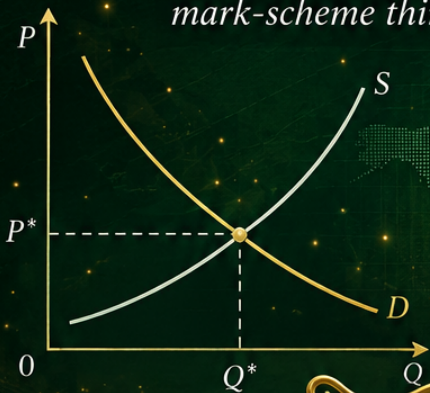


IBDP ECONOMICS

100 AI PROMPTS

for Smarter Revision *and* Exam Prep

*Active recall, exam technique, and
mark-scheme thinking -- without cheating.*



by James R. Martin

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How to Use This Book

For a long time, high-quality tutoring has been a major contributor to elite academic achievement. Used well, AI can now act as a powerful tutor that most students and parents could not previously afford.

This book is a **starting point**, not a rulebook. Each prompt is designed to help you revise, test your understanding, and think more clearly — not to give perfect answers. You are encouraged to **adapt, improve, and remix** these prompts.

You are learning how to think carefully about the questions you ask — a skill that will matter far beyond these exams.

Note on Exam Boards and Syllabi

This guide is designed for students following the International Baccalaureate Diploma Programme (IBDP) Economics course. The course is assessed through Paper 1 (extended response essays requiring diagram use and real-world examples), Paper 2 (data response questions), and Paper 3 (HL only, quantitative policy analysis with calculations). Both SL and HL students also complete an Internal Assessment (IA) portfolio of three commentaries.

Both Standard Level (SL) and Higher Level (HL) students will benefit from these prompts. SL students cover microeconomics, macroeconomics, international economics, and development economics. HL students additionally study the theory of the firm in depth (costs, revenues, profit maximisation, and market structures) and sit Paper 3. Prompts specific to HL content are clearly indicated.

The IB uses specific command terms that students must understand and respond to precisely. In Economics, terms such as 'define', 'explain', 'analyse', 'evaluate', 'discuss', 'to what extent', 'examine', and 'compare and contrast' each require a distinct approach and level of critical engagement. Many prompts incorporate these command terms to build exam-appropriate habits.

IB Economics is global in scope, and students are expected to draw on real-world examples from a variety of countries and economic contexts. The IB encourages consideration of economic perspectives across developed and developing economies, and assessment rewards the use of current, relevant examples to support theoretical analysis.

The Internal Assessment requires students to write three commentaries on published media articles, each linked to a different section of the syllabus. Commentaries are assessed on diagrams, use of economic terminology, application of theory to real-world situations, and evaluation. Several prompts in this guide support the skills needed for strong IA commentaries.

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Section 1

Microeconomics: Demand, Supply, Elasticity, and Market Failure

Microeconomics examines how individual markets function, including the determinants of demand and supply, the concept of market equilibrium, and the various types of elasticity. Students must be able to draw and interpret diagrams accurately and apply theoretical concepts to real-world markets.

Market failure is a central theme, covering externalities, public goods, common pool resources, asymmetric information, and the role of government intervention. Students must evaluate whether intervention improves or worsens market outcomes.

These prompts develop from foundational recall of microeconomic concepts through to evaluating government intervention strategies, reflecting the analytical progression expected across IB markbands.

Prompt 1: Demand and the law of demand

Copy this prompt into your AI tool:

Define the law of demand and explain why the demand curve slopes downward, referencing the income and substitution effects. Identify and explain three non-price determinants of demand, such as consumer income, tastes, and the price of substitutes, using the market for electric vehicles as your example to illustrate how each determinant shifts the demand curve.

What this helps you practise:

Explaining the law of demand and identifying non-price demand determinants

How to use it well:

Be ready to draw a demand curve from memory and shift it correctly. Paper 1 and Paper 2 both require accurate diagram work.

Prompt 2: Supply and market equilibrium

Copy this prompt into your AI tool:

Test me on market equilibrium: ask me to explain how equilibrium price and quantity are determined by the intersection of demand and supply curves in a competitive market such as the global coffee market. Using a fully labelled diagram, have me show what happens to equilibrium price and quantity when there is an increase in the cost of raw materials, and probe the distinction between a movement along the supply curve and a shift.

What this helps you practise:

Illustrating shifts in supply and their effect on market equilibrium

How to use it well:

Always label diagrams fully (axes, curves, equilibrium points). IB examiners award marks specifically for correct, well-labelled diagrams.

Prompt 3: Price elasticity of demand

Copy this prompt into your AI tool:

Define price elasticity of demand and explain the factors that determine whether demand for a good is elastic or inelastic, including the availability of substitutes, proportion of income spent, and time period. Calculate PED if the price of a product rises from ten to twelve dollars and quantity demanded falls from two hundred to one hundred sixty units, interpreting whether this product has elastic or inelastic demand and the implications for firm revenue.

What this helps you practise:

Calculating and interpreting price elasticity of demand

How to use it well:

Practise PED calculations until they are automatic. Paper 2 data response questions frequently require elasticity calculations and interpretation.

Prompt 4: Other elasticities: YED and XED

Copy this prompt into your AI tool:

Distinguish between income elasticity of demand and cross-price elasticity of demand, explaining the formulae and what positive and negative coefficient values reveal about the nature of goods. Using real-world examples such as luxury cars versus staple foods for YED, and Coca-Cola versus Pepsi for XED, analyse how these elasticity measures inform firms' pricing and marketing strategies.

What this helps you practise:

Interpreting YED and XED values in terms of good types and relationships

How to use it well:

Link elasticity values to normal/inferior goods and substitutes/complements. Paper 2 may present data requiring you to calculate and interpret these.

Prompt 5: Negative externalities and overproduction

Copy this prompt into your AI tool:

Analyse the market failure caused by negative externalities of production, such as carbon emissions from a coal-fired power station. Using a diagram showing the divergence between marginal private cost and marginal social cost, explain why the free market overproduces at the private equilibrium quantity, identify the welfare loss triangle, and

evaluate whether a Pigouvian tax could achieve the socially optimal output level.

What this helps you practise:

Diagramming and explaining overproduction due to negative externalities

How to use it well:

The externality diagram is essential for Paper 1. Practise drawing it with the welfare loss triangle clearly identified and explained.

Prompt 6: Positive externalities and underprovision

Copy this prompt into your AI tool:

Present an IB-style question about positive externalities: ask me to explain why goods with positive externalities of consumption, such as vaccinations or education, tend to be underconsumed in a free market where consumers consider only marginal private benefit. Have me draw the appropriate diagram showing the divergence between marginal private benefit and marginal social benefit, identify the welfare loss triangle, and evaluate government subsidies as a corrective measure.

What this helps you practise:

Diagramming underconsumption due to positive externalities

How to use it well:

Show both the market and socially optimal quantities. Paper 1 essays on market failure require accurate externality diagrams as supporting evidence.

