

## Examples of Essay Tasks

Early in teaching my course on behavioural/evolutionary economics I gave students open-ended essay assignments using questions like those in previous final examinations. Three examples are presented below with some marking criteria but see also the menu of exam questions. After these three questions, there are five essays questions that I tried as an alternative to a closed-book final exam, giving the students the questions in the course outline so that they could research them if they wanted to (many did) as well as simply applying what they knew from the course. A marking template for them is appended at the end.

### **Consumer reactions to new products (15% Essay)**

**Task Description:** What lessons do the theories of the mind offered by F.A. von Hayek in *The Sensory Order* and G.A. Kelly in *The Psychology of Personal Constructs* have for economists seeking to understand why some new products have trouble winning sales whereas others are rapidly adopted by consumers?

Your answer should not exceed 1200 words, including references.

### Economics and the environment (15% Essay)

**Task Description:** Discuss the case for taking a behavioural/evolutionary approach to the economics of the environment.

Your answer should not exceed 1200 words. You should feel free to consider not merely consumer behaviour but also the processes by which policies are designed and how firms respond to policies aimed at reducing harmful effects of economic activity on the natural environment.

A useful starting point for your reading is;

Shogren, J. F. and Taylor, L. O (2008) 'On Behavioral-Environmental Economics', *Review of Environmental Economics and Policy*, 2: 26-44.

### **Marshall's evolutionary view of the firm (15% Essay)**

**Task Description:** Answer **both** of the following questions in no more than 1200 words. You will need to write concisely and focus on the key issues to answer both of them within this length constraint.

(1) Critically assess Marshall's concept of the representative firm and explain why it may still be useful in the analysis of industrial competition.

(2) What is behavioral or evolutionary about Marshall's theory of the industry and competition?

Useful additional reading sources include the following:

Metcalf, J. S. (2007), 'Alfred Marshall and the General Theory of Evolutionary Economics', *History of Economic Ideas*, 15: 81-110.

Raffaelli, T. (2003) *Marshall's Evolutionary Legacy*, London: Routledge.

Robbins, L. (1928), 'The Representative Firm', *Economic Journal*, 38: 387-404.

Shove, G.F. (1942). 'The place of Marshall's Principles in the development of economic theory.' *The Economic Journal*, 52: 294-329.

### **The Evolution of the Photography Industry (20% Essay)**

**Task Description:** Examine the evolution of the photography industry in the light of theoretical material from this course. As you do so, give special attention to the role of Kodak in this industry and the change from film-based photography to digital imaging.

Your essay should not exceed 2000 words including any references.

A useful starting points may be Earl and Wakeley 2007 and Runde et al. 2009.

Earl, P.E. and Wakeley, T. (2007) 'Conjectures about future wants: Some insights from evolutionary economics with reference to digital photography', *International Journal of Technology Intelligence and Planning*, 3: 24-38.

Runde, J., Jones, M. R., Munir, K. and Nikolaychuk, L, (2009) 'On technological objects and the adoption of technological product innovations: Rules, routines and the transition from analogue photography to digital imaging. *Cambridge Journal of Economics* 33: 1-24

#### **Some possible marking criteria:**

Ability to make successful judgements about which theoretical notions can be applied to the case in question.

Ability to break a context down into constituent parts and see its subtleties rather than merely stating the obvious.

Ability to develop arguments into sizeable paragraphs with detailed causal chains, rather than merely briefly making points or asserting conclusions without providing the arguments that underpin them.

The extent to which the style of writing and referencing follows that of scholarly publications. (You should write in your own words and **not** submit essays that are, in essence, collections of paraphrased passages from what you have been reading with a reference at the end of each sentence to the source from which you have paraphrased. Though scholarly publications often include main references you should note that they are not of the 'reference at the end of every sentence' kind; rather they refer to the place where the argument was

originally made. If you are developing your own argument, as you should be, you only need to refer to other sources if you are using them as ingredients for your analysis, are discussing them, or using them as sources of evidence.)

Clarity of writing and organization of ideas.

### **A set of more recent questions used as a final assessment task (50% weight) in place of a closed-book final exam**

I experimented with this form of final assessment as it was becoming increasingly difficult to decipher handwritten final exams and online exams had not yet been introduced. Clearly there was a risk that some students might submit essays that they had paid others to write but I judged that the students would find it hard to hook-up with anyone on the dark web who had the background to be able to write effective answers rather than focusing merely on ‘new’ behavioural economics. This kind of final assessment would also have been usable during the COVID-19 lockdowns when campuses were closed.

**Task Description:** This assessment item is a substitute for the essay-based final exams that have been set in previous years. Although it entails doing three questions, they should be submitted as a single Word file with all the items to which you refer listed in a single 'References' section at the end. Double-line spacing should be used throughout except for the reference list, which can be single-line spaced. Using the default pages settings in Word, your answers should ideally each be about four pages long (references not included), with the total length of the document you submit, including references, not exceeding about 4500 words (i.e. about 13-14 pages maximum).

