Ten ways to improve evaluation skills and marks in A2 economics

What is evaluation?

Evaluation is about making critical judgements and coming to reasoned conclusions on the basis of the evidence that you have in front of you.

Strong evaluative answers use supporting evidence to justify an argument. Some of that evidence might be found in the stimulus material that accompanies a data response question. Frequently the evidence can come from your own knowledge and awareness having studied a subject for nearly two years. Justifying an argument carries more marks than making the argument since stating an argument is often a relatively simple task.

Examples of command words in a question that require or invite evaluation

The command words within a question that definitely require evaluation include the following:

**Evaluate** – e.g. compare a number of possible views about an economic problem or an issue and come to a reasoned conclusion about which view holds most weight

  E.g. evaluate the record of the Bank of England since it was made independent of government in May 1997.

**Assess** - analyse an economic issue and then weigh up the relative importance of different strands

  E.g. assess the possible effects of a rise in the external value of the pound against the currencies of our major trading partners

**Do you think** – a question that invites a personal response to a question but where the highest marks are awarded for good analysis backed up with reasoned argument and supporting evidence.

  E.g. do you think that a national system of road pricing should be introduced for Britain’s motorway network?

**Discuss** – a question that prompts you to provide and then compare a range of possible views about an issue or a problem.

  E.g. discuss the advantages and disadvantages of introducing a national minimum wage into the UK labour market

**Criticise analyse** the problems facing UK manufacturing industry in today’s global economy

**To what extent** – again a question that invites quite a broad analysis and discussion and in particular a judgement on the relative importance of something or the relative merits / de-merits of a policy

  E.g. to what extent should the government run a high budget deficit as a way of stimulating economic growth?
Ten strategies for improving your evaluation skills in data response and essay questions

1. Make good use of your **final paragraph**
2. Look for **key stem words** in the question – build evaluation around this
3. Put an economic event, a trend, a policy into a **wider context**
4. Be familiar with different **schools of thought**
5. Be aware that a singular economic event **never happens in isolation**
6. Question the **reliability of the data** you have been given (for data questions)
7. Draw on your **wider knowledge** to provide **supporting evidence and examples**
8. Consider both **short term and longer term consequences** (they are not always the same)
9. Think about what might happen to your arguments if you **drop the “ceteris paribus” assumption**
10. Try to **challenge views and statement** - question pre-conceived ideas, turn statements around, consider that some statements are merely fallacies designed to fool the lumpen-economists!

Economics is rather like a jigsaw, if you do enough reading, thinking and revision, eventually the pieces really start to fit together and finally you can see the whole (bigger) picture

**Make good use of your final paragraph**

- Try not to summarise points that have already been made. This scores no extra marks and is a waste of time.
- Instead seek to come to a reasoned conclusion – e.g. selecting your main argument and then justifying it.
- Perhaps look forward, e.g. is it too early to come to a definitive conclusion?
- If you are really pushed for time, add in some final evaluation points as bullets.

**Look for key stem words in the question** – build evaluation around this

*Essay question:*

“Evaluate the view that the government should give **financial assistance** to firms producing cars in the UK to increase their **competitiveness**.”

a. What does financial assistance mean?
b. What different forms might it take?
c. Draw on recent examples of occasions when financial assistance has been asked for or has been forthcoming
d. What does competitiveness mean? It is a concept with more than one meaning.
e. Which firms might be offered financial help?
f. Who are the stakeholders involved in such decisions?
g. Who gains and who loses in the medium term from state aid?”
Data response (final) question

“Using the data and your economic knowledge, assess the extent to which interest rate cuts are likely to improve the performance of economies such as the USA and the UK”

a. Your answer will need to consider what the “performance of economies” means – i.e. which real economic variables are part of the overall performance issue?

b. Short term performance?

c. Longer term economic success

d. Demand-side effects of interest rate cuts

e. Supply-side effects of interest rate reductions

f. Are interest rate cuts on their own sufficient to achieve a sustained improvement?

g. What are the economic risks from cutting interest rates?

h. When might interest rate reductions have little effect? (e.g. consider the liquidity trap)

i. Have lower interest rates actually benefited the performance of countries such as the United States and the United Kingdom? – draw on recent macroeconomic evidence

Data response (final) question

“Using the data and your economic knowledge, evaluate the consequences of a sustained, high rate of economic growth.”

a. What does the word sustained growth mean?

b. Is there a difference between sustained growth and sustainable growth?

c. What does a fast rate of growth mean?

d. Are the two compatible? To what extent might a high rate of economic growth not be sustained or sustainable in the long term

e. Distinguish between the short term and longer term consequences of high rates of growth

Put an economic event, a trend or a policy into a wider context

This is all about putting something into a bigger picture, recognising that we live in an interdependent, global world with all sorts of interesting and often complex inter-relationships.

