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# INTERNAL ASSESSMENT GUIDE

## IB ECONOMICS

## Weighting:

- 30% (SL)
- 20% (HL)

## Rationale

Internal assessment in economics enables students to demonstrate the application of their knowledge and understanding of economic theory in relation to real-world situations.

It is a great way to consolidate your understanding of a topic and to explore a real-world application.



# Key requirements

Both SL and HL economics students produce a portfolio of **three** commentaries based on articles from published news media.

Each article must be based on a different unit of the syllabus (excluding Unit 1: Introduction to economics):

- ▶ Commentary 1 = Unit 2: Microeconomics – Jan 22
- ▶ Commentary 2 = Unit 3: Macroeconomics – Aug 22
- ▶ Commentary 3 = Unit 4: The global economy – Jan 23

# Finding an article

- ▶ The articles may be from a **newspaper**, a **journal** or the **internet**, but must not be from TV or radio broadcasts.
- ▶ Each commentary needs to be **sourced from a different publisher**; e.g. you can't use the BBC World twice.
- ▶ If a student includes a relatively lengthy article, which is discouraged, the student **must highlight the section(s) of the article upon which the commentary is based**.
- ▶ Articles used must have been published **no earlier than one year before you begin writing** the commentary.

# Clarifications about articles

- ▶ The article on which the commentary is based should, where possible, be in the same language as the commentary. If an extract in another language is used, the student must provide an accurate translation of the whole article.
- ▶ Students must also include the text from the original article in their portfolio.

# Finding a good article....

Use Google News and use the filter tool to find articles published within the last year. Or visit one of the larger news websites and use the search function within the website using key terms.

- Guardian UK, BBC
- Helsingin Sanomat in English
- New York Times, Washington Posts, LA Times
- Sydney Morning Herald, Melbourne Age
- Straits Times, Jakarta Post, Japan Times
- South China Post - Hong Kong

Avoid using blog style articles or opinion style / editorial articles. We also discourage you from using articles published with in depth economic analysis. Therefore avoid Financial Times, The Economist, Bloomberg, Wall Street Journal.

You MUST show your article and planning to your teacher before you begin.

# Writing your IA Commentary

Each commentary must:

- ▶ explain the **links** between the article, a key concept and economic theory taken from the unit of the syllabus on which the article is based
- ▶ demonstrate **economic insights** into the implications of the article (that is, it should provide evidence of the student's ability to discuss current events from the point of view of an economist).

# The Five Criteria - 14 marks in total

## A: Diagrams

Relevant, accurate and correctly labelled diagram(s) are included, with a full explanation.

3 marks

## B: Terminology

Economic terminology relevant to the article is used appropriately throughout the commentary

2 marks

## C: Application and Analysis

Relevant economic theory is applied to the article throughout the commentary with effective economic analysis.

3 marks

## D: Key Concept

A key concept is identified and the link to the article is fully explained.

3 marks

## E: Evaluation

Judgments are made that are supported by effective balanced reasoning.

3 marks

## Rubric for Economics IA Commentary

Criteria / Marks	1	2	3	Criterion F:Rubric
<b>Criterion A: Diagrams</b>	Relevant diagram(s) are included but not explained, or the explanations are incorrect	Relevant, accurate & correctly labelled diagram(s) are included, with a limited explanation.	Relevant, accurate and correctly labelled diagram(s) are included, with a full explanation	1 Rubric requirement is met
<b>Criterion B: Terminology</b>	Terminology relevant to the article is included in the commentary.	Terminology relevant to the article is used appropriately throughout the commentary.		2 Rubric Requirements are met
<b>Criterion C: Application &amp; Analysis</b>	Relevant economic theory is applied to the article with limited analysis.	Relevant economic theory is applied to the article throughout the commentary with appropriate economic analysis.	Relevant economic theory is applied to the article throughout the commentary with effective economic analysis.	3 Rubric Requirements are met
<b>Criterion D: Key Concept</b>	A key concept is identified and there has been an attempt to link it to the article.	A key concept is identified and the link to the article is partially explained.	A key concept is identified and the link to the article is fully explained.	Rubric Requirements: 1. Each article is based on a different unit of the syllabus. 2. Each article is taken from a different and appropriate source. 3. Each article was published no earlier than one year before the writing of the commentary.
<b>Criterion E: Evaluation</b>	Judgments are made that are supported by limited reasoning.	Judgments are made that are supported by appropriate reasoning	Judgments are made that are supported by effective and balanced reasoning.	

