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Welcome to the final definitive EconPrep Guide for IB Economics Assessments! This is a complete, ultimate guide to all IB Economics Examination formats, written to help you excel in your IB Economics Paper 3 exam. Check out our Ultimate Guides for Paper 1 and Paper 2. This guide is targeted at HL Economics student, since it focuses solely on Paper 3. In this guide, well cover: Introduction to Paper 3 Paper 3 Marking Scheme and Rubric EconPreps Paper 3 Framework for Recommend a Policy questions. You can also download the full guide as a 24-page PDF With that, lets dive in! EconPreps thrilled to share new IB Practice Packages! Now you can enjoy quality EconPrep IB Economics resources, while being super friendly to your wallet. Tap the button to learn more. Paper 3 is a 1 hour and 45 minute policy paper worth 60 marks for HL only students. You are given 2 compulsory questions to answer. Each question is subdivided into 2 parts, (a) and (b). Questions include a mix of qualitative (written) and quantitative (numerical) formats. You are allowed to use a calculator and GDCs, but you cannot use a formula sheet/booklet. Paper 3 is worth 30% of the HL IB Economics grade. Why do Paper 3? What skills or knowledge is the IB examining in Paper 3? To understand this, we first unpack how the IB conducts its assessments. As an overview, the IB examines 3 key skillsets in students: Knowledge: Do you know and understand the Economic concepts? Application/Analysis: Can you apply these Economic concepts either to the given question, or to real-world issues, in the form of in-depth analysis? Evaluation: Can you evaluate different perspectives, and synthesise your own thoughts? These 3 skillsets are detailed as 4 assessment objectives in the IB Guide: AO1, AO2, AO3 and AO4. Knowledge and Understanding (AO1) Demonstrate knowledge and understanding of specified content Demonstrate knowledge and understanding of the common SL/HL syllabus Demonstrate knowledge and understanding of current economic issues and data HL: Demonstrate knowledge and understanding of the extension topics Application and analysis (AO2) Apply economic concepts and theories to real-world situations Identify and interpret economic data Analyse how economic information is used effectively in particular contexts In the internal assessment task: explain the link between key economic concepts and economic commentaries HL: Demonstrate application and analysis of the extension topics Synthesis and evaluation (AO3) Examine economic concepts and theories Use economic concepts and examples to construct and present an argument Discuss and evaluate economic information and theories HL: Demonstrate economic synthesis and evaluation of the extension topics HL: Select and use economic data using economic theory to make policy recommendations. Use and application of appropriate skills (AO4) Produce well-structured written material, using appropriate economic theory, concepts and terminology Produce and use diagrams to help explain economic theory, concepts and real-world issues Select, interpret and analyse appropriate external data sets Use quantitative techniques to identify, explain and analyse economic relationships EconPrep In Context: Paper 3 How do you translate these in the context of Paper 3? According to the IB Guide, Paper 3 parts (a) and (b) assess all these objectives. Paper 3 Assessment Objectives This is vague, perhaps intentionally. It doesnt help you score. Heres how EconPrep interprets the objectives, in the context of Paper 3 assessment Objective (AO) What IB Economics Examiners are Asking: AO1: Knowledge and Understanding Does this students essay content show they understand the content/concept specific to the demands of the question? How thorough is this understanding? How simply and logically are they able to show their understanding in their written essay? AO2: Application and Analysis How adequately can the student apply economic concepts and theories to real-world situations, whether real or hypothetical? Is the student able to identify nuances and/or context-specific points in their written response? Or are they simply regurgitating news and textbook content? AO3: Synthesis and Evaluation How thoroughly is the student able to examine economic concepts and theories? How well is the student able to uncover assumptions and trade-offs in the policy decisions? How accurately did the student use context to influence their recommended policy? AO4: Use and application of appropriate skills How clear and logical are the students key points? How effectively can the student construct and convey your points on paper, within a limited time? How effectively is the student able to differentiate between academic theory in textbooks, and the questions context? And the best part? The rubrics validate our hypothesis. The next section covers the rubric in detail. Skip here to view how we at EconPrep digest the Paper 3 rubric. (Source: November 2022 HL Economics Paper 3) The examples above show how IB Guide rubrics are different from rubrics in the Paper 3 exam. The IB Guide publishes a table of markbands (range of marks with descriptors). In the actual Paper 3 exam, this markband table is supplemented with a suggested markscheme. The markscheme informs examiners specific points to look out for in a students response. In short, the markscheme outlines what content you should write, while the markband table outlines how you should convey this content. The IB Guide outlines that Marks are allocated using a combination of an analytic markscheme