How can this resource help you?
This resource aims to help you with Principles of Economics Assignment 2 Applied Writing.

For security reasons, we cannot provide you with a complete model so we have just focused on one of the questions used previously with a media article as an example of how you should approach this assignment.

The ideas and suggestions given in this resource were developed by the Language, Literacies & Learning Team and Peer Assisted Study Sessions (PASS) at City West campus. We hope you find it useful.

But please remember that the sample answer given here is only an example and is not offered as being perfect! This material is intended as a teaching resource only and any misuse of it could constitute a breach of academic integrity and carry serious penalties.

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1. Overview of assignment
In this assignment, you are given a short media article to read and several questions to answer. The questions require you to analyse the situation reported in the article using economic theory, as well as supplying graphs to illustrate your explanations. For the following activities, you don’t need to read the actual media article so we will just give you the instructions and example question that accompany it:

**Instructions**
Read the article titled ‘Electricity and gas prices to jump 18% in SA’ (ABC News) and provide the analysis for the following statements in 3 different sections. For simplicity, assume electricity and gas as a single sector.

**Question**
Considering the situation of electricity market in South Australia, assume that the government has decided to intervene and introduce a price ceiling on the electricity price. Illustrate the likely impact of this government intervention on the market. Conclude your analysis with a comment on the benefits and drawbacks of the government’s maximum pricing policy.
2. Suggested plan for answering the question

This suggested sequence is a basic guide to the information and organisation you should use when referring to a supply and demand model. But the same steps may also apply with adjustment to other questions involving a graph.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mini-introduction</td>
</tr>
<tr>
<td>2</td>
<td>Draw market at equilibrium and define the equilibrium point (e)</td>
</tr>
</tbody>
</table>
| 3    | Introduce the shock to the market  
|      | a. Explain changes to Supply (S)/Demand (D)  
|      | b. Relate this to scenario & explain changes in terms of market situation |
| 4    | Explain consequences (i.e. shortage in this example) |
| 5    | Discuss if market forces can restore equilibrium |
| 6    | Refer to scenario and answer the question |

This diagram emphasises how important the relationship is between the graph and your explanation. Many students provide a graph but then don’t refer to it in their answer. So in each step of your answer, move from your discussion of the scenario to the graph and back again.
3. Deciding on the right heading

As this assignment is not an essay, you do not need to write an introduction or a conclusion. So it is a good idea to use headings to make it clear which questions you are answering. This is better than repeating the question because it not only saves your word count but shows your understanding of what the question requires.

The following examples check your ability to identify what makes a suitable heading for your answer to a question.

Read the question again and then look at the following 4 headings. Read the notes about which one would be the best heading for answering this question.

**Question**

Considering the situation of electricity market in South Australia, assume that the government has decided to intervene and introduce a price ceiling on the electricity price. Illustrate the likely impact of this government intervention on the market. Conclude your analysis with a comment on the benefits and drawbacks of the government’s maximum pricing policy.

**Possible headings to choose from:**

1. Price Ceiling
   - Too brief
2. Government decision to introduce price ceiling leads to electricity shortage
   - Sounds like a newspaper headline
3. The likely impact of the government’s decision to intervene and introduce a ceiling on the electricity price with an analysis and comment on the benefits and drawbacks of the government’s maximum pricing policy
   - Too long as well as being just a rephrase of the question
4. Analysis of the effects of a price ceiling on the cost of electricity
   - Targets the core information needed
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4. Organising your answer

It’s important that your answer is logically structured. The following brief activity checks your ability to sequence the different parts of an answer so that it is clearly organised.

Key words from the question have been highlighted in **bold**. Below is the plan for answering question 3 but it has been mixed up.

What do you think is the best order to put these different parts into? The first has been numbered for you. Please note: the information inside the boxes is in the correct order.

See the suggested answer at the end of this resource for the recommended order.

**Activity**

**Question**  Considering the situation of electricity market in South Australia, assume that the government has decided to intervene and introduce a **price ceiling** on the electricity price. Illustrate the **likely impact** of this government intervention on the market. Conclude your analysis with a comment on the **benefits** and **drawbacks** of the government’s maximum pricing policy.

**Analysis of the effects of a price ceiling on the cost of electricity**

- Discussion of **later** economic impact

- Graph
  - Draw a market
  - Define market and market equilibrium

- Discussion of **benefits**

- **1** Heading based on assignment question
5. Using academic language

Now that we’ve decided on a plan for answering the question, it’s time to look at the kind of language you could use to speculate on the likely impact of the government intervention on the market, as well as the benefits and drawbacks of the government’s maximum pricing policy, using economic theory.

We are only able to look in detail at one part of the answer. The paragraph below discusses the possible future economic impact of a price ceiling on the cost of electricity. Please remember that these sentences are not for you to copy. They are only examples of the type of language that you would be expected to use.

Modal verbs (e.g. ‘might, may, would’) are used to talk about possible action in the future. Adverbs (linking words) are used to organise information.

In order to address this problem, the government may (describe possible government response). In addition, consumers could (describe possible consumer behaviour in terms of Pm). Furthermore, some suppliers might even (describe possible supplier behaviour), which would create a black market. However, this is unlikely as (refer to economic theory to explain problems in sustaining a black market).

Adverbs (e.g. ‘likely, possibly) or nouns (e.g. ‘a likelihood, a possibility’) can be used as an alternative to modal verbs.
## Activity

**6. Suggested answer for activity**

**Activity**

<table>
<thead>
<tr>
<th>Heading based on assignment question</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Definition of <strong>price ceiling</strong></th>
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**Graph heading**

**Graph**

- Draw a market
- Define market and market equilibrium

**Explanation of initial economic impact**

**Discussion of later economic impact**

**Discussion of benefits**

**Discussion of drawbacks**