



Economics for the IB Diploma Internal Assessment

Updated January 2023

Assessment Advice

Internal Assessment (IA)

The internal assessment (IA) is an integral part of the IB DP Economics course and is compulsory for both SL and HL students. In terms of IB pedagogy, the internal assessment allows students to apply the concepts (WISE ChoICES) using content in the syllabus, and written in the contexts of real-world issues and real-world examples. The IA also enables you to engage in inquiry and to develop your ATL skills of critical thinking, self-management and research. Completing the portfolio of IAs enables you to demonstrate your economic insights into the implications of the issue featured in the news media, that is, it provides evidence of your ability to discuss current events from the perspective of an economist.

The IA contributes 30% to the final assessment in the SL course and 20% to the final assessment in the HL course. **Note: this is a significant change for SL students as the IA accounted for 20% of the previous SL course (final examinations November 2021).**

The internal assessment enables you to demonstrate the application of your skills and knowledge, and to pursue your personal interests in the study of economics without the time limitations and other constraints that are associated with the external examinations. The IA enables you to demonstrate your economics knowledge and understanding in relation to real-world issues and situations. As with all internal assessments from the IB, the economics IA is internally assessed by a teacher at your school and externally moderated by the IB at the end of the two-year course.

The six real-world issues (RWI) in IB Economics

1. How do consumers and producers make choices in trying to meet their economic objectives?
2. When are markets unable to satisfy important economic objectives and does government intervention help?
3. Why does economic activity vary over time and why does this matter?
4. How do governments manage their economy and how effective are their policies?
5. Who are the winners and losers of the integration of the world's economies?
6. Why is economic development uneven?

These **six** real-world issues are posed as economic questions. Each of the three main content units (Microeconomics, Macroeconomics and The Global Economy) are explored through two real-world issues and linked to explicit conceptual understandings.



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Requirements of the economics IA (SL and HL)

IB students are expected to produce a portfolio of **three** written commentaries based on the different units of the syllabus, namely Microeconomics, Macroeconomics and The Global Economy. This means the IA does *not* include the introductory Unit 1 of the syllabus (Introduction to Economics). Very importantly, the three written commentaries must be based on published extracts from the (mainstream) news media.

Each of the three commentaries must also use a different key concept (out of nine prescribed WISE ChoICES concepts: (economic) **W**ell-being, **I**nterdependence, **S**carcity, **E**fficiency, **C**hoice, **I**ntervention, **C**hange, **E**quity and **S**ustainability (refer to pages 5–7 in the textbook). These concepts provide a lens through which to analyse the published extracts from the news media.

The maximum word limit for each commentary is **800 words**. Each commentary is marked out of **14 marks**, based on the **five** assessment criteria (as stipulated on pages 71–73 in the official IB *Economics guide*). There are three additional marks for the rubric requirements of the IA portfolio (assessment Criterion F). Hence, the maximum number of marks that a student can achieve is **45** for all three commentaries (that is, the entire portfolio).

For each commentary, you will need to identify a relevant extract from a reliable news media source, such as a reputable newspaper, news magazine, journal or online newspaper. You will need to explain the links between the contents of the news article through the lens of a key concept (any one of the nine WISE ChoICES concepts) *and* economic theory taken from a specific unit of the IB Economics syllabus on which the article is based (Unit 2: Microeconomics, Unit 3: Macroeconomics, or Unit 4: The Global Economy).

Importantly, the written commentary should provide evidence of your ability to discuss a current real-world example or real-world issue from the point of view of an economist, rather than a response that is purely theoretical.

The key concepts

Key concepts are explicitly assessed in the IA and are worth **3 marks** per commentary (under Criterion D). This means a total of 9 marks out of 45 (or 20%) of the IA assessment is allocated to recognizing, understanding and linking key concepts to the chosen new media articles.

Given that there are nine key concepts and you need to choose only three of these in total, there is absolutely no reason to use a chosen concept more than once. Students are likely to lose up to 3 marks under Criterion D if they use the same key concept in two different commentaries, and up to 6 marks if the same key concept is used in all three commentaries.



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It has been commented that students should use about 50 words for the chosen key concept. This is too limiting and prescriptive as an approach. Instead, the key concept should be apparent throughout your written commentary and provide an opportunity to synthesize the points presented. Hence, aim to use the chosen key concept throughout your commentary:

- Introduce the key concept in the first paragraph, for example, ‘the key concept of this commentary is ...’ or ‘the conceptual focus of this commentary is ...’
- Where appropriate, relate the concept to your diagram(s).
- Refer to your key concept again in the conclusion/judgement as this can help with your critical and evaluative thinking skills.