and markbands. Hence, to maximise your Paper 3 score, you must achieve 2 tasks: Include all relevant information in your answer: Convey this information in a clear, effective and complete manner. To maximise your score based on the rubrics, you must first include all relevant information in the markscheme. To do so, you must understand the command terms used in each question. Command terms indicate the depth of response required, and what examiners look out for in Paper 3 essays. There is only 1 command term for Paper 3 exams: Recommend. Command Term Definition Recommend Present an advisable course of action with appropriate supporting evidence/reason in relation to a given situation, problem or issue. This requires you to suggest one course of action with detailed reasons and supportive evidence in relation to the issues outlined throughout the question. Unlike Paper 1 and 2 essays, notice that the rubric does not include any mentions of diagrams. Hence, you do not need to draw a diagram for Recommend a Policy questions in Paper 3. While this saves you time, it means you only have one opportunity to show detail: In your written explanation. To show detail in your written explanation, you must use a mix of economic theory from the textbook, together with evidence from the question and text. You may think of this as a shortened version of Paper 2 part (g) essays, albeit without the diagram. At EconPrep, we never recommend students memorise one golden technique or hack to answer exam questions. Rather, we highly recommend understanding best practices and adding various frameworks to your toolkit. These help you adapt your response techniques to the demands of the question, so you can convey your understanding clearly. We cover these in the next section. With years of experience analysing Paper 3s objectives, assessment rubrics and a range of students essays, weve put together a list of Best Practices for acing the Paper 3 exam. Memorise key formulas and understand their applications. While Paper 3 is a policy paper, there are plenty of calculation-based questions too. Note that no formula booklet will be provided for Paper 3. Show your workings clearly even in your practice papers or exams. Always include units in your calculations! Make this a habit early. Familiarise yourself with the IB Command terms. Plan graphs and charts while practising, so you get a feel of time taken and its approach before the exam. Learn to interpret tables, graphs and charts to identify trends and anomalies. For policy questions, always how certain policies are explained and recommend policies. Practise (hand)writing your evaluations. This helps you structure your points clearly and enable you to get a feel for how writing in the exam feels like. Before Writing Use reading time wisely. Unlike previous papers where you use your reading time to select questions, use reading time to understand the overarching context of each question, so you spend less time trying to recall this when you need to recommend a policy. When Writing For part (a) questions, 1 mark = 1 written point. Structure your responses accordingly. Answer both questions for Paper 3 you dont have a choice of questions here. Write in the boxes provided. Ask for additional paper if you need more. Do not cut corners here, its a terrible feeling to get marks reduced because of this. EconPrep breaks down best practices for each question type. Part (b) Tests AO1, AO2 and AO4: knowledge and understanding, application and analysis, and use of appropriate skills. To enjoy full marks per question, write the equivalent number of written parts or key phrases per question. Be detailed and specific. Show all working clearly. Round off to 2d.p. only at the final answer. 2d.p. means two digits after the decimal point. Error carry forward or Own figure rule applies here. This means that even if your final number is incorrect, you may be awarded method marks if you show your working. Hence show all your workings clearly. Include all units correctly. Strive to score full marks for parts (a). Its ok to spend more time on these to maximise probability of scoring full marks here. Part (b) Tests AO1, AO2, AO3 and AO4: knowledge and understanding, application and analysis, synthesis and evaluation, and use of appropriate skills. Focus on clarity and structure, instead of overwhelming/flooding the reader with theory and details. Use the PEEL format. EconPrep Paper 3 Recommend a Policy Framework provides a structure you can adopt. Recommend only one policy. You do not need a diagram for Paper 3 part (b) questions. Recall that if you draw a diagram, you need to spend additional time explaining it, which could have been used to evaluate your policy more effectively. Remember the examiner is not scoring your ability to regurgitate/memorise from the textbook. The examiner is scoring your ability to use relevant theory and make evaluations based on the real information given in the article. With each question type objective covered, below we share a key Paper 3 framework to address Recommend a Policy questions. Part (b) question in Paper 3 invites you to recommend a policy to address an issue presented in the question. The IB Guide defines recommend as to present an advisable course of action with appropriate supporting evidence/reason in relation to a given situation, problem or issue. Step 1: Ask before Writing What is the actual issue/problem in this question? What policies have I learnt to address this issue? Of these policies, which is the best for this questions context, and why? Step 2: State and Explain