Prompt 7: Government intervention: taxes and subsidies

Copy this prompt into your AI tool:

Evaluate the effectiveness of indirect taxes, such as carbon taxes or tobacco duties, as a means of correcting negative externalities. Under what conditions might a tax fail to achieve the socially optimal output, considering factors such as inelastic demand, difficulty in measuring external costs, administrative burden, and the regressive impact on low-income households? Use a specific country example to support your evaluation.

What this helps you practise:

Evaluating the effectiveness of corrective taxes with reference to elasticity

How to use it well:

Consider the role of PED in determining tax effectiveness. Evaluation requires you to discuss limitations and conditions, not just describe the mechanism.

Prompt 8: Price controls: ceilings and floors

Copy this prompt into your AI tool:

Compare the effects of a price ceiling, such as rent controls in New York or Berlin, and a price floor, such as the EU Common Agricultural Policy minimum prices, on market outcomes. For each intervention, draw a fully labelled diagram and explain the consequences including potential shortages or surpluses, welfare effects on consumers and producers, and the emergence of parallel markets.

What this helps you practise:

Analysing the consequences of price controls using diagrams

How to use it well:

Price controls are a frequent Paper 1 and Paper 2 topic. Ensure your diagrams clearly show the controlled price relative to equilibrium.

Prompt 9: Public goods and the free rider problem

Copy this prompt into your AI tool:

Define public goods using the concepts of non-excludability and non-rivalry, distinguishing them from private and merit goods with examples such as national defence and street lighting. Explain the free rider problem and why it leads to market failure through the underprovision of socially desirable goods. Analyse how government provision funded through taxation addresses this failure and evaluate alternative solutions.

What this helps you practise:

Explaining public goods characteristics and the free rider problem

How to use it well:

Use specific examples of public goods. Paper 1 may ask you to explain why the market fails to provide these goods efficiently.

Prompt 10: Common pool resources

Copy this prompt into your AI tool:

Analyse the problem of overuse and degradation of common pool resources such as oceanic fisheries, tropical rainforests, or underground aquifers. Evaluate the solutions that have been proposed or implemented, including Hardin's concept of the tragedy of the commons, government regulation through quotas, tradeable permits, community-based management following Ostrom's principles, and international agreements such as fishing quota systems.

What this helps you practise:

Applying the tragedy of the commons to real-world resource management

How to use it well:

Use a real-world example to strengthen your

analysis. Evaluation of solutions demonstrates the critical thinking valued in higher markbands.

Prompt 11: Evaluating government intervention overall

Copy this prompt into your AI tool:

To what extent can government intervention correct market failures arising from externalities, public goods, and information asymmetry? Discuss with reference to at least two types of intervention such as taxation and regulation, considering both their potential benefits in restoring allocative efficiency and the risk of government failure. Reflect on the TOK question of whether the definition of market failure itself depends on normative assumptions about ideal outcomes.

What this helps you practise:

Evaluating government intervention while considering the possibility of government failure

How to use it well:

This is a classic Paper 1 evaluation question. Balance the benefits of intervention against unintended consequences and implementation challenges.

Prompt 12: Asymmetric information and market failure

Copy this prompt into your AI tool:

Quiz me on information failure: ask me to explain how asymmetric information leads to market failure, using either adverse selection in the used car market following Akerlof's lemons problem, or moral hazard in insurance markets as my focus. Then probe what mechanisms such as government regulation, mandatory disclosure requirements, warranties, and signalling can reduce the efficiency losses caused by information asymmetry between buyers and sellers.

What this helps you practise:

Analysing market failure caused by information asymmetry

How to use it well:

Use a specific market example such as insurance or second-hand cars. Paper 1 may ask about less common forms of market failure beyond externalities.

Section 2

Macroeconomics: Aggregate Demand and Supply, GDP, Unemployment, and Inflation

Macroeconomics examines the economy as a whole, focusing on aggregate demand, aggregate supply, national income measurement, and the macroeconomic objectives of economic growth, low unemployment, and price stability.

Students must understand the AD/AS model and use it to analyse economic fluctuations, policy responses, and the trade-offs between competing macroeconomic objectives. Both Keynesian and monetarist/classical perspectives are important.

These prompts progress from defining macroeconomic concepts through to evaluating the effectiveness of fiscal and monetary policy, building the evaluative skills needed for Paper 1 essays and Paper 2 data responses.

Prompt 13: Aggregate demand and its components

Copy this prompt into your AI tool:

Define aggregate demand and identify its four components: consumption, investment, government spending, and net exports. Explain how a fall in consumer confidence during an economic downturn would affect the consumption component, shift the AD curve leftward, and influence equilibrium output and the price level, illustrating your analysis with a fully labelled AD/AS diagram.

What this helps you practise:

Identifying AD components and showing shifts diagrammatically

How to use it well:

Know all four components (C, I, G, X-M) and the factors that shift each. AD/AS diagrams are fundamental to Paper 1 macroeconomic essays.

Prompt 14: Short-run and long-run aggregate supply

Copy this prompt into your AI tool:

Distinguish between short-run aggregate supply, which shifts in response to changes in input costs such as wages and raw material prices, and long-run aggregate supply, which reflects the economy's productive capacity determined by factors of production and technology. Explain how the Keynesian horizontal LRAS at below full employment differs from the classical vertical LRAS, and evaluate which model better explains real-world macroeconomic behaviour.

What this helps you practise:

Comparing SRAS and LRAS in different macroeconomic models

How to use it well:

Be able to draw both the classical and Keynesian LRAS curves. Paper 1 may ask you to use one or both models to analyse an economic situation.

Prompt 15: Measuring economic activity: GDP

Copy this prompt into your AI tool:

Define gross domestic product and distinguish between nominal GDP measured at current prices and real GDP adjusted for inflation using a base year deflator. Analyse the limitations of GDP as a measure of economic well-being, including its failure to capture income distribution measured by the Gini coefficient, environmental degradation costs, unpaid domestic labour, and the informal economy.

Evaluate alternative measures such as the HDI and GNH.

What this helps you practise:

Defining GDP measures and evaluating their limitations

How to use it well:

Limitations of GDP are frequently examined. Be prepared to discuss what GDP misses and suggest alternatives such as the HDI or GNI per capita.

Prompt 16: The business cycle

Copy this prompt into your AI tool:

Act as an IB examiner: ask me to describe the four phases of the business cycle, including expansion, peak, contraction, and trough, using a clearly labelled diagram showing real GDP fluctuating around the long-term trend. At each phase, have me explain the likely state of unemployment, inflation, consumer confidence, and output, and suggest appropriate government fiscal and monetary policy responses to stabilise the economy.

What this helps you practise:

Linking business cycle phases to macroeconomic indicators and policy

How to use it well:

Understanding the cycle helps you contextualise policy questions. Paper 2 data response often presents data from a specific phase and asks for analysis.

Prompt 17: Types and causes of unemployment

Copy this prompt into your AI tool:

Distinguish between cyclical unemployment caused by deficient aggregate demand during recessions, structural unemployment arising from occupational or geographical immobility of labour, frictional unemployment experienced by workers transitioning

between jobs, and seasonal unemployment in industries such as tourism and agriculture. For each type, explain its causes, illustrate with a real-world example, and suggest the most appropriate demand-side or supply-side policy response.