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How the marks are awarded in the internal assessment

Each of the three commentaries are marked using the rubrics below. The maximum number of marks for each commentary is **14 marks**.

Criterion	Component	Maximum marks	Requirements
A	Diagrams	3	Appropriate, accurate and fully labelled diagrams are included, with full explanations.
B	Terminology	2	Relevant terminology is used correctly, throughout the commentary.
C	Application and analysis	3	Appropriate economic theories are used and applied in the context of the news media article.
D	Key concept	3	One of the prescribed WISE ChoICES concepts is used and its relevance to the article is fully explained
E	Evaluation	3	Substantiated judgements are made and supported by effective and balanced reasoning.
		14	

There is an additional assessment criterion for the whole portfolio (the three commentaries in their entirety).

Criterion	Component	Maximum marks	Requirements
F	Rubric requirements	3	i. Articles – Each article is based on a different unit of the syllabus. ii. Sources – Each article is from a different source. iii. Contemporary articles – Each article relates to a current event and was published no earlier than year before the writing of the commentary.

Hence, the total number of marks for the internal assessment is $(14 \times 3) + 3 = \mathbf{45 \text{ marks}}$.

So, what will happen if a student (for whatever reason) does not submit three written commentaries as part of the portfolio? In such (rare) cases, the IB will mark this as zero out of 14 marks for each missing commentary as well as deducting one mark from Criterion F for each missing commentary.



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Structuring the IA

There is no specific format or structure required for the economics IA, although the rubric requirements of Criterion F stipulate particular requirements. The structure below is a suggested format that can be used by students.

Item	What to include	Word count limit
Article	The article should be included in its entirety and original format; a URL link to the article is not sufficient.	Not included in the 800 words
Commentary cover page [#]	- the commentary number - the title of the article - the new media source of the article (including date of access to the website if this is from the internet) - the date the article was published - the date the commentary was written - the word count of the written commentary - the unit of the syllabus to which the article relates - the key concept being used.	Not included in the 800 words
Introduction	You are discouraged from writing a lengthy introduction. You can start by explaining or using the most relevant key economic terms and the key concept for the commentary. Also outline the underlying problem or issue mentioned in the article.	100–150 words*
Diagram(s)	At least one fully labelled diagram is expected to explain the issue in the article and to offer a framework for economic analysis. Diagrams can also be used to demonstrate solutions to the issue or problem highlighted in the published article.	Headings on diagrams of 10 words or fewer plus diagram labels of 5 words or fewer are not included in the word count limit
Explanation of the diagram(s)	A thorough explanation of the diagram(s) is (are) required, applying relevant information from the published article. As a general rule of thumb, everything included in your diagram needs to be explained.	150–200 words*



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Item	What to include	Word count limit
Analysis	You should develop the explanation of the diagram(s) and economic theory(ies) used in the written commentary. This should be written in the context of the published article <i>and</i> the key WISE ChoICES concept chosen by the student.	250 words*
Evaluation	You are expected to evaluate the application of the theory(ies) or suggested solution(s) to the problem by considering some of the unintended effects of the policy as well as prioritizing your arguments. For example, you can do this by discussing the short-run versus long-run implications and/or by explaining the economic impacts on different stakeholder groups. Make sure you include a succinct (concise) conclusion.	250 words*

* These are suggested word lengths only, and not a formal requirement by the IB.

It is not a formal requirement to include a commentary cover page as your school will need to complete the 3/CSE form prior to uploading of the portfolio of commentaries. However, many schools maintain the practice of including a front cover sheet for each commentary to ensure students comply with the rubric requirements of the IA.

A word or two about the word count limit

The IB states that the following are *not* included in the word count:

- contents page
- diagrams
- labels on diagrams of no more than five words
- headings on diagrams of no more than ten words (these must be headings only and not 'explain' anything)
- tables of statistical data (if used)
- equations, formulae and calculations (if used)
- citations (which, if used, must be in the body of the commentary)
- references (which, if used, must be in the footnotes/endnotes).

Although the IB allows footnotes/endnotes to be used for referencing purposes only, this is generally discouraged. You do not receive any additional credit for citing or referencing material beyond the article. Also note that definitions of economic terms, if used, must be in the body of the commentary and are included in the word count – even if these are placed as a footnote or endnote. The same rule applies to quotations, if used.