From the list of questions below, you are required to attempt Question (1) AND ANY TWO (2) from Questions (2) to Question (5):

- (1) Over the past decade, there has been a very significant shift in new car sales away from conventional sedans and wagons, towards four-wheel drive (4WD) and ‘sports utility vehicles’ (SUVs). This is despite the vehicles that have fallen out of favour typically offering better fuel economy, better luggage space and better ride quality and handling due to being lower and longer than 4WDs and SUVs in the same price bracket. Imagine that you are working for a behavioural insights team and have been asked to make sense of this change in behaviour. Write a draft report outlining the hypotheses you have derived about this phenomenon from behavioural economics and the methods by which you propose testing them.
- (2) Examine the role assigned to ‘customer goodwill’ in the analyses of the growth of the firm and price-setting behaviour offered by Alfred Marshall and P.W.S. Andrews. For which kinds of products and services do you expect the management of customer goodwill to be a significant issue for suppliers in today’s economy? Explain your reasoning.
- (3) Use material covered in this course as the basis for a discussion of the impact of globalization and market deregulation policies on (a) the rate of productivity growth and (b) human happiness.

- (4) In his book *Misbehaving*, Richard Thaler notes that an increasing proportion of homeowners in the United States of America are reaching normal retirement age without having fully paid off their mortgages. How can behavioural economics help us make sense of this?
- (5) What insights can be derived from material covered in this course to understand how people make their choices when voting in parliamentary elections and how governments make decisions about macroeconomic management?

Here is a possible marking template for these five questions, which would be completed as an individual Excel file for each student and uploaded as feedback:

#### Marks

##### Question 1

(/6) Completeness of answer, given what has been covered in class

(Scope for application of PCT/MeansEndChains/RepGrid/Laddering/Fishbein/H&B (e.g. related to safety)/non-compensatory decision rules (e.g. low aspirations in core areas but demanding ease of entry/exit for seniors or loading children)/Social conformism/social competition)

(/3) Evidence of relevant reading

(/4) Displays of skill in making connections, thinking creatively and critical thinking (including about appropriate method for testing suggested hypotheses)

(/3) Structural quality of answers (logical flow, division into paragraphs that each deal with a particular issue), conciseness and clarity

Deductions for technical errors

(/16) Total for question

#### Comment

##### Question 2

(/6) Completeness of answer, given what has been covered in class

(Should be an evolutionary perspective relating to gradual growth of firm with changing customer population; relate to firm's strategic choice of spare capacity; relate to firm's output target and lack of role of a demand curve in Andrews' analysis of price/output)

(/3) Evidence of relevant reading

(/4) Displays of skill in making connections, thinking creatively and critical thinking

(Particularly via appropriateness of examples of the significance of goodwill suggested and reasoning offered for them; scope to relate to search/experience/credence goods issues)

(/3) Structural quality of answers (logical flow, division into paragraphs that each deal with a particular issue), conciseness and clarity

Deductions for technical errors

(/16) Total for question

Comment

Question 3

(/6) Completeness of answer, given what has been covered in class

(Scope to consider part (a) in relation to effects of competitive pressure on rate of innovation, uptake of slack/reduced X-inefficiency, and via Salter diagram; welfare impacts in relation to stress, job insecurity, choice overload; income distribution issues' stagnant worker pay in high-wage economies could be considered viz Easterlin paradox; different impacts for economies at different stages of development.)

(/3) Evidence of relevant reading

(/4) Displays of skill in making connections, thinking creatively and critical thinking

(/3) Structural quality of answers (logical flow, division into paragraphs that each deal with a particular issue), conciseness and clarity

Deductions for technical errors

(/16) Total for question

Comment

Question 4

(/6) Completeness of answer, given what has been covered in class

(Scope to consider in relation to mental accounting rules, hyperbolic discounting/time-inconsistent behaviour, poor self-control, social pressures/conspicuous consumption, changes in banks' lending rules under competitive pressure and the innovation of the home equity loan as well as people taking equity from homes when moving on or up/rising property prices, bounded rationality/poor understanding of compound interest, wishful thinking/cognitive dissonance management)

(/3) Evidence of relevant reading

(/4) Displays of skill in making connections, thinking creatively and critical thinking

(/3) Structural quality of answers (logical flow, division into paragraphs that each deal with a particular issue), conciseness and clarity

Deductions for technical errors

(/16) Total for question

Comment

Question 5

(/6) Completeness of answer, given what has been covered in class

(Scope for considering how voting is affected by choice overload, finite attentions/memory, identity/core constructs/emotional appeals, especially those positioned in relation to ability to meet basic needs/H&B/non-compensatory decision rules (e.g. in relation to climate policy or immigration). Policymakers: Mosley's satisficing analysis/sequential attention to goals, cognitive simplification of trade-off denial viz inflation/unemployment, wishful thinking about tax revenues; world-views of policymakers, not 'rational expectations')

(/3) Evidence of relevant reading

(/4) Displays of skill in making connections, thinking creatively and critical thinking

(/3) Structural quality of answers (logical flow, division into paragraphs that each deal with a particular issue), conciseness and clarity

Deductions for technical errors

(/16) Total for question

Comment

(/2) Accuracy and consistency of referencing

Late penalty (if applied)

(/50) Total for this assignment