

# What does *application and analysis* look like in your IB Econ commentaries?

IB definitions of command terms for economics:

ANALYSE: Break down in order to bring out the essential elements or structure.

APPLY: Use an idea, equation, principle, theory or law in relation to a given problem or issue.

COMMENT: Give a judgment based on a given statement or result of a calculation. (You'll be commenting on a proposed solution.)

EVALUATE: Make an appraisal by weighing up the strengths and limitations.

EXPLAIN: Give a detailed account including reasons or causes.

IDENTIFY: Provide an answer from a number of possibilities.

Considering APPLICATION AND ANALYSIS in context, we should notice how they are woven throughout your entire commentary, as well as getting explicit attention, emphasis, and elaboration in the second quarter of your commentary.

In fact, your introductory remarks should do the prep work that sets up your later in-depth analysis. Here, the KEY CONCEPT names the core economic idea you find most important to diagnosing the economic problem at the core of the real-world issue reported in the article.

Tip: **BOLD** your primary key concept every time it appears in your commentary. This will help you and your grader see that you've consistently focused on the chosen concept and linked it to the real-world situation in the article.

Example from IB-assessed portfolio A (opening paragraph):

*Governments throughout the world are taking measures to reduce air pollution. One of these measures is a "congestion charge" to reduce traffic congestion in urban areas. Currently, the Newcastle City Council is considering such a charge, but it appears as though this particular attempt to achieve allocative **efficiency** may be blocked. Opposition from taxi drivers and other stakeholders may prevent this policy from being implemented.*

Your application and analysis is already rolling by the time we get to your first diagram, in which you draw a model of the economic theory you've selected as the most relevant to the real-world issue reported in the news article. **In selecting which economic theory to represent in diagram, you've already had to break down the issue in order to identify the essential elements and structure of the economic problem at hand.**

You may want to follow up your opening summary paragraphs by introducing your diagram as a demonstration of the link between your key concept and the article.

Example from IB-assessed portfolio D (Two-sentence paragraph at end of introduction):

*These negative effects suggest that people's choices are wrong and they should be consuming less junk food. **This can be shown in the diagram below**, which focuses on the sugar market.*

**APPLICATION** explains the real-world economic problem in terms of the theoretical model your diagram illustrates.

Ex. portfolio A: *Figure 1 illustrates this problem...*

You start **APPLYING** economic theory by explaining the relevance of the model you diagrammed to the real-world economic PROBLEM. You do this by explaining point-by-point what each component of the diagram references in the real-world example. This includes explaining the axes and variables real-world definitions, why a line slopes upward or downward and rate differentials between them, what points of intersection represent, and significant areas arising from the coordinated arrangement of variables.

Phrases for applying the theoretical model to the empirical issue in the article and preparing for analysis:

...figure x shows/illustrates...

...as shown in figure X...

Figure X shows...

...the extent of...

...the effect of...

...the rate of...

...the concentration/distribution of...

The shaded area represents...

The diagram also suggests...

...can be expressed more simply/directly as...

...is determined as follows...

X represents/denotes...

...is proportional to...



When you detail how the diagram you drew represents how economic theory can be applied to the real-world issue in your article, this shows that you understand both the article and what you have drawn and can be done in a number of ways. You could use quotes from the article to back up the shift modeled in the diagram. Alternatively, you could point to statistics referenced in the article that matches the effect on price and quantity you have shown in the diagram.

**ANALYSIS** comes in when you further **diagnose the essential structure of the economic problem and what its solution would achieve** as presented or suggested by the theoretic diagram (i.e., by the theory represented by the diagram). You use the theoretical diagnostic of the problem and solution to break down the proposed real-world solution into its essential components and identify additional externalities and stakeholders. You may want to illustrate the effect of the proposed solution with a second diagram.

Example from IB-assessed portfolio A:

*From this analysis, we can see that the quantity that should be provided, to achieve allocative efficiency, is where the marginal social costs of production (MSC) meets the marginal private benefits of consumption (MPB) at QAE. The diagram also suggests that the price paid by consumers in the free market ( $P_{fm}$ ) is less than what the price should be if the full costs, including the external costs, were taken into account. This socially efficient price is shown as PAE.*

*This inability of market forces to achieve social efficiency is known as a market failure. It results in a loss of social efficiency which can be seen in the form of the welfare loss triangle indicated.*

*To reduce the market failure, the Council has been asked to come up with proposals to “tackle emissions”. A “clean air toll” appears to be one of the proposals. This “toll” can be seen as a tax to be paid by taxis drivers driving into the city centre. The theoretical effect of this charge may be seen in Figure 2.*

Example from IB-assessed portfolio D:

*In addition, the government plans to subsidize fruits and vegetables. These products have external benefits, such as improving concentration and performance at work and school, which can lead to a growing economy. They also have external benefits of production. Fields to grow crops provide green fields, nature, and clean air. Right now, not enough fruits and vegetables are being chosen when considering these positive externalities. Therefore the choices lead to allocative inefficiency.*

### Academic phrases for analysis and commentary

The analysis here is based on...

