

Treatment of the topic

Research question

Choosing a research question that is made up of more than one question (a “double-barrelled” research question) is unlikely to result in a successful essay—eg “Does Company X practice monopolistic behaviours and, if so, how does it help the firm to increase revenues” or “What is the effect of European interest rate policy on aggregate demand in Greece and what should the government do to increase aggregate demand?”

In the first example, the answer to the first part of the question must be affirmative in order to proceed with the essay. If not, the second part of the question cannot be answered.

In the second example, the scope of the essay is simply too wide.

The answer to the research question should not be self-evident. There must be scope to research the question and weave together an argument that is not obvious from the outset. For example, “To what extent is the market for mobile phone service in Country X an oligopoly” would not be appropriate when it is obviously an oligopoly as there are only three firms.

Research methods

Students can base their essay solely on secondary sources. They can also choose to undertake primary research.

Secondary sources

Students should consult a good range of secondary resources, including:

- economics textbooks
- general economics books
- research from think tanks such as the OECD or the New Economics Foundation
- government publications
- publications from international organizations such as the World Bank or UN bodies
- newspaper and magazine articles.

Primary research

For certain topics, primary research may enhance the approach, including:

- interviews
- surveys
- questionnaires.

Interviews with experts (face-to-face, virtual or electronic) in a given topic can be very beneficial, for example:

- university lecturers
- journalists

- government officials
- business people.

Where students undertake primary research, they must approach it in an academic manner.

- They must construct any surveys or questionnaires so that they gather meaningful, relevant data.
- Sample sizes must be large enough to generate statistically significant results.

When students have carried out surveys or questionnaires, they must:

- explain the process in their essay (How many people? Who? Where?)
- summarize and analyse the relevant results.

Pages of pie charts summarizing survey results are rarely appropriate.

Questionnaires based on speculative, anecdotal responses rarely, if ever, generate appropriate data and should not be used.

Use of theory

Students should integrate relevant economic theories, models and tools with the evidence obtained by the research throughout the essay. The theory should not be presented as a separate section. An essay that delivers the theory as a separate section of the essay and does not apply it to the specific research question is unlikely to be successful in terms of analysis.

Students should never make assertions using economic theories, models and tools if they cannot meaningfully link these theories to their case study with supporting data or evidence.

Students can demonstrate their skills of analysis and evaluation by judging the extent to which a theory is valid or useful in answering the research question.

Examples of topics, research questions and suggested approaches

Once students have identified their topic and written their research question, they can decide how to research their answer. They may find it helpful to write a statement outlining their broad approach. These examples are for guidance only.

Topic	Policy of plain cigarette packaging in reducing the negative externalities of cigarette consumption in Country X
Research question	How effective has Country X's policy of plain cigarette packaging been in reducing the negative externalities associated with the consumption of cigarettes in Country X?
Approach	<p>Theory to be researched in depth:</p> <ul style="list-style-type: none"> • Negative externalities of consumption. <p>Data to be gathered through secondary research (medical data, government data, newspaper articles):</p> <ul style="list-style-type: none"> • External costs associated with smoking before the policy. • Changes in external costs since the policy. • Information concerning the government's reasoning/objectives. • Information concerning changes in consumption of cigarettes. <p>Possible primary research:</p> <ul style="list-style-type: none"> • Surveys/questionnaires to try to assess the extent to which consumption patterns were affected, trying to divide the market into different categories: long-term smokers, shorter-term smokers, young people who may be influenced before taking up smoking. • Interview with a government official, health economist or newspaper reporter covering the issue.

Topic	Company X's abuse of monopoly power in the fast food industry of Country Y
Research question	To what extent does Company X abuse its monopoly power in the fast food industry in Country Y?
Approach	<p>Theory to be researched in depth:</p> <ul style="list-style-type: none"> • Positive and negative outcomes associated with monopoly power. <p>Data to be gathered through secondary (or primary) research:</p> <ul style="list-style-type: none"> • Positive "behaviours" of Company X in terms of pricing, innovation, corporate social responsibility in Country Y. • Negative "behaviours" of Company X in terms of pricing, lack of innovation, anti-competitive behaviour in Country Y. • Articles in the newspapers about company activity. <p>Possible primary research:</p> <ul style="list-style-type: none"> • Interviews with customers to ascertain consumer satisfaction. • Email questions to representative of the country's competition commission to gather information about the company's competitive behaviour.

