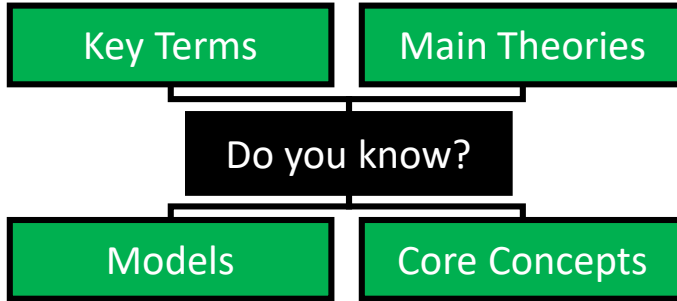


AO1 - KNOWLEDGE AND UNDERSTANDING

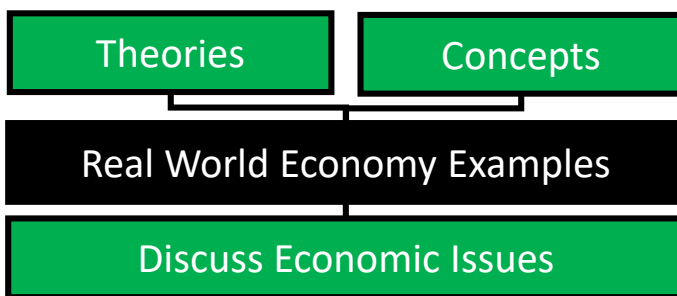
EZY ECONOMICS



See our main course EMAs

AO2 - APPLICATION

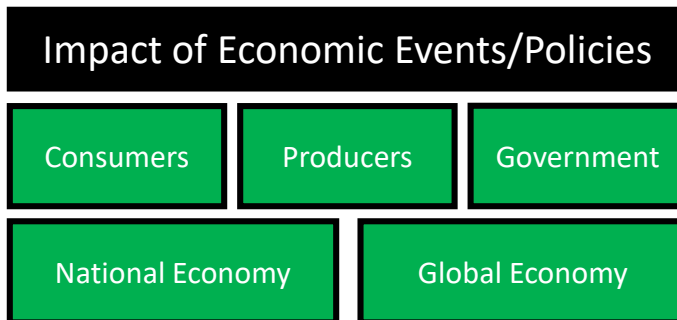
EZY ECONOMICS



See our Weekly 5 material

AO3 - ANALYSIS

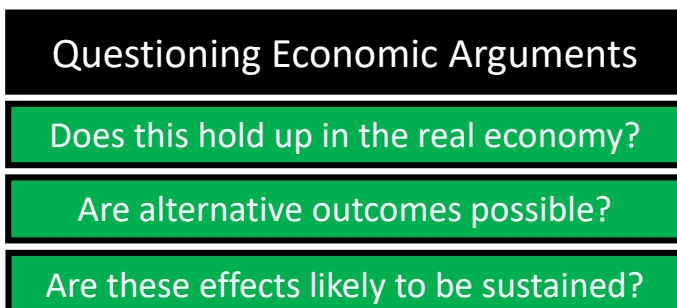
EZY ECONOMICS



See our Revision Snapshot Slides

AO4 - EVALUATION

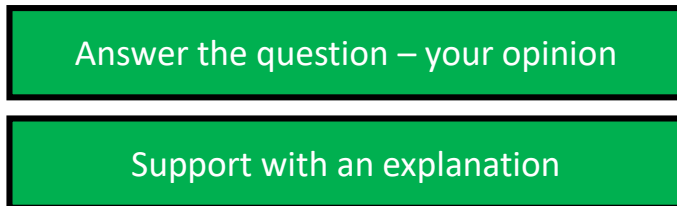
EZY ECONOMICS



See our Evaluation Booster Pack

AO4 - SUPPORTED FINAL JUDGEMENT

EZY ECONOMICS



See our exam resources

Essay Checklist

	Sufficient syllabus knowledge
	Are you comfortable with all the topic points in the exam board specification?