By analyzing...

From this analysis, we can see that...should ....to achieve...

Underlying... is the view/principle/expectation that...

The structure of...is revealed by...

...the interaction of... and...

...is most pronounced in...

...results in...

The degree/  
extent/  
presence/  
absence/  
nature/  
core/  
role of...

Ideally... In practice...

In theory...

In principle...

It follows that if..., then...

The implication is that...

...the relationship between...

The interplay of/between...

The reason for this is...

Because of this,...

It should be stressed that...

The application of...to...

In doing so,...

This approach is based on...

...is frequently used to...

...is governed by...

...is subject to...

...is a function of...

...is independent of...

...is interdependent on...

...is an indicator of...

One important/significant/dominant feature of...

This would suggest that...

The extent to which this reflects...is unclear

The distinction between...and...is....

A bias towards...

This raises the issue whether...

The motivation for/behind...

This [proposed solution] would appear to be supported/opposed by...

On the basis of this...

This is consistent with...

*“**Analysis** is the process of dividing an issue into parts – looking for patterns and trends, comparing and contrasting differences, analysing it from different angles – and examining each of them. **Evaluation** gives value or meaning to facts by using relevant criteria to judge the quality of previous research or the validity of ideas and relate them to the thesis statement. **Synthesis** means linking facts, observations, analysis and evaluations together to present a claim or thesis statement.”*

*(Writing Economics at University)*

*“**Analysis** is about explaining how the theory (and your key concept) relates to the case. You have already done a lot of that by FULLY explaining your diagram. But now I want you to take it a step further. Go deeper in your explanation. For example, explain how what is happening in the article is not exactly what the theory said would happen (i.e because of the external factors that exist). **Explain** to us to what extent the theory you have used explains what’s actually going on in the article? And show the linkages between different aspects of theory.”*  
*(ibmastery.com)*

## Assessment Criteria A through E

(Criterion F: Portfolio rubric requirements not included)

800 word limit; 2-3 diagrams recommended; different key concept and different news source for each commentary

Criterion A: Diagrams (3 marks)	This criterion assesses the extent to which the student is able to construct and explain diagrams.	Tactic: After your opening summary of the article and identification of the key concept (~100 words), use a diagram to illustrate an economic theory as it applies to the core economic issue you've identified. <b>Make sure to clearly label all elements of the diagram, including axes, variables, shifts, and thresholds.</b> After thoroughly explaining how all significant elements of the the diagram correspond to elements of the issue, use another diagram to illustrate the desired economic outcome (of, e.g., the proposed policy/decision/etc.). What does the effect aimed for look like in theory? What doesn't this economic theory/formula/diagram account for in the real world situation reported in the article?
Criterion B: Terminology (2 marks)	This criterion assesses the extent to which the student uses appropriate economic terminology.	Tip: "...there is no need to fully define every economic term used, or a set number of terms, but just <b>use, apply and explain terms in reference to the chosen article</b> . Criterion B does not ask for definitions" (IB Econ Subject Report, May 2022).
Criterion C: Application and Analysis (3 marks)	This criterion assesses the extent to which the student recognizes, understands, applies and analyzes economic theory in the context of the article.	Tip: You <b>apply</b> an economic theory by translating the real world issue in the article into thorough and well-labeled diagram(s), and then establishing the relationship between the diagram and real world issue in writing. You <b>analyze</b> by explaining how the reported issue or proposed action would theoretically effect the significant variables, thresholds, etc., represented in the diagram, and also acknowledging significant influences and externalities in the real world issue of the article that aren't represented in the theoretical model of the diagram.
Criterion D: Key Concept (3 marks)	This criterion assesses the extent to which the student recognizes, understands and links a key concept to the article.	Choose one of the nine key concepts of the IB Economics syllabus: scarcity, choice, efficiency, equity, economic well-being, sustainability, change, interdependence, intervention  Tip: <b>Bold</b> your key concept every time it appears in your paper.
Criterion E: Evaluation (3 marks)	This criterion assesses the extent to which the student's judgments are supported by reasoned argument.	Tactic: Make this section your <b>longest</b> , from at least a third to half of your commentary. In this section, evaluate the probability that the proposed change/policy/etc. or existing state of affairs reported in the article will have a desired economic outcome. Use your <b>key concept</b> to frame and conclude your evaluation. Base <b>your judgment</b> on reasoned arguments about the likelihood that the diagrammed outcome in theory will match the actual outcome in the real world, with all of the externalities, attitudes, and other economic, material, and social/cultural factors involved in the issue.