For example

a. Linking a discussion about the national minimum wage with the importance of businesses being competitive within a global economy

b. Considering the effects of a rise in government spending on transport infrastructure in terms of the UK’s ability to trade and compete within the European Single Market

c. Discussing options for reforming the CAP and linking to wider environmental concerns and prospects for progress in global trade talks

d. Considering the macroeconomic effects of a microeconomic policy e.g. longer term macroeconomic effects of the introduction of a ban on smoking in public places
Be familiar with different schools of thought

E.g.

Keynesian versus neo-classical economists on the roles that govt intervention can play in managing aggregate demand

Free-market trade supporters versus economists who believe that protectionism is justified

Economists who believe in progressive taxation contrasted with those who are advocating flat rate tax systems

No single school of thought has all of the answers – and most have approaches that are deeply normative – containing many value judgements about what the world or economy should be.

Alternative views on the shape of the aggregate supply curve

Be aware that a singular economic event never happens in isolation

E.g.

A rise in the world price of oil is an external shock to a country but it happens in the context of other developments in the world economy, some of these other developments might amplify the effects of more expensive oil whereas other events might lessen the impact

Exchange rate changes
Changes to monetary and fiscal policy

The key point is that other events happening in the macroeconomy can alter the magnitude of the effects of an economic shock.

Consider the possible second round and third round effects of a “shock”

E.g. A rise in commodity prices – higher cost-push inflation – wage demands may follow price rises – this impacts on business profits – affects planned investment and employment

Question the reliability of the data you have been given (for data questions)

This is especially true in data questions where you can raise issues over data which is

(i) Out of date (although there are time lags between an exam paper being set and you sitting it!)
(ii) Incomplete data, additional information might help you come to a stronger conclusion
(iii) From sources that show evidence of bias (important in Unit 4 and the other two exams)

Draw on your wider knowledge to provide supporting evidence and examples

What happens in theory rarely matches what happens in reality! If you are well-read and have kept up to date with developments in the UK and international economy, then you are much better placed to back up your arguments with concrete evidence.

“An economist is someone who sees something working perfectly well in practice and wonders if it will work just as well in theory.”

I consider the use of wider knowledge to be the key to really good answers at A2 level. Demonstrate in your writing that you have studied a subject, not just turned up to the lessons. Be
careful not to overload the reader (examiner) with a barrage of statistics or examples, but judicious use of up to date information can add considerable weight to your answers,

**Consider short term and longer term consequences (they are not always the same)**

Economic events happen at moments in time, but the consequences can take considerably longer to show through

Time lags between changes in one variable affecting another

E.g. changes in interest rates or fluctuations in business sentiment

Short term effects of an exchange rate change (possible J curve arising from a depreciation) and the longer term effects on output, employment, investment and living standards

The time lags for supply-side policy changes can be lengthy – often measured in years.

E.g. the longer term effects and implications of trade union reforms, of joining the European Union, of enlarging the EU, of joining the single currency, or not joining the Euro!

**Think beyond the short term and the immediate!** The further forward you project, the less certain you can be about the outcome, but some of the most important effects of an economic change can only be viewed some years hence.

**What might happen to your arguments if you drop the “ceteris paribus” assumption?**

Individuals, businesses and governments do not always act rationally – indeed how can they? The behaviour of economic agents cannot mirror the neat precision of an economic textbook, remember the “law of unintended consequences” *Everything else is rarely equal!*

**Try to challenge views and statements**

Consider some of these statements. There are twenty five in total, it might be worth you going through some of them and discussing and sharing your thoughts on them.

(i) A balance of payments deficit is an economic problem
(ii) Fixed exchange rates are more stable than floating exchange rates
(iii) Cutting interest rates to zero will always boost demand in the economy
(iv) Higher taxes on cigarettes will always lead to more tax revenue
(v) Economic growth damages the environment
(vi) Ticket touts are evidence of market failure and should be regulated
(vii) Rising levels of obesity is clear evidence of market failure
(viii) New technologies create unemployment because capital replaces labour
(ix) Labour market flexibility is needed to make a country more competitive
(x) Only government policies can improve the environment
(xi) In the long run, a higher minimum wage will cost jobs
(xii) Government borrowing should be controlled by the “Golden Rule” principle
(xiii) Trade unions can only win higher wages at the expense of falling employment
(xiv) Companies that make excess profits should be taxed more heavily
(xv) Capital investment is a good thing and should be encouraged by government policy
(xvi) Companies will tend to choose locations for production where wage costs are lowest
(xvii) Building more motorways is an effective way of reducing traffic congestion on major roads
(xviii) Pure monopoly exists but perfect competition does not
(xix) £2 million worth of output from hi-tech manufacturing industry is worth more than £2 million worth of output from McDonald’s.
(xx) The British economy should become as productive and competitive as it can
(xxi) The rise in gambling and gambling addiction is bad for the economy
(xxii) Paying workers higher wages increases a firms’ costs
(xxiii) There is no such thing as a “population time-bomb” or a “pensions time-bomb” or an “environmental time-bomb”.
(xxiv) Despite globalisation, global poverty rates among children are continuing to rise
(xxv) The higher the level of exports, the better the performance of an economy