	Marking criteria knowledge
	Do you know how you are assessed in an exam?

	Exam structure familiarity
	Do you know what you're required to do in each section before sitting the exam?

	Can you rapidly read and understand unfamiliar extract data?
Interpreting Graphs	Percentages, Index Numbers and Ratios

	Have you practiced reading past exam questions carefully?
	This helps you avoid significant question misinterpretations

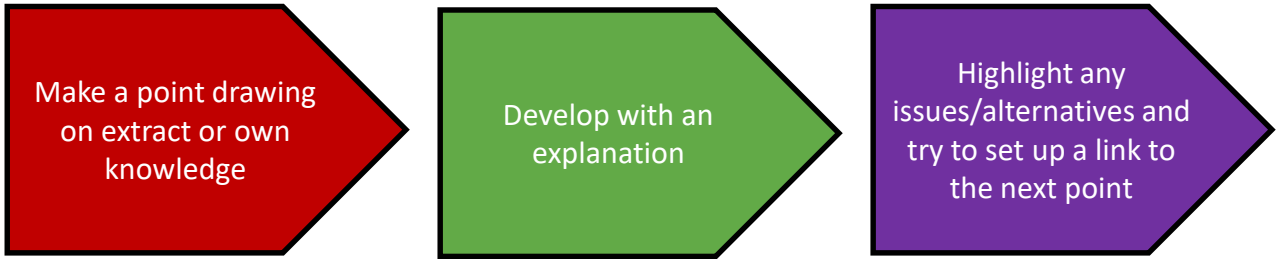
	Can you produce answers that are easy to read and mark?	
Legible Handwriting	Clear Paragraphing	Diagram References

Essay Requirements

Number 1	Number 2	Number 3
Develop a discussion that explains, analyses and evaluates different perspectives	Make sure you produce a supported final judgement	Manage time so answers aren't rushed or ruined if time runs out.

How can you integrate evaluation (AO4) into your essays?

All economics essays should have this general structure...