State and fully explain an appropriate policy. An explanation entails a definition, and briefly writing how the policy will solve the questions issue/problem. Important: Give only 1 policy! Do not assume that writing more policies = a higher score. Examiners are specifically instructed to only mark the best policy, if a few are given. Step 3: Elaborate Support your recommended policy with relevant economic theory; remember to combine information from text (use quotes ) with your knowledge of Economic theory. Unlike Paper 2, there is no need to draw a diagram at all in Paper 3 part (b) questions. Step 4: Evaluation Evaluate key concepts/policies via CLASP in context of articles information and data. Evaluation must be (1) balanced and (2) effective. Learn more in our commentary. Step 5: Conclusion End off with a reasoned argument of how your recommended policy is best to address the questions issue/problem, based on your response above. Summary Reasoned argument Evaluation! Learn more in our commentary. Want to Learn More Frameworks? Learn over 10 sets of IB Economics frameworks for Papers 1, 2 and 3 when you join EconPreps Crash Courses or Tutoring cohorts. These frameworks build on our free resources, and are perfect if you need that extra push and personalised guidance. If not, our free resources are enough to help you ace your exams. Want more free resources or information about us? Check us out here! You have 5min reading time + 1h 45min (105min) to answer 2 questions. Hence, you have ~50min to answer each question (both parts a and b). Allocate more time to scoring most marks for part (a). EconPreps recommendation: Reading 5min reading time Writing Q1 Part (a) 30min Writing Q1 Part (b) 20min Writing Q2 Part (a) 30min Writing Q2 Part (b) 20min You do not need to follow this recommendation. Budget your time based on what works for you. Know the Quantitative Techniques: Master all formulas and calculations required in the syllabus, such as PED, GDP deflator, and Gini coefficient. Ensure you know how to sketch and plot different diagrams. Analyze past Paper 3 questions by: Understanding recurring themes: Review multiple years of past papers to identify frequently tested topics. Time yourself by: Setting a timer: Allocate 30 minutes for parts (a), and 20 minutes for part (b). Avoiding distractions: Treat each practice session as if it were the real examno phones, no interruptions. Tracking your progress: Note how long you take for each part and aim to improve your efficiency without sacrificing quality. Review feedback by: Spotting patterns in examiners feedback: Use examiner reports (if available) to understand common mistakes and learn what high-scoring answers look like. Focusing on tricky areas: For example, students often struggle with Part (b). Use past papers to develop this skill. Use IB mark bands: Refer to the Paper 3 rubrics while reviewing your answers. Assess yourself against each level to see where you stand. Pay attention to careless mistakes, or calculations which you find yourself frequently tripping up on. Check key elements: Ask yourself: Did I fully define and explain my recommended policy? Is my explanation logical and connected to the questions context? Did I quote and use evidence or data from the question effectively? Did I provide my own perspectives and inputs for Part (b), beyond what is shared with me in the article and from the textbook? Be objective: While self-marking, put yourself in the examiners shoes. Its better to grade yourself slightly harshly than too leniently. Analyze mistakes: Note recurring errors, like mislabeling diagrams, incomplete evaluations, or weak links between theory and the article. Set improvement goals: For example, if you struggle with evaluation, practice writing structured IT depends on statements in your next session. Track progress: Keep a log of your scores for practice essays and aim for consistent improvement. Understand structure: Observe how answers transition smoothly between points and end with a clear conclusion. Compare to your work: Identify gaps between your answers and the model to refine your technique. Learn talking points: For policy questions, always how certain policies are explained and evaluated, and if there are any trade-offs being made in its selection and implementation. Rewrite in your own words: After reviewing a model answer, rewrite it using your style and examples to internalize the structure. Avoid over-reliance: Use model answers as a guide, not a script. Your answers should reflect your understanding, not mimicry. Work in Study Cycles: Dedicate blocks of time to specific sections (e.g., 1 hour on practising calculations) to ensure balanced coverage of the syllabus. Collaborate with Peers: Share and discuss answers with classmates or your tutor to gain new perspectives and constructive feedback. Review Core Concepts: Regularly revisit key theories, definitions, and diagrams to keep them fresh in your mind. Use Online Resources: Check out other platforms like IB-specific forums, YouTube (EconPreps YouTube), and economic news outlets to learn fresh insights and examples. Ambiguity in questions exists due to tricky phrasing, which could confuse you (especially in an exam setting). To overcome this, focus on key demands of the question. Start by paying attention to what the question wants you to solve for, especially for calculation questions. Break the question into smaller parts. For example: What theory or concept is being tested? Does the question require diagrams, examples, or both? If unsure, revisit the syllabus to ensure your response