What this helps you practise:

Classifying unemployment types and matching them to appropriate policies

How to use it well:

Different types require different solutions. Paper 1 may ask you to evaluate policies for reducing unemployment, and precision about type is essential.

Prompt 18: Inflation: causes and consequences

Copy this prompt into your AI tool:

Challenge me to distinguish between demand-pull inflation caused by excessive aggregate demand growth beyond full employment output, and cost-push inflation triggered by rising production costs such as oil price shocks or wage increases. For each type, ask me to draw the appropriate AD/AS diagram showing the inflationary gap, and discuss the consequences for real output, employment levels, purchasing power of consumers, and government fiscal revenues.

What this helps you practise:

Diagramming and analysing different types of inflation

How to use it well:

Always support inflation analysis with AD/AS diagrams. Paper 1 essays on inflation must identify the type before recommending policy responses.

Prompt 19: Fiscal policy

Copy this prompt into your AI tool:

Analyse how expansionary fiscal policy through increased government spending or reduced taxation

can be used to stimulate aggregate demand and address a recessionary gap. Evaluate the potential limitations including time lags in implementation, the crowding-out effect on private investment through higher interest rates, the impact on government debt sustainability, and the risk of demand-pull inflation if the economy is near full capacity.

What this helps you practise:

Evaluating fiscal policy effectiveness and its limitations

How to use it well:

Include the multiplier effect and crowding out in your analysis. Paper 1 expects you to evaluate policy, not just describe how it works.

Prompt 20: Monetary policy

Copy this prompt into your AI tool:

Examine how a central bank uses monetary policy tools including policy interest rate adjustments, open market operations involving government bond purchases, and reserve requirement changes to control inflation and stabilise the economy. Analyse the transmission mechanism through which lower interest rates stimulate consumption and investment spending. Evaluate under what circumstances monetary policy might be ineffective, such as in a liquidity trap.

What this helps you practise:

Analysing monetary policy mechanisms and conditions for ineffectiveness

How to use it well:

Consider the liquidity trap and transmission mechanism delays. Evaluating effectiveness is crucial for top marks on policy questions.

Prompt 21: Supply-side policies

Copy this prompt into your AI tool:

Discuss the role of supply-side policies in promoting long-term economic growth by shifting the LRAS curve rightward. Compare market-based approaches such as deregulation, privatisation, and tax reform with interventionist supply-side policies including investment in education, infrastructure development, and industrial policy. Evaluate their effectiveness using evidence from economies such as Singapore's education investment or the UK's privatisation programme.

What this helps you practise:

Comparing and evaluating different supply-side policy approaches

How to use it well:

Show supply-side effects on the LRAS curve. Paper 1 may ask you to evaluate supply-side versus demand-side approaches to a macroeconomic problem.

Prompt 22: Policy conflicts and trade-offs

Copy this prompt into your AI tool:

Evaluate the potential conflicts between macroeconomic objectives, such as the Phillips curve trade-off between low unemployment and low inflation, the tension between economic growth and environmental sustainability, and the conflict between reducing a current account deficit and maintaining domestic employment. Analyse how a government might prioritise when objectives conflict, using a specific country facing stagflation as an example.

What this helps you practise:

Analysing trade-offs between competing macroeconomic objectives

How to use it well:

Consider the Phillips curve relationship and short-

run versus long-run trade-offs. This evaluative topic frequently appears in Paper 1 essays.

Prompt 23: The role of expectations in macroeconomics

Copy this prompt into your AI tool:

Discuss how consumer and business expectations about future inflation, interest rates, and economic conditions influence macroeconomic outcomes including spending decisions, wage bargaining, and investment planning. Analyse why expectations are considered self-fulfilling in some economic models, evaluating how central bank forward guidance and inflation targeting frameworks attempt to anchor expectations and reduce economic volatility. Consider the TOK question of whether economic models based on rational expectations constitute reliable knowledge when human behaviour is inherently unpredictable.

What this helps you practise:

Analysing the role of expectations in shaping macroeconomic performance

How to use it well:

Link expectations to AD shifts and inflation dynamics. This demonstrates understanding of economic psychology beyond mechanical models.

Section 3

International Economics: Trade, Exchange Rates, and Balance of Payments

International economics examines trade between nations, the determination of exchange rates, the balance of payments, and the process of economic integration. Students must understand both the theoretical basis for trade and the real-world complications that arise.

Key concepts include comparative advantage, trade barriers, exchange rate systems, current and capital accounts, and the effects of regional and global economic integration. The IB expects students to evaluate trade policy from multiple perspectives.

These prompts progress from explaining trade theory through to evaluating the impact of globalisation and trade agreements, building the analytical and evaluative skills required for IB assessment.

Prompt 24: Comparative advantage and the basis for trade

Copy this prompt into your AI tool:

Test me on comparative advantage: ask me to explain David Ricardo's theory using a numerical example with two countries such as the UK and Bangladesh producing two goods such as textiles and machinery. Calculate the opportunity costs, determine which country has comparative advantage in each good, and probe why specialisation and trade based on comparative advantage leads to mutual gains even when one country has absolute advantage in both goods.

What this helps you practise:

Applying comparative advantage theory with numerical examples

How to use it well:

Be able to calculate opportunity costs and determine who has comparative advantage. Paper 2 and Paper 3 (HL) may include calculation-based questions on this.

Prompt 25: Trade protection: tariffs

Copy this prompt into your AI tool:

Using a fully labelled tariff diagram with domestic supply, domestic demand, and world supply curves, analyse the effects of a tariff on an imported good such as steel. Calculate and identify the impact on domestic price, domestic production, import quantity, consumer surplus loss, producer surplus gain, government tariff revenue, and the two deadweight loss triangles representing the net welfare loss to the economy.

What this helps you practise:

Diagramming and analysing the welfare effects of tariffs

How to use it well:

The tariff diagram is essential for Paper 1. Practise identifying all welfare areas precisely. IB examiners award marks for each correctly identified effect.

Prompt 26: Other trade barriers: quotas and subsidies

Copy this prompt into your AI tool:

Compare the effects of an import quota, which directly restricts the quantity of imports, and a domestic production subsidy, which supports local producers without raising consumer prices. Draw and label diagrams for each policy, identify the welfare effects on consumers, producers, and the

government, and evaluate which instrument is less distortionary in terms of overall allocative efficiency and consumer welfare.

What this helps you practise:

Comparing protectionist measures and evaluating their relative distortions

How to use it well:

Know the diagrams for quotas and subsidies as well as tariffs. Paper 1 may ask you to evaluate which form of protection is most appropriate.

Prompt 27: Arguments for and against trade protection

Copy this prompt into your AI tool:

Evaluate the arguments for trade protection, including the infant industry argument for developing economies, national security concerns for strategic industries such as defence, and anti-dumping measures against below-cost foreign pricing. For each argument, analyse the economic logic and counter-arguments. Under what specific circumstances might temporary protection be justified from an economic efficiency perspective?

What this helps you practise:

Weighing the theoretical and practical arguments for trade protection

How to use it well:

This is a classic Paper 1 evaluation question. Present both sides and reach a supported judgement. Avoid a one-sided argument.