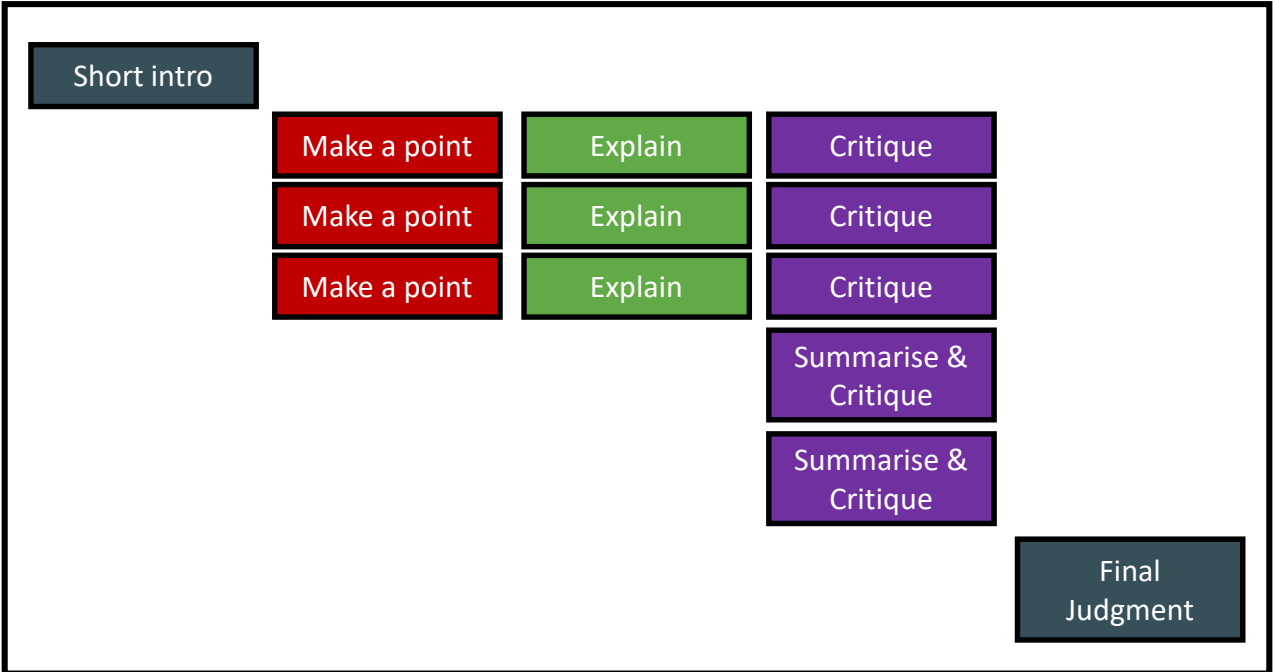


One paragraph per point, no more than 3 sentences

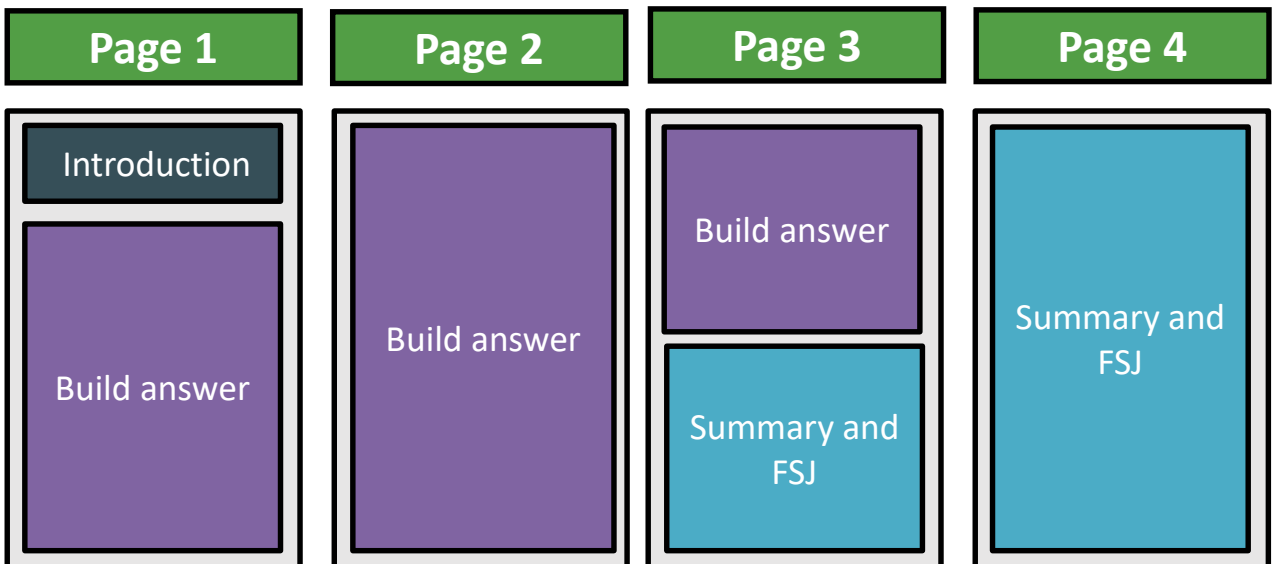
Repeat process through each paragraph – gaps between paragraphs

Refer to extract if extract supports what you have said + use own examples

Question focus always means the answer will be an either/or - you need to state your preference and explain why



Work out how many pages you expect to write and where you need to switch from analysis to evaluation and then onto your final judgement



Evaluation is about casting a critical eye over the assumptions that bind together economic theory and models to come to a supported conclusion over the effects of an economic event/policy.

Critically important exam tool to use throughout essays after you have initially analysed the economic issue.

