 - Real examples are like *Singapore Airline, Thai Airways for Airline Companies*
 - Hypothetical example can be *salt and pepper for necessities*
 - Theoretical examples can be *road congestion inflicting social cost of causing people to be late for work.*
- * Analysis of example
- * Evaluation of examples/concepts in application to this example

Conclusion

- * Suggest Alternative policies/regulations/advantages/disadvantages
- * Round up argument or summarize points made
- * Repeat stand/thesis