Prompt 28: Exchange rate determination

Copy this prompt into your AI tool:

Construct an IB-style question about exchange rates: ask me to explain how exchange rates are determined in a floating exchange rate system using a supply and demand diagram for a currency such as

the euro. Probe what factors cause a currency to appreciate or depreciate, including relative interest rates, inflation differentials, speculative capital flows, and changes in the current account balance, and have me illustrate one factor with a diagram shift.

What this helps you practise:

Explaining and diagramming exchange rate determination in floating systems

How to use it well:

The currency market diagram is frequently tested. Practise drawing it and showing the effects of changes in demand for or supply of a currency.

Prompt 29: Fixed versus floating exchange rates

Copy this prompt into your AI tool:

Compare fixed exchange rate systems, where the central bank intervenes to maintain a currency peg using foreign exchange reserves, and floating exchange rate systems, where market forces of supply and demand determine the exchange rate. Analyse the advantages and disadvantages of each system, including monetary policy autonomy, exchange rate stability, and vulnerability to speculative attacks, evaluating why a country such as China might choose a managed float.

What this helps you practise:

Evaluating exchange rate systems and their trade-offs

How to use it well:

Consider stability, policy flexibility, and adjustment mechanisms. Paper 1 may ask you to evaluate which system is preferable for a specific country.

Prompt 30: The balance of payments

Copy this prompt into your AI tool:

Outline the structure of the balance of payments, including the current account covering trade in goods, services, primary income, and secondary income, the capital account recording capital transfers, and the financial account tracking foreign direct investment and portfolio flows. Explain what a persistent current account deficit indicates about an economy's international competitiveness and how it is financed through the financial account.

What this helps you practise:

Understanding the structure and interpretation of the balance of payments

How to use it well:

Know the components of each account. Paper 2 may present balance of payments data and ask you to analyse trends and policy implications.

Prompt 31: Current account imbalances

Copy this prompt into your AI tool:

Analyse the causes of a persistent current account deficit in a country such as the United States, considering factors including an overvalued exchange rate, high domestic consumption relative to savings, declining manufacturing competitiveness, and structural dependence on imported energy. Evaluate the policies a government could use to address this imbalance, including expenditure-switching and expenditure-reducing policies, and assess the risks of each approach.

What this helps you practise:

Diagnosing causes of current account imbalances and evaluating corrective policies

How to use it well:

Consider expenditure-switching and expenditure-reducing policies. Evaluation of policy effectiveness is essential for Paper 1 essay responses.

Prompt 32: Economic integration

Copy this prompt into your AI tool:

Quiz me on economic integration: ask me to explain the stages of economic integration from preferential trade agreements through free trade areas, customs unions, common markets, and economic and monetary union such as the eurozone. Probe the potential benefits of deeper integration including trade creation and factor mobility, alongside costs such as loss of monetary policy independence, trade diversion, and uneven distribution of gains among member countries.

What this helps you practise:

Describing stages of integration and evaluating costs and benefits

How to use it well:

Use real-world examples such as the EU or ASEAN. Paper 1 evaluation questions on integration reward balanced analysis with specific evidence.

Prompt 33: Terms of trade

Copy this prompt into your AI tool:

Define the terms of trade as the ratio of export prices to import prices multiplied by one hundred and explain how this index is calculated using price index data. Analyse the factors that can cause a deterioration in a country's terms of trade, such as falling commodity prices for primary product exporters, and evaluate the consequences for export revenue, the current account balance, and domestic living standards.

What this helps you practise:

Calculating and interpreting changes in the terms of trade

How to use it well:

Link terms of trade to export and import price

indices. Paper 2 may present terms of trade data requiring calculation and analysis.

Prompt 34: Globalisation: benefits and challenges

Copy this prompt into your AI tool:

Evaluate the impact of globalisation on both developed economies experiencing deindustrialisation and rising inequality, and developing economies gaining access to foreign investment, technology transfer, and export markets. To what extent has globalisation delivered shared prosperity? Consider the TOK question of whether economics as a social science can objectively measure the benefits and costs of globalisation when value judgements about equity and welfare are inherently subjective.

What this helps you practise:

Evaluating globalisation from multiple economic perspectives

How to use it well:

Consider winners and losers, inequality, environmental impact, and cultural effects. This broad evaluation question tests your ability to synthesise across topics.

Section 4

Development Economics: Measuring Development, Barriers, and Strategies

Development economics examines the challenges faced by developing countries in achieving sustained improvements in living standards. Students study how development is measured, the barriers to development, and the strategies used to promote economic growth and human welfare.

Key concepts include the distinction between economic growth and economic development, the Human Development Index (HDI), the role of institutions, and the debate over aid, trade, and foreign direct investment as development strategies.

These prompts progress from defining development concepts through to evaluating the effectiveness of development strategies, building the critical analysis and real-world application skills required for IB assessment.

Prompt 35: Economic growth versus development

Copy this prompt into your AI tool:

Distinguish between economic growth, measured as an increase in real GDP over time, and economic development, which encompasses broader improvements in living standards, health, education, and human freedoms as captured by composite indicators. Analyse why a country such as Equatorial Guinea might experience rapid GDP growth from oil revenues without corresponding improvements in development indicators such as life expectancy and literacy rates.

What this helps you practise:

Distinguishing growth from development with supporting examples

How to use it well:

This distinction is fundamental to the IB approach to development. Paper 1 essays must demonstrate understanding that growth alone is insufficient.

Prompt 36: Measuring development: single and composite indicators

Copy this prompt into your AI tool:

Compare GDP per capita, which measures average income but ignores distribution, and the Human Development Index, which combines income, life expectancy, and education indicators, as measures of development. Analyse the strengths and limitations of each measure, explaining why they might tell different stories about the same country, for example when an oil-rich nation has high GDP per capita but low HDI due to poor public health and education investment.

What this helps you practise:

Evaluating development indicators and their limitations

How to use it well:

Know the components of the HDI. Paper 2 may present data on different indicators and ask you to analyse discrepancies.

Prompt 37: Barriers to development: poverty traps

Copy this prompt into your AI tool:

Present a development economics question: ask me to explain the concept of a poverty trap where low income leads to low savings, low investment, and low productivity in a self-reinforcing cycle. Have me identify three specific factors that can keep a

country trapped, such as inadequate infrastructure, poor health outcomes reducing labour productivity, and capital flight, and probe what combination of domestic reforms and external assistance can break these traps.

What this helps you practise:

Identifying and explaining mechanisms that perpetuate underdevelopment

How to use it well:

Consider institutional, geographic, and economic factors. Understanding interconnected barriers demonstrates the depth IB examiners value.

Prompt 38: The role of institutions

Copy this prompt into your AI tool:

Analyse the role of institutions, including governance quality, rule of law, secure property rights, and well-funded education systems, in promoting or hindering economic development. Use a specific country comparison such as South Korea's institutional development versus a country with weak institutions to evaluate how corruption, political instability, and inadequate legal frameworks create barriers to sustained economic development.

What this helps you practise:

Evaluating the significance of institutional quality for development

How to use it well:

Institutional analysis is increasingly important in IB Economics. Link institutional quality to investment, innovation, and human capital development.