Comments:

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# Overall Rubric Criteria

## Criterion F: Rubric requirements

- ✓ This criterion assesses the extent to which the student meets the three rubric requirements for the complete portfolio. These are assessed once the portfolio of all commentaries are submitted.
  - ✓ Each article is based on a different unit of the syllabus.
  - ✓ Each article is taken from a different and appropriate source.
  - ✓ Each article was published no earlier than one year before the writing of the commentary.
- ✓ You will receive **all 3 marks** if you meet all three of these requirements, or penalized if you miss anything. Your teacher will assess your overall portfolio and a sample of these will be moderated externally by the IB ahead of your final examinations.
- ✓ Your final portfolio is therefore out of **(14 x 3) + 3 rubric marks = 45 marks**

# Tips for Criteria A - DIAGRAMS

- ✓ Diagrams can be either drawn by hand or completed electronically using Google Docs / Google Drawings
- ✓ Electronically drawn diagrams are easy to change and edit with feedback, but hand drawn look more authentic... shading with colored pencils etc.
- ✓ If drawn electronically best to “refer to self as author” to clarify any confusion – e.g. reference themselves.
- ✓ Diagram copied from book or internet would receive no marks for Criteria A.
- ✓ Diagrams must be **dynamic** and **tailored** to the case
- ✓ Missing labels e.g. P, Q, AS, AD, rGDP etc., will result in marks lost, so drop down one scale of criteria from 2 to 3
- ✓ If there is data used in your article, it should be used to enhance axis labels (e.g. prices, or amount of change such as 20%) etc.
- ✓ Be very careful about illustrating the **difference** between the introduction of a tariff/tax/subsidy versus the increase of the intervention. If it is an increase you will need to show multiple tariff lines and also the original world price.

# Tips for Criteria B - TERMINOLOGY

- ✓ Generally an easier criteria to get 2/2
- ✓ Highlighting key concepts in bold
- ✓ Use precise terminology, e.g.
  - ✓ deflation vs **disinflation**,
  - ✓ taxes vs an **indirect specific tax**

# Tips for Criteria C – APPLICATION & ANALYSIS

- ✓ Be very careful not to misinterpret the meaning of the article. Lots of authors use terms clumsily in articles. What exactly do the specific phrases mean, e.g.
  - if the article mentions falling rates of growth -> this is not the same as a recession, so don't explain recessionary gaps!
  - Is the tariff being raised vs introduced?
  - Is the price control on all housing or just a small selection
- ✓ Make multiple, explicit, purposeful references to the article. Could be quotes, data, years etc. If data exists in the article then it should be included somewhere in the commentary.
- ✓ Aim to use as many specific references as possible, which you integrate into your evaluation as evidence.
- ✓ You need to stay on topic and try not to go into tangents and introduce too many other concepts, or use generic textbook information.
- ✓ A great approach is to use tools like relative elasticity to analyse the market and impact and use consumer/producer surplus tools.
- ✓ **Exemplary IAs take theoretical economics and identify how this works in the real world in the context of the article.**

# Tips for Criteria D – KEY CONCEPTS

- ✓ The Key Concepts are:
  - Scarcity
  - Choice
  - Efficiency
  - Equity
  - Economic well-being
  - Sustainability
  - Change
  - Interdependence
  - Intervention
- ✓ Aim to introduce your Key Concept in the **first paragraph**. - "*the conceptual focus of my commentary is....*"
- ✓ Be prepared to relate your concept to your diagram - "the increase in demand by 20% has created....."
- ✓ Refer to your concept in the conclusion/judgement - "the significance of this situation is....."
- ✓ Your concept should **run throughout** your commentary in the background and can provide an opportunity to **synthesise** the material.

# Tips for Criteria E – EVALUATION

- ✓ Avoid using a header to separate the evaluation, it should be integrated and can occur throughout your commentary.
- ✓ A clever approach is the **state the focus of your evaluation** in the first paragraph... eg. *the focus of my evaluation is whether decreasing interest rates will in fact lead to the predicted increases in consumer spending.*
- ✓ Include **your own** original judgment in the evaluation.
- ✓ Look for statement that you could critique and discuss, such as ‘the tax may lead to a fall in consumption’ and try unpack these leading statements from the article.
- ✓ Judgements should make sense given the country and current context; e.g. if you write that “*Japan should drop interest rates*” when interest rates are already at 0.25%, you would show a lack of context and understanding. The same stands for the effectiveness of monetary policy in EU countries.