aligns with the topics learning outcomes. Practice paraphrasing questions during revision to train your brain to reframe ambiguous phrasing into clearer terms. When the question involves evaluation (Part b), provide detailed analysis on one or two key points rather than a superficial overview of many. When to Prioritize Breadth: Use breadth for evaluation to consider multiple perspectives, especially material that is not explicitly mentioned in the question. For example, when discussing fiscal policy, mention short-term and long-term impacts, stakeholders, and external constraints. Burnout is a very real issue during the IB journey. Some techniques to manage burnout (that have worked for me) include: Using Effective Study Techniques: Pomodoro Technique: Study for 25 minutes, then take a 5-minute break. After 4 cycles, take a longer 15-30 minute break. Active Recall and Spaced Repetition: Regularly quiz yourself on key terms, formulas, and theories. Use Flashcards or apps like Anki. Mind Mapping: Create visual mind maps to connect concepts like supply, demand, elasticity, and market structures. Rotate between topics to prevent monotony and ensure well-rounded preparation. Taking Meaningful Breaks: Step away from study materials during breaks. Engage in activities like walking, stretching, or listening to music. Practice mindfulness techniques such as deep breathing to reset my focus. Avoid using breaks for passive scrolling on social media, as it may lead to distractions. Recognizing and Managing Stress: Notice early signs of burnout, such as difficulty concentrating, irritability, or physical fatigue. Seek support from peers, teachers, or tutors if Im struggling with a particular topic or feeling overwhelmed. Remember that consistency matters more than perfection. Its better to have a solid grasp of 90% of the syllabus than to overstress about mastering everything. Crafting Clear Evaluations Use frameworks like IT depends on and Assuming that to ensure your evaluation shows depth. Compare perspectives, such as short-term vs. long-term impacts or the views of different stakeholders (e.g., consumers vs. producers). Stationery Essentials: Pens: Bring at least two black or blue pens. These are the only acceptable colors for the IB exam. Pencils: Keep sharpened pencils for diagrams. Eraser: A clean eraser is crucial for amending diagrams without leaving marks. Ruler: A small, straight ruler ensures neat and accurate diagrams, which can impress examiners. Transparent Water Bottle Watch: Use a simple analog watch to manage your time effectively. Smartwatches are not allowed. Admission Slip: Double-check that you have the necessary identification and paperwork required to enter the exam hall. Remember your school and individual ID. Breathe: If you feel anxious, pause for a moment and take deep breaths to steady yourself. Break Down the Task: Remember, Paper 1 is just two parts. Focus on each part as a small goal rather than the entire paper. Focus on What You Know: Answer the parts of the question youre confident about first to build momentum. Stick to a Plan: Spend 2530 minutes on Part (a) and 4045 minutes on Part (b), leaving 510 minutes to review your answers. Track Time: Check your progress after every 20 minutes to ensure youre on schedule. Dont Dwell: If stuck on a part of the question, move on and return later if time permits. Formulas and Graphs: Ensure you can recall all formulas, and plot critical diagrams such as AD-AS Curve. For macroeconomic analysis. PPC (Production Possibility Curve): For opportunity cost and efficiency. Elasticity Diagrams: PED, PES, etc. Market Structures: Perfect competition, monopoly, and monopolistic competition diagrams. Definitions: Review precise definitions for frequently used terms (e.g., opportunity cost, inflation, elasticity). Starting your answers with accurate definitions sets the tone for a strong response. Before Entering the Hall Arrive Early: Reach the venue at least 30 minutes early to settle any logistical issues and calm pre-exam jitters. Avoid Overloading Your Brain: Avoid cramming new information; instead, briefly skim through key notes. During the Exam Read Questions Carefully: Spend 23 minutes analyzing the question to ensure you fully understand the requirements. Write Clearly: Examiners appreciate legible handwriting and well-organized answers. Stick to the Plan: Stay focused and follow your time allocation plan to avoid rushing. After the Exam Reflect, Dont Stress: Avoid discussing the exam immediately after; focus on resting and preparing for the next paper. YearGDP (bn of \$) Total Investment (bn of \$) 2010 110252011 1110252012 1120302013 130032014 141404(a) Calculate the average growth rate of GDP from 2010 to 2014. The average growth rate of GDP from 2010 to 2014 is (140/100)(1/5) 1 = 0.08 or 8%. (b) Calculate the average growth rate of total investment from 2010 to 2014. The average growth rate of total investment from 2010 to 2014 is (140/200)(1/5) 1 = 0.09 or 9%. (c) Use the data to calculate the average investment rate (i.e. the ratio of total investment to GDP) for the period 2010 to 2014. The average investment rate is (20 + 25 + 30 + 35 + 40) / (100 + 110 + 120 + 130 + 140) = 0.23 or 23%. (d) Explain the relationship between the growth rate of GDP and the growth rate of total investment. The growth rate of GDP and the growth rate of total investment are both positive and close to each other, which suggests that total investment is positively related to GDP growth. In other words, as total investment increases, GDP also increases. 