Prompt 39: Foreign aid: types and effectiveness

Copy this prompt into your AI tool:

Distinguish between bilateral aid provided directly between governments, multilateral aid channelled

through organisations such as the World Bank and IMF, and non-governmental organisation assistance targeting specific community needs. Evaluate the effectiveness of foreign aid as a development strategy, considering evidence of successful aid-funded programmes alongside criticisms including aid dependency, fungibility, tied aid conditions, and the arguments of scholars such as Dambisa Moyo.

What this helps you practise:

Evaluating the effectiveness and limitations of foreign aid

How to use it well:

Present a balanced view. Paper 1 may ask you to evaluate aid, and the IB rewards responses that consider dependency, corruption, and conditionality.

Prompt 40: Trade as a development strategy

Copy this prompt into your AI tool:

Discuss the view that trade liberalisation through tariff reduction and joining the World Trade Organization is the most effective strategy for economic development, citing examples such as export-led growth in East Asian economies. Analyse the risks for developing countries that open their markets too rapidly, including the destruction of infant industries, increased vulnerability to external demand shocks, and worsening terms of trade for primary commodity exporters.

What this helps you practise:

Evaluating trade liberalisation as a development strategy with associated risks

How to use it well:

Consider the infant industry argument and the experience of countries that used strategic protection. Balance is essential for evaluation questions.

Prompt 41: Foreign direct investment (FDI)

Copy this prompt into your AI tool:

Analyse the potential benefits of foreign direct investment for a developing country, including technology transfer, employment creation, tax revenue, and integration into global supply chains, alongside the drawbacks such as profit repatriation, environmental degradation, and the displacement of local firms. Under what conditions, including strong regulatory frameworks and workforce development, is FDI most likely to contribute positively to sustainable development?

What this helps you practise:

Evaluating FDI as a development mechanism with reference to conditions for success

How to use it well:

Consider technology transfer, employment, and profit repatriation. Use a real-world example to ground your analysis.

Prompt 42: Microfinance and social enterprise

Copy this prompt into your AI tool:

Evaluate the role of microfinance institutions such as Grameen Bank in promoting development at the grassroots level by providing small loans, savings accounts, and financial literacy training to low-income entrepreneurs, particularly women. Analyse what empirical evidence from randomised controlled trials supports its effectiveness in reducing poverty, and address criticisms including high interest rates, over-indebtedness, and limited impact on structural poverty.

What this helps you practise:

Assessing the impact of microfinance on local development outcomes

How to use it well:

This connects to the IB's emphasis on diverse

development strategies. Paper 1 may ask about alternatives to traditional aid and investment.

Prompt 43: Sustainable development

Copy this prompt into your AI tool:

Act as an IB examiner: ask me to explain the concept of sustainable development as meeting present needs without compromising future generations' ability to meet theirs, and discuss the tension between economic growth measured by GDP and environmental sustainability. Probe how developing countries can pursue industrialisation without depleting natural resources, and consider the TOK question of whether economics as a discipline can adequately model long-term environmental costs when its assumptions prioritise measurable short-term outcomes.

What this helps you practise:

Analysing the trade-offs between economic growth and environmental sustainability

How to use it well:

The IB values environmental awareness. Link sustainability to the UN Sustainable Development Goals for contemporary relevance.

Prompt 44: Gender equality and development

Copy this prompt into your AI tool:

Analyse the relationship between gender equality and economic development, examining how investment in women's education raises human capital and workforce productivity, how female economic participation increases household income and improves child nutrition and health outcomes, and how political representation of women correlates with more inclusive policy-making. Evaluate with reference to evidence from countries such as Rwanda and the Scandinavian nations.

What this helps you practise:

Connecting gender equality to development outcomes with supporting evidence

How to use it well:

This aligns with the IB's global perspective. Use data and examples to support your analysis. This can strengthen IA commentaries on development.

Prompt 45: Evaluating development strategies

Copy this prompt into your AI tool:

To what extent is there a single best strategy for economic development? Discuss with reference to at least three different approaches, including trade liberalisation as practised by East Asian tiger economies, foreign aid programmes as advocated by Jeffrey Sachs, and institutional reform as emphasised by Daron Acemoglu. Consider the specific geographical, historical, and political circumstances that make each strategy more or less appropriate for different developing countries.

What this helps you practise:

Synthesising and evaluating multiple development strategies in context

How to use it well:

This is a high-level evaluation question. Argue that context matters and that no single strategy works universally. This demonstrates the nuanced thinking IB rewards.

Section 5

Theory of the Firm (HL): Costs, Revenues, and Market Structures

The theory of the firm is an HL-only topic that examines how firms make production and pricing decisions under different market structures. Students study costs of production, revenue, profit maximisation, and the characteristics of perfect competition, monopolistic competition, oligopoly, and monopoly. [HL only]

Key analytical tools include short-run and long-run cost curves, revenue curves, the profit maximisation condition ($MC=MR$), and diagrams for each market structure. HL students must be able to draw and interpret these diagrams accurately.

These prompts develop from foundational cost and revenue concepts through to evaluating market structures and the role of government regulation, building the analytical depth expected in HL Paper 1 and Paper 3 responses.

Prompt 46: Short-run costs of production

Copy this prompt into your AI tool:

Define and explain the following short-run cost concepts: total cost as the sum of fixed and variable costs, average cost as total cost divided by output, and marginal cost as the additional cost of producing one more unit. Draw the short-run cost curves showing the U-shaped average cost curve and the marginal cost curve intersecting it at its minimum point. Explain these shapes using the law of diminishing marginal returns. [HL only]

What this helps you practise:

Defining cost concepts and drawing short-run cost curves accurately

How to use it well:

These curves are the foundation of theory of the firm. HL Paper 1 expects accurate, well-labelled diagrams showing the relationships between cost curves.

Prompt 47: Long-run costs and economies of scale

Copy this prompt into your AI tool:

Test me on long-run costs: ask me to explain the concept of economies of scale, including technical, managerial, financial, and purchasing economies that reduce long-run average cost as output increases, and diseconomies of scale arising from coordination and communication problems. Have me draw the long-run average cost curve showing its U-shape, explain the concept of minimum efficient scale, and analyse its implications for market structure. [HL only]

What this helps you practise:

Explaining and diagramming long-run cost behaviour and returns to scale

How to use it well:

Link economies of scale to specific sources (technical, managerial, financial). The LRAC curve connects cost theory to market structure analysis.

Prompt 48: Revenue curves and profit maximisation

Copy this prompt into your AI tool:

Draw and explain the revenue curves for a firm in a perfectly competitive market, where average revenue equals marginal revenue equals the market price, and for a monopolist with market power,

where the downward-sloping demand curve means marginal revenue falls faster than average revenue.

Explain the profit maximisation condition where marginal cost equals marginal revenue, and analyse why this output level may not coincide with allocative or productive efficiency. [HL only]

What this helps you practise:

Drawing revenue curves and applying the profit maximisation rule

How to use it well:

The $MC = MR$ rule is central to all market structure analysis. Ensure you can apply it to diagrams for each market structure.

