Supported preparation: Macroeconomic measures and policy

International Baccalaureate · IB Diploma · Economics · HL

Scope and prerequisites

IB economics first assessment 2022. Three supervised news commentaries cover microeconomics, macroeconomics and the global economy through distinct key concepts. School checks source recency and commentary requirements against the full guide.

Mapped preparation outcomes: ib_economics_hl.5.1, ib_economics_hl.5.2. Read the matching native lesson first. Actual approved choices, evidence and final learner work remain separate.

Source vocabulary

real GDP ; **aggregate demand** .

Explanation and worked method

Nominal output includes price changes; real output adjusts for prices; per-capita output divides by population. AD combines consumption, investment, government spending and net exports. Expansion can raise output and/or prices depending on spare capacity, expectations and supply conditions. Demand-side and supply-side policies operate through different mechanisms and time horizons.

Original source / task evidence

Task: nominal GDP rises 8%, the GDP deflator rises 5%, and population rises 2%. Estimate real and real-per-capita growth, then qualify a spending stimulus.

Separate what is stated from the interpretation.
Macroeconomic measures and policy

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Real growth factor=1.08/1.05=1.02857, so real growth≈2.86%. Per-capita real factor=(1.08/1.05)/1.02=1.00840, so growth≈.84%. An approximation of 8−5−2=1% is rougher. A stimulus can shift AD right, increasing output with spare capacity; near capacity, inflation/import leakage may dominate. Consider financing, distribution and

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supply bottlenecks.

Independent transfer

Real GDP per person increases. Does this establish lower inequality and environmental improvement?

Attempt independently before reading the model.

Checked original model

It is an average output measure, not a distribution or environmental index. Compare income shares, poverty measures and relevant environmental indicators separately. Higher average output may provide resources for improvement but does not establish their use or equal benefit.

These are authored formative expectations, not official IB descriptors. Accept other justified arguments with evidence and material limits.

Source and task holds

This supplement teaches the method for this part of the course. The full assessment criteria and any texts your school chooses come from your teacher.