4) Solve the following: Table 1 Price of Product Y (\$) Quantity Demanded of Product Y 2010 15 2011 15 2012 15 2013 15 2014 15 Table 2 Income (\$) Quantity Demanded of Product Z 2000 100 2005 100 2010 100 2015 100 2020 100 (a) Using the data from Table 1, calculate the price elasticity of demand for Product Y. Show all calculations. PED = % change in quantity demanded / % change in price The elasticity of demand between \$20 and \$15 is -25% / 20% = -1.25(b) What does your calculation in (a) suggest about the responsiveness of demand for Product Y to changes in its price? The price elasticity of demand between \$20 and \$15 is -1.25 which means that the demand for Product Y is inelastic to changes in price. It implies that a small change in price causes a proportionally smaller change in the quantity demanded. This suggests that the consumers of Product Y are less responsive to changes in the price of the product. (c) Using the data from Table 2, calculate the income elasticity of demand for Product Y. Show all calculations. YED = % change in quantity demanded / % change in income The elasticity of demand between \$20,000 and \$25,000 is 20% / 25% = 0.8(d) What does your calculation in (c) suggest about the relationship between consumers incomes and the demand for Product Y? The income elasticity of demand between \$20,000 and \$25,000 is 0.8, which means that the demand for Product Y is relatively elastic to changes in consumers income. This suggests that as consumers incomes increase, the demand for Product Y will also increase relatively in proportion. (e) Using the data from Table 3, calculate the cross-price elasticity of demand for Product Y with respect to Product Z. Show all calculations. XED = % change in quantity demanded of Product Y / % change in price of Product Z The cross-price elasticity of demand between \$5 and \$10 is 9.3% / 50% = 1.8(10) What does your calculation in (e) suggest about the relationship between Product Y and Product Z in terms of their substitutes or complements? The cross-price elasticity of demand between \$5 and \$10 is 0.13 which is relatively low, this suggests that products Y and Z are not strong substitutes or complements. It implies that a small change in price of Product Z causes a small change in the quantity demanded of Product Y. (g) Explain how government policies such as subsidies or taxes can affect the price elasticity of demand and government policies such as subsidies or taxes can affect the price elasticity of demand in several ways. Subsidies: A subsidy is a direct payment from the government to producers or consumers of a good or service, which reduces the cost of production or the price of the good or service. Subsidies can have an effect on the price elasticity of demand by making the good or service more affordable for consumers. This can result in an increase in quantity demanded and a decrease in the elasticity of demand, making the demand more inelastic. For example, if the government provides a subsidy to farmers producing a certain crop, the cost of producing that crop will decrease. This will result in a decrease in the price of the crop and make it more affordable for consumers. As a result, the quantity demanded for the crop will increase and the price elasticity of demand will decrease, making the demand more inelastic. Taxes: A tax is a mandatory payment to the government imposed on producers or consumers of a good or service, which increases the cost of production or the price of the good or service. Taxes can have an effect on the price elasticity of demand by making the good or service less affordable for consumers. This can result in a decrease in quantity demanded and an increase in the elasticity of demand, making the demand more elastic. For example, if the government imposes a tax on a certain product, the price of the product will increase, and make it less affordable for consumers. As a result, the quantity demanded for the product will decrease and the price elasticity of demand will increase, making the demand more elastic. It is important to note that while subsidies and taxes can affect the elasticity of demand, other factors such as availability of substitutes, consumer income, consumer preferences also play a crucial role. The impact of government policies on price elasticity of demand will depend on the unique characteristics of the good or service in question, as well as the specifics of the policy itself. In the Past Papers section, you will find full worked solutions to the questions asked on previous IB Economics HL (Higher Level) Exams. Within each video, an experienced IB teacher will guide you through the solution, step-by-step. Current Curriculum: 2024/2025/2026 specimen Exams: The Revision Village Members/Revision Village is ranked the #1 IB Math Resources by IB Students & Teachers. Revision Village students scored 34% greater than the IB Global Average in their exams (2021). More and more IB students are using Revision Village to prepare for their IB Math Exams. Frequently Asked Questions: Each year, in either May or November, IB students around the world sit their end of IB Diploma Program (IBDP) final exams. Once these exams are held, the exam papers (called Past Papers after the exams have been completed) can be used by future students to prepare for their final exams (and so on after that). Hence, Economics HL Past Papers are exam papers from prior years, sat by students who undertook the IB Economics Higher Level course. IB Econ HL Past Papers are also commonly used as practice exams in IB Schools. Utilising IB Economics Higher Level Past Papers is an