Prompt 49: Perfect competition: short-run and long-run

Copy this prompt into your AI tool:

Analyse a perfectly competitive firm in the short run by drawing two diagrams: one showing a profit-making scenario where average revenue exceeds average total cost at the profit-maximising output, and another showing a loss-making scenario where the firm continues to operate because average revenue exceeds average variable cost. Then explain the long-run adjustment process of entry and exit that drives all firms toward normal profit at minimum average cost. [HL only]

What this helps you practise:

Diagramming perfect competition in short-run and long-run equilibrium

How to use it well:

Show the entry/exit process clearly. HL Paper 1 may ask you to trace the adjustment from short-run to long-run equilibrium.

Prompt 50: Monopoly: profit maximisation and welfare loss

Copy this prompt into your AI tool:

Draw a fully labelled diagram for a profit-maximising monopolist showing the demand curve, marginal revenue curve, marginal cost curve, and average cost curve. Identify the supernormal profit area as the rectangle between price and average cost at the profit-maximising quantity, and shade the deadweight welfare loss triangle compared to the perfectly competitive outcome. Analyse why monopoly leads to allocative inefficiency where price exceeds marginal cost. [HL only]

What this helps you practise:

Diagramming monopoly outcomes and identifying welfare loss

How to use it well:

The monopoly diagram is heavily tested at HL. Ensure you can identify supernormal profit and deadweight loss accurately.

Prompt 51: Monopolistic competition

Copy this prompt into your AI tool:

Construct an IB-style question about monopolistic competition: ask me to describe its characteristics including many firms, differentiated products, low barriers to entry, and non-price competition through branding. Have me draw two diagrams showing short-run supernormal profit where average revenue exceeds average cost, and long-run normal profit achieved through the entry of new competitors eroding demand, explaining the adjustment process between the two equilibria. [HL only]

What this helps you practise:

Diagramming monopolistic competition in short-run and long-run equilibrium

How to use it well:

Emphasise the role of product differentiation and

free entry. Compare the long-run outcome with perfect competition to demonstrate analytical depth.

Prompt 52: Oligopoly and strategic behaviour

Copy this prompt into your AI tool:

Quiz me on oligopoly: ask me to explain the defining characteristics of oligopolistic markets, including high concentration ratios, significant barriers to entry, and mutual interdependence where each firm's pricing decisions depend on competitors' anticipated responses. Have me explain how the kinked demand curve model, with its elastic demand above the prevailing price and inelastic demand below, explains price rigidity and non-price competition in oligopolistic industries. [HL only]

What this helps you practise:

Analysing oligopoly behaviour using the kinked demand curve model

How to use it well:

Know the kinked demand curve and its limitations. HL Paper 1 may also ask about collusion and game theory concepts.

Prompt 53: Collusion and game theory

Copy this prompt into your AI tool:

Analyse why firms in an oligopolistic market such as the OPEC oil cartel might collude to restrict output and raise prices above the competitive level, and explain why collusion agreements often break down due to the incentive for individual members to cheat. Use a simple two-player prisoner's dilemma payoff matrix to illustrate how the dominant strategy for each firm to defect leads to a Nash equilibrium that is collectively suboptimal. [HL only]

What this helps you practise:

Applying game theory to explain collusive and competitive behaviour in oligopoly

How to use it well:

Game theory adds analytical depth to oligopoly analysis. Be able to construct and interpret a simple payoff matrix for HL Paper 1.

Prompt 54: Price discrimination

Copy this prompt into your AI tool:

Challenge me on price discrimination: ask me to explain the three conditions necessary for a firm to practise price discrimination, namely market power, the ability to segment consumers with different price elasticities of demand, and the prevention of resale between segments. Using labelled diagrams for two market segments with different demand elasticities, show how third-degree price discrimination allows a monopolist to increase total revenue and profit. [HL only]

What this helps you practise:

Diagramming and analysing the conditions and effects of price discrimination

How to use it well:

Know the conditions (market power, segment separation, different PED) and be able to draw the two-market diagram.

Prompt 55: Efficiency comparisons across market structures

Copy this prompt into your AI tool:

Compare allocative efficiency, where price equals marginal cost and resources are optimally distributed according to consumer preferences, and productive efficiency, where firms produce at minimum average cost, across perfect competition, monopolistic competition, oligopoly, and monopoly in the long run. Analyse which market structure delivers the best outcome for consumers considering

both static and dynamic efficiency arguments. [HL only]

What this helps you practise:

Evaluating efficiency outcomes across different market structures

How to use it well:

This synthesis question draws together the entire theory of the firm topic. It is excellent preparation for HL Paper 1 essays requiring comparison.

Prompt 56: Government regulation of firms

Copy this prompt into your AI tool:

Evaluate the role of government in regulating monopolies and oligopolies to prevent the abuse of market power and promote consumer welfare.

Consider antitrust legislation such as the EU Competition Commission breaking up cartels, price regulation through rate-of-return regulation, and the promotion of competition through reducing barriers to entry. Under what circumstances might regulation be unnecessary, counterproductive, or create regulatory capture. [HL only]

What this helps you practise:

Evaluating the effectiveness of government regulation of market power

How to use it well:

Balance the case for regulation with the risk of regulatory failure. This evaluative perspective is essential for top marks on HL Paper 1 policy questions.

Section 6

Paper 1 Essay Technique: Diagrams and Real-World Examples

Paper 1 requires extended response essays where students must demonstrate knowledge and understanding, apply economic theory, and evaluate arguments. Success depends on clear structure, accurate diagrams, relevant real-world examples, and sustained evaluation.

IB markbands reward responses that integrate theory with application, use diagrams effectively to support analysis, and reach well-supported evaluative conclusions. Understanding what each markband requires is essential for targeted improvement.

These prompts focus on the craft of writing effective economics essays for Paper 1, developing skills from diagram accuracy through to sustained evaluative argumentation with real-world application.

Prompt 57: Constructing accurate diagrams

Copy this prompt into your AI tool:

Draw a correctly labelled supply and demand diagram showing the effects of a government subsidy on a good with positive externalities such as childhood vaccinations. Include the original market equilibrium, the subsidy shift, the new equilibrium with lower consumer price and higher quantity, and clearly identify the areas representing consumer benefit, producer benefit, government expenditure, and any remaining deadweight loss if the subsidy does not fully correct the externality.

What this helps you practise:

Drawing accurate, fully labelled economics diagrams under exam conditions

How to use it well:

Diagram marks are awarded for labels, accuracy, and relevance. Practise drawing your key diagrams from memory until they are automatic.

Prompt 58: Integrating diagrams into essays

Copy this prompt into your AI tool:

Write an essay paragraph that introduces a supply and demand diagram showing tariff effects, refers to it by figure number, and uses it to support an analytical point about the impact of a steel tariff on domestic welfare. Demonstrate how the diagram evidence supports your argument by explicitly referencing the consumer surplus loss, producer surplus gain, government revenue rectangle, and deadweight loss triangles to build a clear evaluative case.

What this helps you practise:

Seamlessly integrating diagram references into written analysis

How to use it well:

Never drop in a diagram without explanation. Refer to it explicitly in your text and use it to advance your argument.

