

GETTING THE EDGE IN ECONOMICS

**“Equal opportunity
to me, more than anything,
means a great education.”**

Steven Jobs

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Economics is the highest scaling social science in the HSC, but scoring top marks in this subject comes with its own unique challenges.

In this article, Richard Chua and Dilshan Seneviratna explore what it takes to get the edge in Economics.

Richard won the Economics Prize at Sydney Grammar and graduated from UNSW Commerce with Distinction. Richard is the Founder of Talent 100 and current Academic Director overseeing all course development and delivery.

Dilshan ranked 5th in NSW in HSC Economics in 2008, and was awarded the coveted UNSW Finance Co-op Scholarship. He is currently a Doctor and MedStart Mentor at Talent.

We are going to look at three important questions that any prospective Economics student should be able to answer.

- 1. Why Study Economics?**
- 2. What are the hidden dangers?**
- 3. What does it take to ace the HSC Exam?**

Why study Economics?

One of the most practical reasons to study Economics is due to its exceptional scaling.

Of the humanities subject, Economics scales the best on par with Physics and Chemistry. To give you some perspective, scoring in

the top 5% of Economics puts you on track for an ATAR of 99+, top 10% puts you on track for 97+, and top 20% on track for 94+. But aside from scaling, there are other more important reasons why you should consider studying Economics.

A basic understanding of Economics is essential knowledge for any aspiring business person, whether you are looking to enter finance, accounting, marketing or sales. It will train you in the right type of thinking needed to succeed in these professions. Before you enter the high-flying corporate career, you will need to know the basics - what motivates the behaviour of individuals, firms and governments in market economies, and how these groups seek to improve production and profit.

In fact, understanding Economics is so important in succeeding in these professions that it is a compulsory course in all Business/Commerce/Economics Degrees in Universities. This means what you study in Year 11 and 12 Economics you will also study in University Microeconomics and Macroeconomics.

And finally, even if you don't ever have the intention of entering the business world, a basic of understanding of Economics is a very useful life skill to have. Things like interest rate changes and the ups and downs of a business cycle will affect even scientists, engineers and health professionals.

Essay questions: The hidden danger (and hidden opportunity)

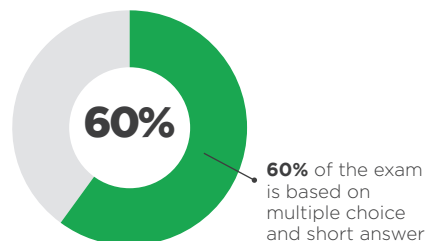
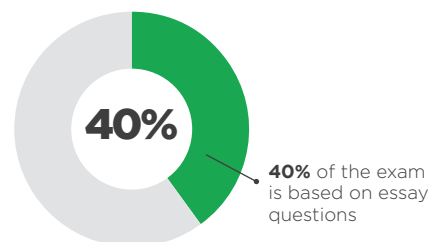
Despite the excellent scaling in Economics, there is a hidden danger or risk involved in doing this subject as there are in all humanities: Essay questions. Whilst 60% of the exam is based on multiple choice and short answer (which tend to be very predictable), 40% of your exam is based on essay questions.

Essay questions are 'risky' in the sense that they can have a significant impact on your mark and can very often catch even the most prepared students by surprise. If you are able to guess the essay question and adequately prepare for it, you will ace the exam, but if the essay question catches you off guard, you can have a massive swing in your final exam performance.

This is something that affected me personally in my HSC. I had a knack for guessing the essay questions set by my school teacher and guessed them perfectly for the school trials. I scored a raw mark of 98% and received the Economics Prize. It was my best subject for my assessments. Unfortunately, I guessed the Essay Questions incorrectly in the HSC Exam, dropping more than 30 rankings. This meant that my "best" subject

did not even end up counting for my ATAR. **And that all happened in one exam.**

In contrast, in subjects like Mathematics or Science, even if one particular question may be difficult or unexpected, you may experience a swing of 2-3 marks. In Economics, the swing can be much greater, so you need to be well prepared for your essays in an Economics exam.



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Breaking down the exam

To do well in the Economics exam, you need to understand exactly how the exam is structured. There are 100 marks in the Economics exam, broken down as follows.

| Section | Weighting | Preparation |
|---|-----------|--|
| Multiple Choice (20 Multiple Choice Questions) | 20% | Syllabus and Textbook only |
| Short-answer questions (4 Questions of 10 marks each) | 40% | Syllabus and Textbook only |
| Essays (2 Essays of 20 marks each) | 40% | Syllabus and Textbook - Current Research and Recent Performance of Australian economy |

Acing MCQs and short answer

The multiple choice and short answer sections are very straightforward. They require an understanding of the basic Economic theory, which has remained unchanged for decades, such as how the federal budget and interest rates are used to stimulate or dampen the economy. You'll also need to be able to interpret such theory in a variety of forms, such as tables, graphs, statistics and models.