effective strategy to prepare for final exams, as it provides students with guidance on the types of questions they will encounter, and the length and difficulty of the exam papers. If you are an Econ HL student preparing for your upcoming exams, its recommended that one of your revision techniques is reviewing and practising IB Economics HL Past Papers. A common difficulty IB students encounter when revising with IB Econ Higher Level Past Papers is how to actually answer the exam questions. In addition, the official mark schemes accompanying the papers are often difficult to understand, or dont show all the working steps on how to reach the final answer (the mark schemes are designed for the markers of exams, not the students). Revision Village supports Economics HL students by providing high-quality video tutorials to every IB Econ HL Past Paper question, including all sub-parts. The video tutorials to the Economics HL Past Papers are taught by experienced and expert IB Economics teachers who are passionate about teaching concepts in a simple, intuitive and engaging manner. It is likely that your school will have access to all of the IB Economics HL Past Exams. It is therefore recommended that students ask their Economics teacher or IB Coordinator for copies of the exam papers and mark schemes. Alternatively, Econ HL Past Papers can be purchased from the Follett IB online store or commonly found by searching IB Resources Past Papers in Google search. There is very little time to write the 10 mark response for paper 3 IB Economics. But how do you write a 10 mark response in under 20 minutes? Below I have written my model answer to a 10 mark paper 3 question. There is also advice on structure and timing. For more IB Economics tips, check out the link below: How to get a 7 in IB Economics HL 10 top tips The key criteria to do well on the 10 mark question for paper 3 are: Recommend and completely explain one policy Analysis Terminology Use information from text and data to support analysis and evaluation Balanced and effective evaluation and synthesis (a conclusion) The global economy has witnessed rising food prices in 2022. [For more information on food prices in 2022 globally, see the link here]. For the purpose of this question, consider the fictional country Vizioa, a developing economy where wheat is very important for the typical diet. The price elasticity of demand for wheat is -0.60 in Vizioa. Food prices have risen 20% in 2022 in Vizioa. This particularly hits the poorest income groups the hardest. Food spending makes up 40% of spending for the poorest 10% of households in terms of income, but only 10% of spending for the richest 10% of households. Wheat is a key input for products such as bread, pasta and pastries. But, depending on the variety of wheat, it can take over half a year to grow. Using the data and your knowledge of economics, recommend a policy that the Vizioan government could use to control rising food prices (10 marks). Here is a quick plan for the answer: Maximum price Supply and demand to show effect of maximum price Effect on input prices falling making other foods cheaper Evaluation response of suppliers and black market Conclusion successful given the PED and PES! I recommend the Vizioan government sets maximum price on grains, including wheat and barley. A maximum price sets a legal limit on how high the price can go, to prevent the price rising above that particular limit. The maximum price is set at p1, below the free market equilibrium price p. So the price of grains falls from p to p1. This benefits consumers who can buy the good at a lower price. Each consumer who can still buy grains pays (p-p1) less for each unit of grain so this reduces the extent of poverty in Vizioa, as particularly the poorest income group. food takes up 40% of spending as in the extract. Maximum price in the market for grain Grains are also an input into producing other products. The extract states wheat is used as an input for bread, pasta and pastries. So a maximum price on grains reduces business costs, so there is an increase (shift right) in supply of goods containing grain. This reduces the price of these grain-containing goods, further reducing prices and increasing consumer welfare. However the maximum price may lead to a shortage of grains. Consider the diagram for the market for grains again. At price p1, demand exceeds supply by q1-q2. This means that only quantity q2 is sold rather than quantity q. This means the maximum price creates a welfare loss, which is the green shaded area. As a result, consumers may look to unofficial markets to buy grain, where the price is higher. These illegal actions would undermine the price cap, making it less effective as the price would still effectively be at p. The maximum price on grains is likely to be effective in lowering prices not just for grains but food more broadly. But the overall effectiveness depends on the extent of any shortage. The price elasticity of demand (PED) for wheat is inelastic because it is a necessity, with the extract confirming a PED of -0.6. The price elasticity of supply for wheat is likely to be inelastic in the short run as it takes time to produce wheat, over half a year for some varieties according to the extract. Therefore the size of any shortage is likely to be small. This answer does everything to achieve a top answer. Specifically the answer selects one policy, analyses it using a diagram, evaluates and concludes. Therefore the answer is likely to score full marks or close to it. Several other points are possible. This includes market