Prompt 59: Using real-world examples effectively

Copy this prompt into your AI tool:

Identify three real-world examples you could use to illustrate the effects of minimum wage legislation in different economic contexts: one from a developed economy such as the UK National Living Wage, one from a developing economy, and one from an industry with highly elastic labour demand. For each

example, explain what specific economic outcomes the evidence demonstrates and how it supports or challenges the theoretical prediction of surplus unemployment.

What this helps you practise:

Selecting and deploying relevant real-world examples in economic analysis

How to use it well:

The IB rewards current, relevant examples from diverse countries. Build a bank of examples for each major topic and update them regularly.

Prompt 60: Essay structure for evaluation questions

Copy this prompt into your AI tool:

Outline an essay structure for the question: Evaluate the view that monetary policy is the most effective tool for controlling inflation. Include a clear thesis statement establishing your evaluative position, a paragraph plan with three to four analytical sections covering demand-pull and cost-push scenarios, specific real-world examples from economies such as the European Central Bank or US Federal Reserve, and a conclusion approach that synthesises evidence.

What this helps you practise:

Planning a structured evaluative essay with thesis, evidence, and conclusion

How to use it well:

Spend five minutes planning before writing. A clear structure with thesis, supporting analysis, counterargument, and judgement is the foundation of top-scoring essays.

Prompt 61: Defining key terms

Copy this prompt into your AI tool:

Write precise definitions for the following IB Economics terms: opportunity cost as the next best alternative forgone, market failure as a situation where the free market leads to an inefficient allocation of resources, inflation as a sustained increase in the general price level, current account deficit as when the value of imports of goods and services exceeds exports, and comparative advantage. Definitions must be concise, accurate, and suitable for examination use.

What this helps you practise:

Writing concise, accurate definitions of key economic terms

How to use it well:

Start every Paper 1 essay by defining key terms from the question. This establishes your understanding and earns early marks.

Prompt 62: Writing evaluative conclusions

Copy this prompt into your AI tool:

Write a conclusion for a Paper 1 essay on whether trade protection is ever justified from an economic efficiency perspective. Your conclusion should synthesise the arguments for infant industry protection and national security against the costs of deadweight loss and retaliation, acknowledge the competing perspectives of free trade advocates and protectionists, and reach a clear supported judgement that demonstrates the nuanced evaluation expected in the highest markband.

What this helps you practise:

Synthesising arguments into a balanced, judgemental conclusion

How to use it well:

A strong conclusion does more than summarise. It reaches a judgement, acknowledges limitations, and

may suggest conditions under which your thesis holds.

Prompt 63: Addressing the command term 'discuss'

Copy this prompt into your AI tool:

Test me on IB command terms: ask me to explain what the command term 'discuss' requires in an economics essay, including the need to present multiple perspectives with supporting evidence and reach a considered conclusion. Then have me write an opening paragraph for the question: Discuss the impact of a depreciation of the exchange rate on a country's current account balance, ensuring I demonstrate knowledge, establish a clear analytical framework, and signal my evaluative approach.

What this helps you practise:

Responding appropriately to the IB command term 'discuss'

How to use it well:

Discuss requires you to present multiple perspectives and offer a balanced consideration. It is different from 'evaluate' and 'analyse'. Know the distinction.

Prompt 64: Avoiding common essay errors

Copy this prompt into your AI tool:

Identify five common mistakes students make in IB Economics Paper 1 essays, such as failing to define key terms, drawing unlabelled diagrams, providing description rather than analysis, ignoring the command term requirements, and writing one-sided evaluations without considering counterarguments. For each error, explain why it costs marks according to the markband descriptors and suggest a specific technique to avoid it in timed examination conditions.

What this helps you practise:

Recognising and correcting common Paper 1 essay weaknesses

How to use it well:

Common errors include missing definitions, unlabelled diagrams, one-sided arguments, and ignoring the command term. Self-assess against this checklist.

Prompt 65: Markband self-assessment

Copy this prompt into your AI tool:

Using the IB Economics Paper 1 markband descriptors for knowledge and understanding, application, analysis, and evaluation, assess a practice essay you have written on a macroeconomic policy question. Identify which specific markband level your response achieves in each criterion, quote evidence from your essay to justify each judgement, and explain what targeted improvements in analytical depth or evaluative balance would raise it to the next level.

What this helps you practise:

Applying IB markband criteria to self-assess and target improvement

How to use it well:

Familiarise yourself with markband descriptors. The gap between markbands often comes down to evaluation quality and real-world application.

Prompt 66: Timed essay practice

Copy this prompt into your AI tool:

Choose a Paper 1-style question on international economics and write a complete essay response in forty-five minutes under timed conditions, including at least two fully labelled diagrams and real-world examples from specific countries or trade agreements. I will assess your response against IB

markband criteria for knowledge and understanding, application of economic concepts, quality of analysis, and depth of evaluation including consideration of short-run versus long-run effects.

What this helps you practise:

Writing a complete Paper 1 essay under timed conditions with diagrams

How to use it well:

Regular timed practice is essential. Many students know the content but lose marks through poor time management or incomplete responses.

Prompt 67: Linking theory across syllabus sections

Copy this prompt into your AI tool:

Demonstrate how a single economic event, such as a rise in global oil prices, can be analysed from microeconomic, macroeconomic, and international economics perspectives. Show how the same event affects individual markets through cost-push supply shifts, aggregate supply and inflationary pressure at the macro level, and terms of trade and current account balances internationally. Explain how cross-topic analysis demonstrating interconnected thinking strengthens evaluation in essays.

What this helps you practise:

Making cross-topic connections to demonstrate integrated economic understanding

How to use it well:

The best essays connect ideas across syllabus sections. This shows the examiner that you understand economics as an interconnected discipline.

Section 7

Paper 2 Data Response Skills

Paper 2 is a data response examination where students analyse economic data, including text extracts, tables, charts, and graphs. Both SL and HL students sit Paper 2, which tests the ability to extract information, apply economic theory, and evaluate policy.

Success in Paper 2 requires the ability to read and interpret data accurately, link data to economic concepts, calculate key indicators, and write concise analytical responses that integrate data with theoretical understanding.

These prompts develop data interpretation skills progressively, from reading charts and tables through to constructing evaluative responses that synthesise data with economic theory and real-world knowledge.

Prompt 68: Reading and describing data

Copy this prompt into your AI tool:

Given a table showing GDP growth rates for five countries across three different continents over a ten-year period, describe the key trends and patterns you observe, including any convergence or divergence in growth rates, cyclical fluctuations, and notable outliers. Identify the most significant features in the data, and suggest possible economic explanations for the patterns, considering factors such as commodity price cycles and policy changes.

What this helps you practise:

Identifying and describing key trends in economic data

How to use it well:

Start by stating the overall trend, then note significant variations or outliers. Paper 2 Question (a) typically asks you to describe data, and clear observation earns marks.

Prompt 69: Interpreting graphs and charts

Copy this prompt into your AI tool:

Interpret a line graph showing inflation and unemployment rates for a country such as the United Kingdom over a ten-year period from 2013 to 2023. Analyse what relationship, if any, exists between the two variables, considering whether the data supports the Phillips curve trade-off in the short run. Explain any anomalous periods where both variables moved in the same direction, referencing possible supply-side shocks or policy changes.