Basic Evaluation Process:

Variable changes e.g. demand/supply

Causes other variables to change e.g. price level and real output

When?

Immediate or lagged effects

By How Much?

Magnitude and significance of the effect

For How Long?

Short-term and long-term effects

Does the result only hold under 'ceteris paribus'?

Dynamic v static efficiency

How does elasticity change the outcome?

Are there any policy conflicts?

Are there any additional factors that affect the final result?

Supported by quantitative or qualitative data?

Is this data or the data source reliable?

What are the net effects of this change?

How does the economy's original position affect the end result?

What is the level of confidence across the economy?

Are there any further policy changes expected?

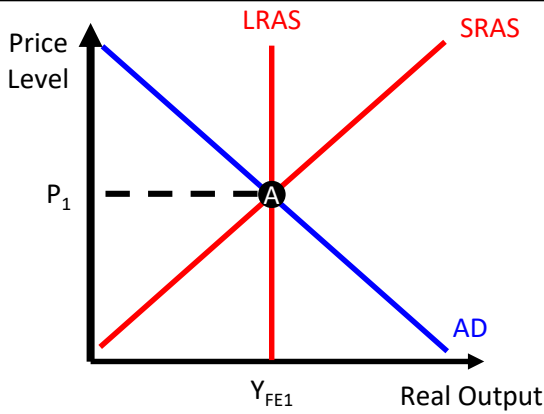
Who are the winners and losers?

What is the wider context of these economic effects?

Showcasing some of these evaluation points is crucial to establishing the final impact of an event/policy on an industry or an economy.

Same Approach, Different Questions!

Equilibrium



Determine Macro Objectives

Draw AD/AS/LRAS Curves

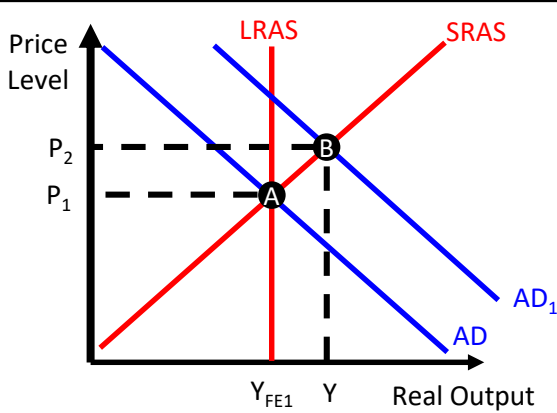
Pinpoint Initial Equilibrium

Price Level + Real Output

Output Gaps

Level of Unemployment

Shift in AD



Basic Evaluations

Magnitude of Shift?

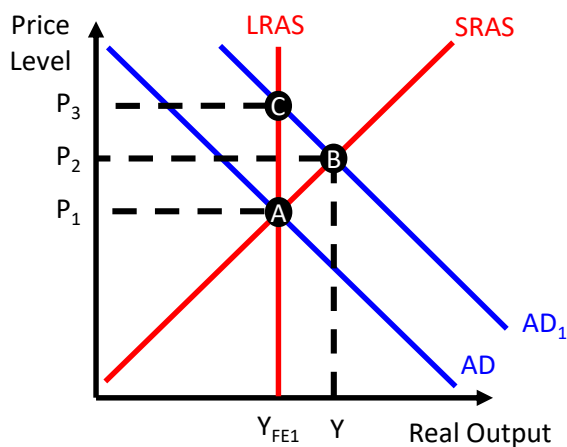
Duration of Shift?

Impacted by...