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Selection of appropriate articles for the IA

You should select new media articles from reliable and reputable sources from the mass media or mainstream media sources. The IB states that news articles can be from a newspaper, a journal or the internet, but they must not be from television or radio broadcasts. Well-known news sources (such as BBC News, CNN or *The Guardian*) should be used. As a general rule, do not use any news source that neither you nor your teacher has ever heard of. However, you should also be cautious about sources that have a significant focus on economics (such as *The Economist*, *Forbes*, the *Financial Times* and *The Wall Street Journal*) because these kinds of sources generally already contain economic analyses, leaving you with minimal scope to explore new ideas and demonstrate your own economic knowledge. This undoubtedly means you would be limiting your potential to gain a high score in the internal assessment.

For each written commentary, you should identify the economics **content** from the IB Economics syllabus (from Units 2, 3 or 4). You can try searching for news articles by typing in key words in an internet search engine, such as 'price ceiling', 'tariffs', 'trade war' or 'unemployment'. Some search engines, such as Google, have the option to select just news articles by clicking on the 'News' only tab.

Short articles, outlining economic issues, which have scope for economic analysis and evaluation are recommended for the economics IA. Articles where analysis and evaluation are already provided are strongly discouraged and should be avoided. For longer articles, which again are not generally recommended, you are expected to highlight the relevant sections that are important for your analysis and evaluation.

The chosen published news media article should have relevant information and/or data to be used for the analysis and evaluation. It should be contemporary and must not have been published more than **12 months** before you write the commentary.

It is preferable that the news article is written in the same language as the commentary (which usually means it is in English, French or Spanish). If this is not possible, and the IB permits articles written in any language, you must provide an accurate translation of the whole news media article *and* include the original article in the portfolio.



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Selection of appropriate topics for the IA

The table below shows some examples of relevant topics from the different units of the IB Economics syllabus that could be explored for the internal assessment. The list is by no means exhaustive.

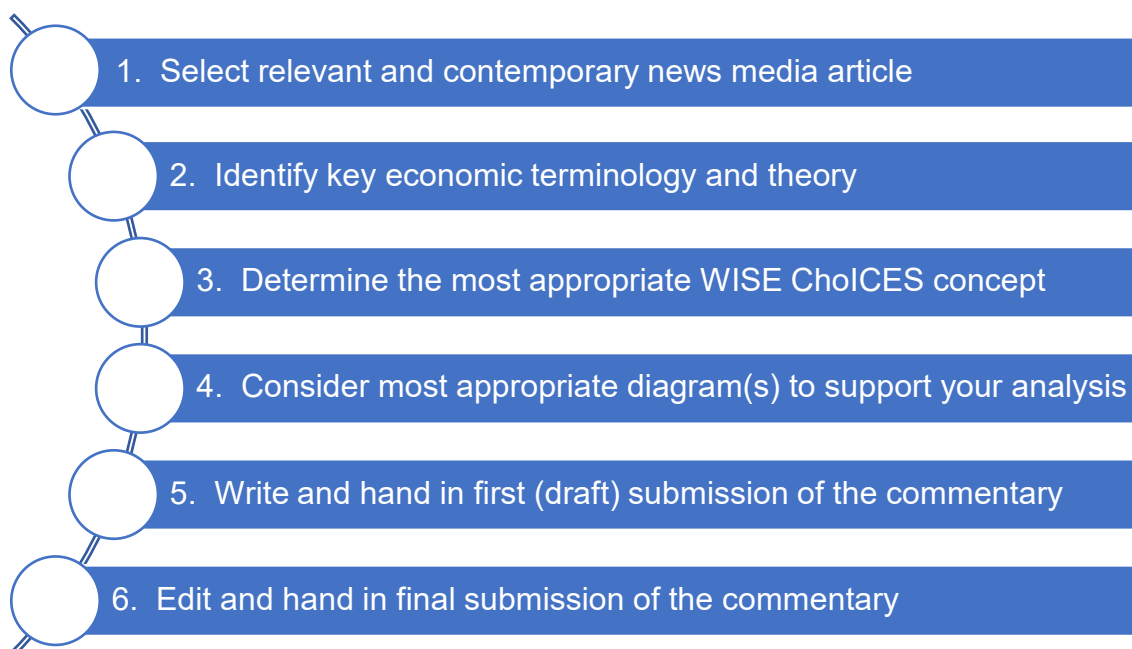
Unit	Sub-topics	Specific topic ideas (examples)
2 Microeconomics	Market failure	Vaping / tobacco / fuel / 'sin' taxes (on junk food products or sugary drinks)
	Subsidies	Electric cars / agricultural output / wage subsidies / face masks (coronavirus pandemic)
	Price floors and price ceilings	Alcohol / wage price floor / rent control / petrol (gas) / energy price ceiling
	Taxes	Cigarette tax / alcohol tax / air pollution / water pollution / carbon taxes
3 Macroeconomics	Fiscal policy	Income tax cuts / raising government spending / fiscal stimulus / expansionary fiscal policies
	Inflation	Consumer confidence / business confidence / costs of deflation / costs of disinflation / costs of inflation on different stakeholders
	Monetary policy	Interest rates / expansionary monetary policy / zero interest rate policy (ZIRP)
	Supply-side policies	Government spending on schools / infrastructure spending / expansionary demand-side policies
	Unemployment	Minimum wage / cyclical unemployment / costs of unemployment on different stakeholder groups / minimum wage rates / labour union powers / trade liberalization / unemployment benefits / income tax cuts
4 The global economy	Exchange rates	Euro / US dollar, the Chinese yuan and US dollar peg / crude oil prices / trade account deficits / current account deficits
	Foreign Development Investment (FDI)	The role of multinational companies and FDI as a growth and development strategy
	Sustainable development	The role of micro credit schemes / Aid / Debt relief
	Trade protectionist measures	Import tariffs / trade wars / trade embargoes / retaliatory tariffs / import quotas / dumping / subsidized agricultural output / export subsidies.