Some tips for preparing effectively for these two sections are:

1. Make notes on the syllabus dot points:

Since your exam is based entirely on the syllabus, it makes sense to make notes on the syllabus dot points. These dot points also outline the extent of knowledge that you need about any topic through the use of the verbs such as “outline”, “explain”, “discuss” etc. so being able to answer each specific dot point to the required level of detail ensures that your study remains focused and relevant.

2. Write concise and structured answers for the short answer questions:

When answering short answer questions, you need to ensure that your answers are clear, concise and structured. Many students seem to “ramble on” before answering a question half way down the page. Markers will penalise such verbosity.

3. Deconstruct the questions

according to the syllabus: the best students look at questions, and ask which syllabus dot-points or concepts those questions relate to. Each question is always assessing a particular aspect of the course, and being able to recognise when and which course concept is being assessed is extremely advantageous. For example, being able to recognise when a question is looking for a student to talk about free trade agreements, or automatic stabilisers, or structural unemployment, even though these terms may not be explicitly mentioned in the question.

4. Remember your jargon: when writing short answer and essay responses, but especially for the former, it is prudent to bear in mind the key terms or 'buzzwords' that relate to each topic, and which markers are very often looking for in reading and marking your answers. For example, terms such as 'globalisation', 'progressive taxation' and 'monetary policy' are key jargon terms that markers are often looking for when they mark certain short answer questions.

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First, look at the number of marks and write a comprehensive answer.

For a four or five mark question, you will need four or five points to get the marks. If you are only writing two or three, you can be almost certain you won't get full marks.

Alternatively, a four-mark question may require two points, but explained fully and in detail. Practising past questions is the best way to become familiar with the appropriate strategy.

Secondly, structure your answer concisely and logically.

- **1st Line:** Answer the question immediately
- **2nd Line:** Explain and elaborate on your answer
- **3rd Line:** Quote a statistic or evidence from the passage, stimulus or memory
- **4th Line:** Use this statistic to demonstrate how it proves your point.

While understanding this basic theory may seem challenging at first, once you have revised thoroughly, you'll find that these two parts are the easiest parts of the exam. For students who have revised well, it's about doing the first two sections as accurately and efficiently as possible so you have enough time to ace the final two essay questions.

Acing the essays

What you should realise is that the essays ultimately distinguish top performers from the above-average students. Writing an essay question purely from "economic theory" will only score you 15/20. To perform well in these, you must go beyond the syllabus and utilise statistics, theoretical graphs and incorporate an understanding of recent government policy and economic trends and developments.

A good rule of thumb is to remember that markers are always asking themselves "How well does this student understand the basic

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theory and ideas of the course?”

- Writing an essay solely incorporating theory answers this question at a basic level.
- Being able to apply the theory in graphs and through states demonstrates a higher level of understanding.
- Being able to show you understand how the theory relates to recent policy developments demonstrates the highest level of understanding

1. Define the key terms

Unlike an English or History essay, you must define the essential terms in the question in every Economics essay question. For instance, if the question asked you to ‘Analyse Australia’s recent economic growth’, you would need to define the term ‘Economic growth’ immediately. This is an odd peculiarity of the Economics exam.

This can also help you frame your

essay – because Economics is at heart, a very theoretical discipline, being clear about the concepts you are discussing in your essay, gives your argument a solid foundation and framework.

2. Answer the question

One of the biggest pitfalls that many students make is that they fail to answer the question at hand. Rather, they start writing pre-prepared answers to the questions they have prepared for, rather than the question that the examiner is actually asking for. Preparing for the essay question is vital. Without the right statistics, research and evidence, your essay will never reach the top band. But you need to take some time to plan a specific answer to the specific question being asked. You should look firstly at the question verb, and know exactly what that means, e.g. to ‘*discuss*’ vs. ‘*assess*’ vs. ‘*evaluate*’ etc.

For example, when you are asked to ‘*Discuss*’, you must ‘*identify issues and provide points for and/or*

against’. Note how this is different to *explain*, which is ‘*relate cause and effect; make the relationships between things evident; provide why and/or how*’.

‘*Discuss*’ requires points for and against and ‘*Explain*’ requires an in-depth analysis of mechanisms. They are not just generic terms that have the day-to-day meanings you would expect in conversations; they have a specific meaning in the HSC and this is part of the marking criteria for the exams.

Questions that ask you to ‘*Assess*’ or ‘*Evaluate*’ require you to **make a judgment** – that is, express whether you think current fiscal policies, for example, are effective in achieving their aims and objectives. As a general rule, it is always good to provide a nuanced answer. Strongly agreeing or disagreeing with policy tends to be too simple. Rather, the best students can identify why policies have both positive and negative consequences, and weigh these up to draw a more sophisticated conclusion.

Unlike an English essay, you must define the essential terms in the question.

