

Relating and Working With Economic Principles and Theories in the News

What constitutes evaluation economics? - recall SG 40



Evaluation is basically judging.

Evaluation answers questions like:

- a) Will the solution achieve its intended purpose? Will it work?
- b) Is the suggested solution something that makes sense according to economic theory?
- c) What will be the effects of the solution? What will be the costs and benefits to stakeholder such as consumers, workers, firms, the government etc., in the short run and the long run?
- d) Finally, given all the above evaluation, overall is it a good policy solution or not? Relate to key economic concept: **intervention, choice, or equity** - SG 195-196]



Considering an economic issue or a problem requires thinking about questions from an economist's perspective. This would include the following:

1. Identify and analyze the economic problem in question. What is it and how is it being addressed? Model the problem with a diagram and relate key economic concepts (i.e. demand, supply, price ceiling, floor, subsidy etc....) in your response.
2. Propose alternate policy(ies) and evaluate their viability. i.e. Why is your policy option a better alternative than what has been put forth? Provide economic evidence (theory) and support (from article) to validate your position. Consider the key economic concept which will be used to analyze & evaluate issue: intervention, equity, economic well being, choice * etc ...]

**Key economic concepts outlined on SG 195-196.*