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Steps in writing the economics IA commentary



Vital steps in the IB Economics internal assessment

The critical first step is the selection of an appropriate news article for the IA (see above section for advice on this). You should check the suitability of your chosen article with your teacher, but it is your responsibility (not the teacher's) to select an appropriate article for the IA.

Next, you should identify key economic terms appropriate to the news article plus the most relevant economic theory or theories that can be used to explain the issue or event outlined in the published news article.

The next step is to consider the most relevant of the nine WISE ChoICES concepts that can be used as the lens by which to analyse the issue or problem highlighted in the published news article. You need to make sure you use only one of the nine key concepts (that best fits with the economic issue or problem in the article).

The fourth step is to consider the most appropriate diagram(s) which can be used to support your analysis. In all cases, diagrams must be relevant, accurate and correctly labelled, with a full explanation written in the context of the published article. You must draw or construct your own original diagrams.

You should restart this process if a suitable article cannot be found or if you cannot determine a suitable diagram that can be used to construct your written commentary.



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You are encouraged to organize your thoughts by putting all the ideas on a piece of paper or using any online organizational tool. Some teachers also use IA planning frameworks, which can be useful in supporting their students to plan the written commentaries.

Once the article, key terminology, economic theory and key concept are all determined and finalized – which you are encouraged to check with your teacher – you can start the drafting (writing) process. You will need to explain the connections between economic terms and theories linked to the published news article. You are encouraged to evaluate the theory and the solution(s) offered to the real-world issue or problem by exploring the impact of these policies, stated or inferred in the article, by explaining the economic effects on various stakeholder groups in the short and long run.

Feedback from the May 2022 Subject Report, Criterion E, makes it clear for the new course that students should not include alternative policies.

"Too often students thought they should offer suggestions as to policies that a government should use when the article was about a 'problem' or suggest alternatives when they were actually not mentioned at all in the article or they were inappropriate for the article content."

The IA is not a research project but a written commentary of a new article related to the DP syllabus.



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Understanding the assessment criteria (SL and HL)

Criterion	Commentary section	Assessment objective(s)	Marks available	Description
A	Diagrams	AO2 and AO4	3	This criterion assesses the extent to which you are able to <i>construct</i> and <i>explain</i> relevant, accurate and correctly labelled diagrams.
B	Terminology	AO1	2	This criterion assesses the extent to which you use appropriate economic terminology relevant to the article and throughout the commentary.
C	Application and analysis	AO2	3	This criterion assesses the extent to which you recognize, understand, apply and analyse economic theory in the context of the published article and throughout the commentary.
D	Key concept	AO2	3	This criterion assesses the extent to which you recognize, understand, and fully explain the link of the chosen key concept to the news article.
E	Evaluation	AO3	3	This criterion assesses the extent to which your judgements are supported by effective, balanced and reasoned arguments.
F	Rubric requirement	AO4	3	This criterion assesses the extent to which you meet the three rubric requirements for the complete portfolio of the IA: 1. Each article is based on a different unit of the syllabus (i.e. Unit 2, 3 and 4). 2. Each article is taken from a different and appropriate news media source. 3. Each article was published within the last year prior to you writing the commentary.