3. Support your argument with evidence from Australia's recent performance

What distinguishes the top Economics students is how well they are able to integrate economic concepts to explain recent economic trends. In contrast to the short answer questions, which test knowledge and theory that has remained unchanged for decades (for e.g. Keynesian Fiscal Policy or Adam Smith's Invisible Hand), an essay question will require you to interpret or apply that theory to the recent trends. For instance, you may discuss how the Rudd Government responded with a Keynesian approach to stimulating demand during the GFC, or how in fact the market's Invisible Hand has not worked in providing important public goods, such as a National Broadband Network.

In order to gain a proper, relevant and useful perspective of our recent performance, you should split recent performance into two categories:

- **How the economy has performed over the last decade**, for instance, how the Australian economy has grown

over the last 10 years and what issues it has faced. As a general rule, statistics dating back past the 1980s are usually irrelevant.

- **Have up-to-date research**, including relevant topics being discussed in the news. This does not mean you need to find a way to cram Brexit or the US Presidential Election into your essay. What it means is you need to be aware of what is happening in the economy broadly, and good examples of those broad trends. For example, you may be aware that the last car manufacturing plant in Australia recently closed – this is very relevant to topics you will have learned about Australian trade policy, and theories relating to comparative advantage, free trade and protection. This would make an excellent example to show that you understand those basic theoretical ideas.

When you have a solid understanding of the recent performance, you must 'weave' this into your essay. Many students come unstuck trying to remember statistics and facts, such as the % of unemployment, or how much the CPI has changed. A better way

to think of statistics is not so much as a "fact" – or a random morsel of truth – but rather as a piece of evidence, i.e. a useful figure, statistic or story that proves a particular point. This makes it much easier to remember, and it helps you write a good essay because it adds to the argument, becoming another way of "telling the story".

In contrast, trying to remember disparate facts can often mean that your essay seems disjointed, even if the facts and figures are correct.

In searching for the right facts and figures, there are three sources of information you should consider.

The **RBA's Statements on Monetary Policy** and associated documents provide up-to-date research from some of the best economists in the country, conveniently categorised into topic headings such as Growth, Inflation, Unemployment etc. Likewise, the **Federal Budget** has very accurate data and summarises both challenges and the economic outlook forecast by Treasury.

Finally, you should be constantly scanning **newspapers**, such as the Financial Review to evaluate the most recent trends and issues

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facing our Economy. A great journalist to follow here is the Sydney Morning Herald's Ross Gittins, who simplifies relevant economic issues into laymen's terms.

4. Refer to the stimulus

Finally, many essay questions have stimulus material, such as a chart or a passage or comment made by a particular person or body, and ask you to evaluate such comment in the context of the Australian Economy. With such questions, you **MUST** refer to all parts of the stimulus in your essay. Many students, with pre-prepared essays, give token recognition in their introduction, but fail to properly consider the stimulus as part of their answer.

Rather than doing this, understand what it says and refer to it in the body of your essay, explaining why it agrees with or is contradicted by recent trends. If you don't do this, you will lose marks for not answering the question.

5. Include (BIG) diagrams

Where relevant, you should use

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appropriate and relevant diagrams to explain your answer. A picture is worth a thousand words and many economic theories (e.g. Supply and Demand) are explained most eloquently through the use of a diagram. Again, when including a diagram, ensure you make reference to it, rather than just placing it on the page. It is a method of explaining a theory, rather than illustrating text.

Never utilise statistical graphs (graphs with numbers and data extracted from current research). Focus exclusively on using theoretical graphs (e.g. the supply and demand diagram), as using the former demonstrates no more than an ability to memorise a graph, and can easily be expressed more succinctly and time-efficiently in a simple statistic.

Finally, in preparing for essay questions, focus on the most relevant issues facing the Australian economy, as these have a habit of appearing as Essay questions. For instance in 2009, in the aftermath of the GFC, students were asked to –

“Analyse the impact of changes in the global economy on Australia’s economic growth and external stability.”

Most students would realise that this question is begging you to talk about how the global financial crises can have a massive impact on our economy, and that is the research you would need to integrate into your essays.

Excel in Economics

At Talent 100, we’ve created an excellent program in Economics that can help you understand the key economic theory, and more importantly, the recent performance of the Australian Economy to ensure you get the best marks in Economics. While our programs are designed to ensure you are able to ace any HSC Economics Exam, we hope to inspire a greater passion for a subject that is an essential life skill and forms the cornerstone of all business degrees and professions.

Our course:

- **Develops thorough understanding of every syllabus dot point**, including relevant economic models, theories and their applications so that you can score top marks in multiple and short answer.
- **Up-to-date research on Australia’s economic performance**, with insightful analysis of relevant economic issues to help you create A-range essay responses
- **HSC-style homework and questions**, to ensure you can translate your understanding of the course into marks in a real examination
- **One-on-One help with Economics Essays**, to help you develop your own specific, structured, and logical essays to top your examinations.

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