power or the level of the maximum price. You could even select other policies like subsidies. Key errors I typically see include: Overwriting remember there is an opportunity cost to writing extra for a 10 mark question. You forgo time spent elsewhere in the paper. Not recommending a policy or recommending multiple policies. Not referring to the data or extra given. Each 10 mark question is one-sixth of the total marks available for paper 3. For paper three you get a total time of 1 hour 45 minutes. Proportionally that means you should spend 17 minutes, 30 seconds on each 10 mark question. Thats not much time at all. So you cannot write an extended essay like in paper 1. If you are quick with the shorter answer questions, you can spend a little more time here (so you can take 20 minutes per 10 mark question). But do not neglect the other questions. Your answer should have four key sections: Definitions and policy recommendation. Analysis, include a diagram where appropriate. Evaluation Conclusion To see more IB Economics HL advice, check out the links below: Example 15 mark model answer in style of IB Economics Paper 1 part (b) Example 10 mark model answer in style of IB Economics Paper 1 part (a) How to get a 7 in IB Economics HL 10 top tips Tom Furber Helping economics students online since 2015. Previously an economist, I now provide economics resources on tfruber.com and tutor A Level Economics students. Read more about me here. Taking the IB Economics exam will be nerve-wracking no matter what. However, taking practice tests with past papers beforehand will be a huge advantage since you'll get a sense of the test format and be used to the length and style of these past versions. In this guide, well familiarize you with the IB Economics assessment updates and let you know where to find past papers, both free and paid. Well also give you tips on how best to use these IB Economics past papers for your preparation. IB Exams and COVID-19 Because of the ongoing COVID-19 (coronavirus) pandemic, the IB has decided to extend the adaptations which were put in place for 2021 to 2022. May 2022 IB assessments will have two routes, exam and non-exam, depending on which your school chooses. Currently, IB assessments are expected to return to normal for 2023. Stay up to date with the latest information on what this means for IB diplomas, course credit for IB classes, and more with our IB COVID-19 FAQ article. IB Economics Exam Updated in 2022 In 2020 the IB program changed the design of their Economics course. For the past two years however, the Economics assessment has stayed the same. 2022 will be the first year that the new Economics test will be used. The idea behind the assessment change is to reflect the more holistic nature of the course curriculum that was unveiled in August of 2020. Since then the course has included a section on the global economy in addition to Micro and Macroeconomics, and has revolved around nine key concepts: Scarcity Choice Efficiency Equity Information Well-being Sustainability Change/Interdependence Intervention These concepts are used to connect and organize the groups of theories, ideas, tools, and facts taught throughout the course according to patterns of similarities and differences. Learning the interconnected and dynamic nature of economics, with these concepts as the links, is now the primary focus of the course. The revised version of the Economics assessment is meant to test students critical understanding of this interconnectivity and their ability to think like economists. Paper 1 will now be a long-response paper that assesses the whole course, Paper 2 asks students to work with new qualitative and quantitative data from case studies and real-life situations. And for HL students, Paper 3 will involve analyzing and evaluating economic relationships to give sound economic policy advice like a professional economist would. Unfortunately, these test revisions mean that there currently arent any free and official past papers that you can use that will exactly reflect these changes. But that doesnt mean you dont have study options! Past papers will still allow you to practice your test-taking skills, become familiar with crafting answers in the time frame, and see the way that questions are generally worded. The questions on past papers will be more focused on specific points in isolation than questions on the new test will be, so be sure to keep that in mind when using them and make plenty of extra connections in your practice responses! Where to Find Official Free IB Economics Past Papers In recent years, the IBO has questioned down on past papers (illegally) uploaded outside of the IBO store, which means a lot of sources for free past papers have disappeared. At the same time, IBO has not uploaded any free sample past Economics papers on its website. (If and when IBO decides to make free IB Economics past paper resources available, well be sure to update this article.) Therefore, we dont recommend using just any old thing that comes up when you search for IB economics past papers online. Thats because these papers have not been released directly by IBO, so there's no guarantee they are real past papers (illegally uploaded); instead, they could be unofficial past papers that are not clearly labeled as such. That said, some of these unofficial resources are better than others (i.e. more likely to be real tests or real specimen papers that were illegally uploaded). You can find tons of Economics specimen papers at ibresources.org, and some that at least replicate real exams = Free Cambridge, ranging