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Student checklist for submitting the IA

Prior to handing in your draft and final submission of each commentary, you may find the checklist below useful. Have you included the following?

Full title of the article.	
The source of the news media article.	
A copy of the article in its entirety and placed <i>before</i> the commentary.	
The hyperlink and source of the article (plus the date of access to the website if the article is from the internet).	
The date that the article was published.	
Highlighted section(s) of the article upon which your written commentary is based.	
The unit of the syllabus to which the article relates (Unit 2, 3 or 4).	
The key concept used (use only one concept per commentary).	
The word count of the commentary (no more than 800 words).	

Final top tips from the authors

1. You can develop ideas for the IA by doing research on the internet, such as searching for news items based on some of the key words and/or theories learned in recent lessons. This helps to develop your research skills and level of engagement in IB Economics.



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2. You should refrain from paraphrasing the article. Instead, explain these points in your own words to demonstrate your understanding and comprehension of the issue or problem mentioned in the published news article.
3. Both SL and HL students should dedicate approximately 20 hours of in-school time for completing the economics IA. This includes lessons/sessions with the classroom teacher for support, and time to complete the administrative aspects of signing off the completed portfolio of commentaries. The IA portfolio will also need to be electronically submitted (uploaded) to the IB.
4. In order to achieve the highest mark for Criterion A, you must use dynamic diagrams, that is, the diagrams should be used to indicate shifts/movements of relevant curves. You should use more than one diagram if there is scope to do so within the context of the article.
5. Economic terminology most appropriate to the article should be used throughout the commentary. Do not use long sentences to define all the economics terms that might be relevant, but instead save these words for your analysis and evaluation. Definitions are not a formal requirement of the economics IA, but the correct use of terminology is. Criterion B assesses the extent to which you demonstrate use of appropriate economic terminology throughout your written commentary.
6. Submission of the commentary must be the student's individual and original work. A commentary must not be prepared collaboratively as this is deemed to be academic malpractice.
7. Students will risk losing 3 marks for Criterion D if they use the same key concept in two commentaries and up to 6 marks if the same key concept is used in all three commentaries. There is no need to take this risk, given that there are *nine* key concepts and students need to complete only three commentaries.
8. There is often confusion about the use of footnotes/endnotes. These should be avoided. The only instance where these can be used is for citation and referencing (although this is not a formal requirement for the economics IA). Definitions of economic terms and quotations, if used, must be in the body of the commentary. Placing definitions, explanations or analysis in footnotes or endnotes will be included in the official word count.
9. IB moderators are instructed not to read beyond 800 words for each commentary. So, ensure that each of your commentaries does not exceed 800 words. The IB is extremely strict about word count limits as part of its overall academic integrity policy.



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10. Diagrams should be original and individually drawn. You can use hand-drawn diagrams and have these scanned into your commentary or you can construct these using computer software programs. Diagrams should be appropriate, sufficiently large, correctly labelled, clear and precise. They must also be fully explained – essentially, this means that anything and everything in a diagram should be explained.
11. A useful acronym that you can use for demonstrating evaluation in the IA is **CLASPS**. A clasp is something that holds things together, so is apt in helping you to evaluate the discussion points in the commentary. However, you do not need to include all of these components to demonstrate critical and reflective thinking:
- **Conclusion** – this should include a synthesis of the points discussed, with a decision made as far as possible.
 - **Long-run** versus short-run implications of the points discussed and the policy(ies) recommended.
 - **Assumptions** – what happens if the *ceteris paribus* assumption is removed? What does the news article *not* reveal that might be critical to the real-world issue or problem?
 - **Stakeholder** perspectives, including the winners and losers of certain issues or policy decisions.
 - **Priorities** – which of the points presented in the IA is of most significance/importance/relevance and why?
 - **Strengths and shortcomings** – there should be consideration of the advantages and limitations of the policy recommendations made.

An alternative approach to demonstrating skills of evaluation is to use the **SLAP principle**:

- **Stakeholder** perspectives – a consideration of the various stakeholder groups that gain or lose from different issues or economic policy decisions.
 - **Long-run** versus short-run implications of the points discussed and the policy(ies) recommended.
 - **Assumptions** – what happens if the *ceteris paribus* assumption is removed? What does the news article *not* reveal that might be critical to the real-world issue or problem?
 - **Priorities** – which of the points presented in the IA is of most significance/importance/relevance and why?
12. Overall, stick to the rules of the IA – the commentary should include application of relevant key terms, explanations of diagram(s), analysis of the economic issue or problem, and evaluation of the solution offered.

All the best for the completion of your internal assessments!