- 1 Size of Multiplier Effect
- 2 Presence of Accelerator Effect
- 3 Level of Confidence
- 4 Net Effect – Policy Conflicts

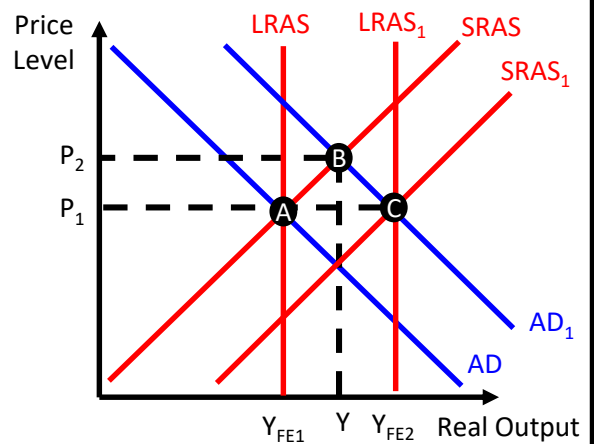
What type of growth does this lead to in the long-run?

Unsustainable



OR

Sustainable



Advanced Evaluations

Spare Capacity – Use a Keynesian AS Curve

Role of Inflation Expectations

Inequality – Winners and Losers?

Advanced Evaluations

Impact on Aggregate Supply (AS)

Impact on Economy's Competitiveness

Environmental Effects e.g. Resource Depletion

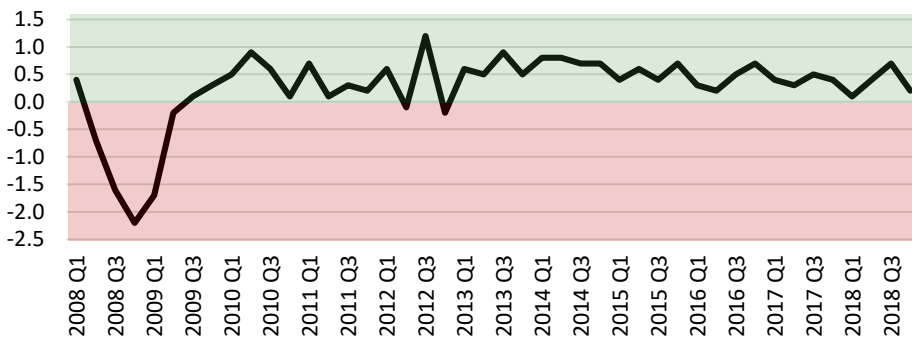
This leads you into your supported final judgement!

The evaluation points you make can be strengthened by the use of real world data.

Does the data support or critique the economic analysis or even your own judgements?

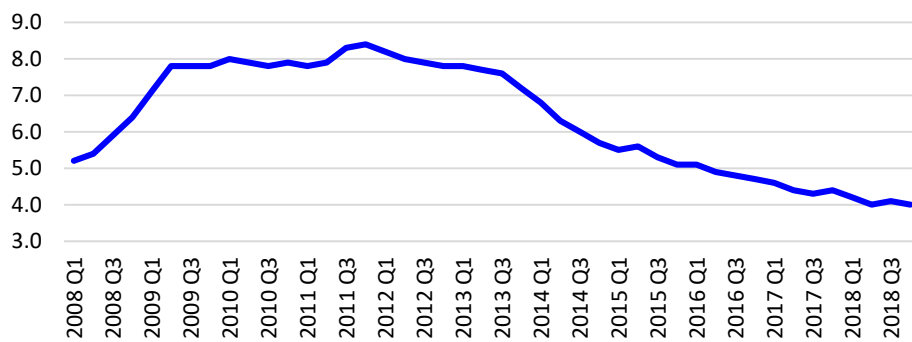
It is good to go into the exam with a general idea of the UK's recent macroeconomic performance...