all the way from the 90s to 2019. The test timing listed on these is incorrect, so be sure to time yourself according to the actual amount of time you'll be given for each paper. Some IB Economics tests will cost you a little cash. But if you need a little extra practice for the IB Econ exam, then this is a good option. Where to Find Paid IB Economics Tests You can find official IB Economics study resources, including practice questions, on the IB Follett online store. It's not the easiest site to navigate, but if you search "economics exam paper" or "economics markscheme" you'll be able to browse the various study resources available. Typically, each exam paper with markscheme will cost you \$7.99. Purchasing all papers and markschemes for the single most recent test will cost you between \$16-24. Older papers are sold separately from their markschemes, but purchasing each individually costs about the same per exam paper. Buying all the Economics exam papers and markschemes currently available in the IBO store will run you close to or over \$100 (for SL and HL, respectively), so we recommend only purchasing the two most recent complete sets of past papers (currently November 2021 and November 2020). In combination with good notes and study guides, two sets of practice papers should be plenty for most students. Do not spend this much! 3 Tips to Use IB Economics Past Papers Effectively Each full IB Economics practice test will take you three hours for SL or four hours for HL, so you need to be making the most out of each test. Some important tips to remember when you're doing the practice tests: Tip 1: Take Papers 1 and 2 (and 3, for HL) on Different Days The IB Economics test takes place over two days/for the most accurate picture of how you'll perform on the real exam, you need to write practice papers the same way. Don't take all of the papers back to back. Take Paper 1 one day, and Paper(s) 2 (and 3 for HL) another day. Using this real testing schedule will help you feel comfortable and prepared for the real papers. Tip 2: Time Each Paper Exactly It's critical that you can handle the timing pressures of this test. The exact time allowed is: IB Economics SL/IB Economics SL Paper 11 hour 15 minutes IB Economics SL Paper 21 hour 45 minutes IB Economics HL/IB Economics HL Paper 11 hour 15 minutes IB Economics HL Paper 31 hour 45 minutes To get a sense of what you'll be expected to do in this time frame, check out the program information briefs for IB Economics SL and IB Economics HL. Both include information about the new assessment model and a few sample questions. Here are the sample questions for the IB Economics SL paper: Key to symbols HL = Higher level, SL = Standard level M = Markscheme/marking notes = Available in language indicated, = Available in English only Paper titles in blue denote a link to the relevant listening comprehension audio track (MP3) HL SL M Business management paper 1 TZ1 - Business management paper 1 TZ1 - Business management paper 1 TZ2 - Business management paper 1 TZ2 - Business management paper 1 case study - Business management paper 2 TZ1 - Business management paper 2 TZ1 - Business management paper 2 TZ2 - Business management paper 2 TZ2 - Economics paper 1 TZ1 - Economics paper 1 TZ1 - Economics paper 1 TZ2 - Economics paper 1 TZ2 - Economics paper 2 - Economics paper 2 - Economics paper 3 - Geography paper 1 question booklet - Geography paper 1 question booklet - Geography paper 1 resource booklet - Geography paper 2 question booklet Geography paper 2 resource booklet - Geography paper 3 TZ1 - Geography paper 3 TZ2 - Global politics paper 1 Global politics paper 1 Global politics paper 2 - Global politics paper 2 - History paper 1 question booklet History paper 1 text booklet - History paper 2 TZ1 History paper 2 TZ2 History paper 3 (history of Africa and the Middle East) - History paper 3 (history of Asia and Oceania) - History paper 3 (history of Europe) - History paper 3 (history of the Americas) - ITGS paper 1 - ITGS paper 1 - ITGS paper 2 question booklet TZ1 ITGS paper 2 question booklet TZ2 ITGS paper 2 text booklet TZ1 - ITGS paper 2 text booklet TZ2 - ITGS paper 3 - ITGS paper 3 case study - Philosophy paper 1 TZ1 - Philosophy paper 1 TZ1 - Philosophy paper 1 TZ2 - Philosophy paper 2 Philosophy paper 3 - Psychology paper 1 TZ1 - Psychology paper 1 TZ1 - Psychology paper 1 TZ2 - Psychology paper 1 TZ2 - Psychology paper 2 - Psychology paper 2 - Psychology paper 3 - Social and cultural anthropology paper 2 - Social and cultural anthropology paper 2 - World religions paper 1 - World religions paper 2 - Paper 3 consists of two questions that come from all units of the syllabus. Students must answer both of questions and will have 1-45 minutes to do so. Paper 3 is taken only by High Level and is worth 30% of their composite score. Each question on the paper has two parts and its own examination booklet for your answers. Students may use a calculator and all numerical answers require whole numbers or two decimal places. For part (a) (-viii), students will be given material graphs, data sets, a short article, from which they will base their answers. Questions will ask for definitions, calculations or explanations. Part (b) is the evaluation question which asks students to provide a policy recommendation based on the information they have provided by using appropriate evidence to support their answers. The exam starts with a five-minute reading period that students can use to plan their approach to answering the both questions.

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