Topic	Relationship between the official inflation rate of Country Y and wages of international school teachers in City X
Research question	To what extent has the official inflation rate offered an accurate way to adjust the wages of international school teachers in City X over the past four years?
Approach	<p>Theory to be researched in depth:</p> <ul style="list-style-type: none"> • How is inflation calculated in Country Y? • What are the limitations to the accuracy of official inflation figures? <p>Data to be gathered through secondary research:</p> <ul style="list-style-type: none"> • Composition/weighting of Country Y's consumer price index (CPI). • Changes in the country Y's CPI in the period in question. <p>Possible primary research:</p> <ul style="list-style-type: none"> • Interview with an HR representative of an international school in City X on how wages are determined; in particular, what is the role of the CPI? • Surveys/questionnaires to determine the weighting of items in an "average" international school teacher's basket of goods and services.

Topic	Impact of mobile telephones on economic development in Country Y's Market Town X
Research question	How has the increased use of mobile telephones contributed to economic development in a developing country market town?
Approach	<p>Theory to be researched in depth:</p> <ul style="list-style-type: none"> • Theories of economic development. • Characteristics associated with economic development. • The theoretical advantages of the use of mobile phones in developing countries. <p>Data to be gathered through secondary research:</p> <ul style="list-style-type: none"> • Challenges in the functioning of markets in Country Y prior to availability of mobile technology (NGO reports). • The ways in which mobile phones have changed the functioning of markets in Country Y and Market Town X (NGO reports, newspaper articles). <p>Possible primary research:</p> <ul style="list-style-type: none"> • Interviews with local market traders on how mobile phones have changed their ability to conduct business.

Topic	Relationship between taxation of high-emission cars and purchases of low-emission cars in Country X
Research question	To what extent has the recent (within the past three years) change to the indirect taxes on high-emission cars influenced buying of low-emission cars in Country X?
Approach	<p>Theory to be researched in depth:</p> <ul style="list-style-type: none"> • Theory of market failure in the context of car emissions: negative externalities of consumption and ways of remedying these; in particular, indirect taxes. • High-emission cars and low-emission cars as substitutes. <p>Data to be gathered through secondary research:</p> <ul style="list-style-type: none"> • Supporting evidence of the external costs of car emissions (government documents, newspaper articles, publications from environmental groups). • The extent to which the change in the tax policy was due to the goal of reducing emissions (government documents, newspaper articles). • Data on the numbers of low-emission cars sold before and after the tax policy. <p>Possible primary research:</p> <ul style="list-style-type: none"> • Interviews with managers of car dealerships on their views on the taxation change. • Interviews with new car buyers on their rationale for choosing a particular car.

An important note on “double-dipping”

Students must ensure that their EE does not overlap significantly with any other work they are submitting for the Diploma Programme. For example, the data gathered for an economics EE should not be used to fulfil the requirements of internal assessment tasks in other subjects.

The economics EE and internal assessment

The internal assessment task (IA)—a portfolio of commentaries—may give students ideas for topics to research in depth, but the EE is not an extension of this task.

Students must ensure that they understand the clear distinction between the IA and the EE:

- Both allow students to apply economic theory to a particular real-world situation, but the IA is anchored in specific articles in the news media.
- In the EE, the student’s topic and research question determine which economic theory it is relevant to explore; in the IA commentaries, the articles decide this.
- Both use secondary sources, but there is no expectation in the IA to consult sources beyond the specific news articles.

- There is no expectation of primary research in the IA.
- The tighter word limit of each IA commentary means that the 4,000-word EE is a study of much greater depth and breadth.

Supervisors play an important role in guiding students on these distinctions. Students risk their diploma if academic misconduct is found.