GROWTH



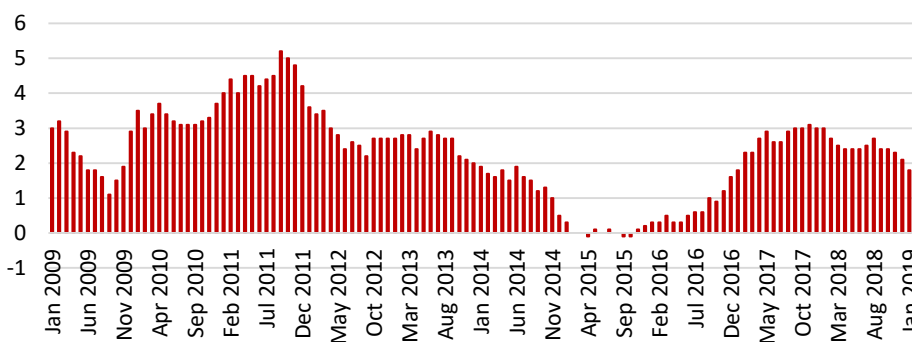
UK GDP quarterly growth has recovered since the financial crisis – driven by services sector growth.

UNEMPLOYMENT



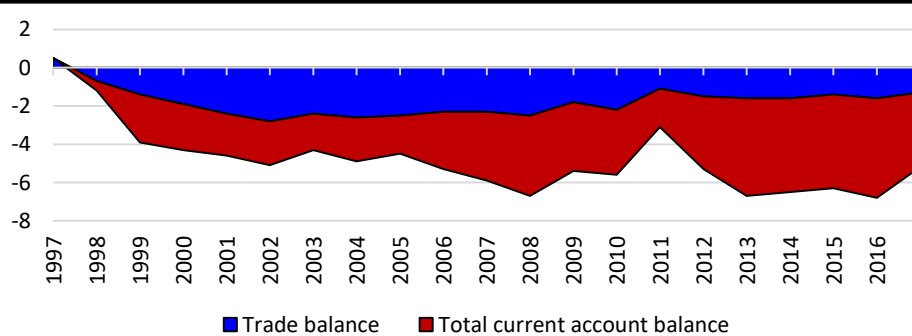
UK unemployment rate has fallen to its lowest level since 1975 – 4.0%.

INFLATION



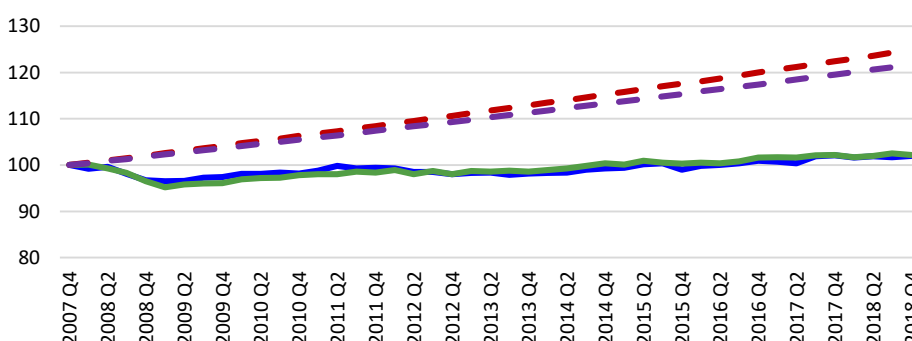
UK CPI inflation rate has stabilised in around target of 2% since 2015 – helped control real incomes.

TRADE



UK current account deficit (% of GDP) has deteriorated since the 1990s due to less reliance on manufacturing

PRODUCTIVITY



Output per hour
Output per hour (2007 trend)
Output per worker
Output per worker (2007 trend)

A lot of these topics may only become relevant when evaluating an alternative economic policy. This means even if you are not asked directly about some of these topics in an exam question, you will still receive credit for bringing them in to assess other relevant issues.

This is particularly relevant for PAPER 3 (Micro + Macro). Only one essay question but lots of issues you can raise...

MICRO EFFECTS

P	Price
O	Output
P	Profits
S	Structure of the Market
I	Inefficiency
C	Competition
L	Labour Markets
E	Externalities

Scale a MACRO issue down to assess micro effects



Scale a MICRO issue up to assess macro effects

MACRO EFFECTS

D	Development
I	Inflation
G	Growth
E	Employment
S	Structure of the Economy
T	Trade
I	Inequality
F	Fiscal Effects