

# Paper 1 Assessment Outline

Take your time and read the question carefully. The first time you read the question you should be underlining/highlighting all of the economic key terms and determine what the economic concept the question prompt is addressing, e.g. elasticity, government intervention, market failure, etc. The second time you read the question it should be for understanding. When you feel that you understand what the question prompt is asking of you, outline your answer to the question.

Paper 1 part A [4 parts]: each box is representing a section of your answer and should be in a separate paragraph.

**Definition:** Define all of the economic terms in the question prompt, there might be more than one.

**Graph:** Draw the diagram which will help you answer the question. Draw it accurately, fully labeled and with a title. Give a general description of what the diagram shows and be sure to associate your diagram with your explanation.

**Explain:** Relate the defined economic key term to the economic concept that is addressed in the question and explain how and why they are related. Use a graph/diagram to help explain the economic concept. Sometimes due to the question and what it asks of you, you will need to provide an analysis, e.g. advantages vs. disadvantages, pro's vs. con's, etc. It is HIGHLY suggested that you provide at least 3 advantages, 3 disadvantages, 3 pro's, 3 con's, etc. It is VERY helpful for you to number your advantages vs. disadvantages, pro's vs. con's, etc. for the examiner.

#### 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 subsidizing 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.

**Example:** Briefly explain the economic key term and concept being used in the context of a real-life example.

Paper 1 part B [5 parts]: each box is representing a section of your answer and should be in a separate paragraph.

**Definition:** Define all of the economic terms in the question prompt, there might be more than one.

**Graph:** Draw the diagram which will help you answer the question. Draw it accurately, fully labeled and with a title. Give a general description of what the diagram shows and be sure to associate your diagram with your explanation.

**Explain:** Relate the defined economic key term to the economic concept that is addressed in the question and explain how and why they are related. Use a graph/diagram to help explain the economic concept. Sometimes due to the question and what it asks of you, you will need to provide an analysis, e.g. advantages vs. disadvantages, pro's vs. con's, etc. It is HIGHLY suggested that you provide at least 3 advantages, 3 disadvantages, 3 pro's, 3 con's, etc. It is VERY helpful for you to number your advantages vs. disadvantages, pro's vs. con's, etc. for the examiner.

**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**

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**Stakeholders**

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**Priorities**

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**Pros and Cons**

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**Example:** Briefly explain the economic key term and concept being used in the context of a real-life example.

**Conclusion/judgement:** In part B you will ALWAYS be asked to evaluate, even if the command term does not specifically ask you to. You will base your evaluation/conclusion/judgement from your analysis in the **explain** section of your answer. What do you conclude from the theory that you have explained in your analysis? Is it good, bad, why?