## Comment on the key concepts

Each of the three commentaries must use a **different key concept** as a lens through which to analyse the published extracts.

You will risk losing 3 marks in criterion D if you use the same key concept in two commentaries and up to 6 marks if the same key concept is used in all three commentaries.

Icon	Key concept	Description
	Scarcity	Scarcity is a central concept in economics. Scarcity refers to the limited availability of economic resources relative to society's unlimited demand for goods and services. Thus, economics may be defined as the science that studies human behaviour as a relationship between ends and scarce resources which have alternative uses.
	Choice	Since resources are scarce, economics is a study of choices. It is clear that not all needs and wants can be satisfied. This necessitates choice and the idea of opportunity cost. Economic decision makers continually have to make choices between competing alternatives. Economics studies the consequences of these choices, both present and future.
	Efficiency	Efficiency is a quantifiable concept, determined by the ratio of useful output to total input. Allocative efficiency refers to making the best possible use of scarce resources to produce the combinations of goods and services that are optimum for society, thus minimizing resource waste.
	Equity	In contrast to equality, which describes situations in which economic outcomes are similar for different people or different social groups, equity refers to the concept or idea of fairness. Fairness is a normative concept as it means different things to different people. In economics, inequity is often interpreted to refer to inequality which may apply to the distribution of income, wealth or economic opportunity. Irrespective of economic system, inequity (or inequality) remains a significant issue both within and between societies.
	Economic well being	<p>Economic well being is a multi-dimensional concept relating to the level of prosperity and the quality of living standards enjoyed by members of an economy. It includes:</p> <ul style="list-style-type: none"> <li>• present and future financial security</li> <li>• the ability to meet basic needs</li> <li>• the ability to make economic choices permitting achievement of personal satisfaction</li> <li>• the ability to maintain adequate income levels over the long term.</li> </ul> <p>There are broad disparities in economic well being both within and across nations.</p>

	<b>Sustainability</b>	Sustainability in economics refers to the ability of the present generation to meet its needs without compromising the ability of future generations to meet its own needs. It refers to limiting the degree to which the economic activities of the current generation create harmful environmental outcomes. These might involve resource depletion or degradation that will negatively affect future generations. Sustainability is proving increasingly important in all economic analysis as planetary boundaries are pushed to the limit.
	<b>Change</b>	An understanding of the concept of change is essential in economics. The economic world is in a continual state of flux, and economists must be aware of this and adapt their thinking accordingly. The concept of change is important both in economic theory and in the empirical world that economics studies. In economic theory, economics focuses not on the level of the variables it investigates, but on their change from one situation to another. Empirically, the world that is studied by economists is always subject to continuous and profound change at institutional, structural, technological, economic and social levels.
	<b>Interdependence</b>	Consumers, firms, households, workers and governments (all economic actors) interact with each other within and, increasingly, across nations in order to achieve economic goals. The greater the level of interaction, the greater the degree of interdependence. In a highly interdependent economic world, decisions by certain economic actors will generate many, and often unintended, economic consequences for other actors. A consideration of possible economic consequences of interdependence is essential when conducting economic analysis.
	<b>Intervention</b>	Intervention in economics usually refers to government involvement in the workings of markets. While markets are considered the most efficient mechanism to organize economic activity, it is often recognized that they may fail to achieve certain societal goals, such as equity, economic well-being or sustainability. Failure to achieve such goals may be considered to be sufficient reason for government intervention. In the real world, there is often disagreement among economists and policymakers on the need for, and extent of, government intervention.

# Still about the word count

Since you must produce a portfolio of three commentaries and each commentary **must not exceed 800 words**, moderators **will not read** beyond 800 words for each commentary.

The following are **not included** in the word count.

- Headings to each commentary
- Labels on diagrams —of five words or fewer
- Headings on diagrams—of 10 words or fewer
- Tables of statistical data
- Equations, formulae and calculations
- Citations or references (which, if used, must be in the body of the commentary)

Please note that footnotes/endnotes may be used for referencing purposes only but are generally discouraged. You receive no additional credit for referencing material beyond the article. Definitions of economic terms and quotations, if used, must be in the body of the work and are included in the word count but do not need to be referenced.

# Checklist

Remember to go through the IA checklist before submitting the final version of each commentary.

## Example

Read the IA example (previous curriculum)

- Underline/highlight in different colors the sections that correspond with assessment criteria:
  - Diagrams
  - Terminology
  - Application and analysis
  - Evaluation
- Choose the key concept you'd use for your analysis of this article