What this helps you practise:

Interpreting graphical data and identifying economic relationships

How to use it well:

Look for correlations, turning points, and anomalies. Link your observations to economic theory such as the Phillips curve for higher marks.

Prompt 70: Calculating economic indicators

Copy this prompt into your AI tool:

Using the data provided, calculate the following economic indicators showing your working clearly for each step: GDP growth rate as the percentage change between two years, the inflation rate using Consumer Price Index data with the formula for percentage change, and the terms of trade index using the ratio of export to import price indices. Interpret what each calculated value reveals about the economy's performance over the period shown.

What this helps you practise:

Performing economic calculations accurately with clear working

How to use it well:

Always show your working. Paper 2 awards marks for correct method even if the final answer contains an arithmetic error.

Prompt 71: Linking data to economic theory

Copy this prompt into your AI tool:

A data extract shows rising consumer prices alongside falling unemployment in an economy approaching full capacity. Using the Phillips curve relationship and an appropriate AD/AS diagram showing an inflationary gap, explain what demand-side and supply-side factors might be causing these simultaneous trends. Evaluate whether this trade-off is likely to persist in the long run, referencing the natural rate of unemployment hypothesis.

What this helps you practise:

Connecting observed data patterns to theoretical explanations with diagrams

How to use it well:

Data response questions award marks for applying theory to the specific data provided. Generic theory without reference to the data scores poorly.

Prompt 72: Analysing text extracts

Copy this prompt into your AI tool:

Read an extract describing a country's decision to impose import tariffs on steel to protect domestic producers from cheaper foreign competition. Identify the relevant economic concepts including trade protection, comparative advantage, consumer and producer surplus, and retaliatory trade measures. Analyse the likely effects on domestic steel prices, consumer welfare, and employment

using a fully labelled tariff diagram showing the key welfare areas.

What this helps you practise:

Extracting economic concepts from text extracts and applying theory

How to use it well:

Underline key economic terms in the extract before answering. Paper 2 expects you to engage directly with the text, not write a generic essay.

Prompt 73: Evaluating policy from data

Copy this prompt into your AI tool:

Given data showing a country's fiscal deficit increasing over five consecutive years alongside rising public debt as a percentage of GDP approaching ninety percent, evaluate the sustainability of the government's fiscal policy. Consider the implications for debt servicing costs, crowding out of private investment, credit rating downgrades, and intergenerational equity. Analyse what additional data on interest rates, growth rates, and debt maturity you would need for a fuller assessment.

What this helps you practise:

Evaluating policy sustainability using data and identifying information gaps

How to use it well:

Asking what additional data you would need shows analytical maturity. Paper 2 evaluation questions reward students who acknowledge the limits of available data.

Prompt 74: Comparing data across countries

Copy this prompt into your AI tool:

Given development indicators for three countries including GDP per capita, Human Development Index scores, and Gini coefficient values measuring

income inequality, compare their levels of development across economic, social, and distributional dimensions. Analyse why these indicators might give conflicting impressions of development, for example when a country has high GDP per capita but poor HDI scores due to unequal access to healthcare and education.

What this helps you practise:

Comparing and reconciling conflicting development indicators across countries

How to use it well:

Comparative analysis is a key Paper 2 skill. Explain discrepancies by considering what each indicator measures and what it omits.

Prompt 75: Constructing data response answers

Copy this prompt into your AI tool:

Outline the structure of an effective Paper 2 answer for a question worth eight marks that asks you to explain an economic relationship using provided data. Describe how you should balance direct data reference with specific figures and trends, theoretical explanation using relevant economic concepts, and at least one appropriately labelled diagram, allocating approximately fifteen minutes. Explain how to integrate these three elements into cohesive analytical paragraphs.

What this helps you practise:

Structuring data response answers to maximise marks at each command level

How to use it well:

Higher-mark questions require more theory and evaluation. Allocate your time and depth according to the marks available for each question.

Prompt 76: Using data to support evaluation

Copy this prompt into your AI tool:

Write an evaluative paragraph for a Paper 2 question about the effectiveness of exchange rate depreciation in correcting a current account deficit, using specific data from the extract to support your evaluation. Consider the Marshall-Lerner condition and J-curve effect as theoretical frameworks, reference specific numerical trends from the data, and assess the limitations of depreciation as a policy tool when import demand is price inelastic.

What this helps you practise:

Using data evidence to strengthen evaluative arguments

How to use it well:

Evaluation without data reference scores lower in Paper 2 than in Paper 1. Always tie your judgement to the specific numbers and trends provided.

Prompt 77: Spotting assumptions and limitations in data

Copy this prompt into your AI tool:

Given economic data on unemployment rates across three countries with different labour market structures, identify potential limitations of comparing this data directly. Analyse what assumptions are being made about the definition and measurement of unemployment in each country, how differences in informal employment, underemployment, discouraged workers, and varying statistical methodologies might affect the validity of cross-country comparisons.

What this helps you practise:

Critically assessing the reliability and comparability of economic data

How to use it well:

Consider different definitions, measurement methods, and data collection standards. This critical awareness distinguishes top-markband responses.

Prompt 78: Timed data response practice

Copy this prompt into your AI tool:

Complete a full Paper 2 data response section under timed conditions of one hour. I will assess your data interpretation including accurate reading and description of trends, theoretical application linking data to relevant economic concepts, appropriate diagram use integrated with textual analysis, and evaluative quality reflecting critical assessment of policies. Apply IB markband criteria for knowledge, application, analysis, and evaluation.

What this helps you practise:

Completing a full data response paper under timed examination conditions

How to use it well:

Time management in Paper 2 is crucial. Allocate time by marks and resist spending too long on lower-value questions at the expense of evaluation questions.

Section 8

Paper 3 HL Quantitative Skills: Calculations and Policy Analysis

Paper 3 is an HL-only examination that tests quantitative skills through calculations and policy analysis. Students must be able to calculate economic indicators, interpret numerical data, and analyse policy scenarios using economic theory and quantitative evidence. [HL only]

Key skills include calculating elasticities, costs and revenues, multiplier effects, tariff impacts, and other numerical indicators. Students must show clear working and interpret their results in economic context.

These prompts develop quantitative skills from basic calculations through to multi-step policy analysis, preparing HL students for the demands of Paper 3 where both accuracy and interpretation are assessed.

Prompt 79: Elasticity calculations

Copy this prompt into your AI tool:

Calculate the price elasticity of demand, income elasticity of demand, and cross-price elasticity of demand from the following data sets, showing your working for each calculation using the appropriate percentage change formulae. Interpret each coefficient, explaining whether demand is elastic or inelastic, whether the good is normal or inferior, and whether the related goods are substitutes or complements, and evaluate the significance of each result for business pricing strategy. [HL only]

What this helps you practise:

Calculating and interpreting all three types of elasticity

How to use it well:

Show all working clearly. Paper 3 awards marks for correct method and interpretation, so even if you make an arithmetic error, clear working earns marks.

Prompt 80: Calculating costs and revenues

Copy this prompt into your AI tool:

Given a table showing output levels from zero to eight units with corresponding total cost and market price data, calculate total revenue, marginal cost, marginal revenue, average total cost, and profit or loss at each level of output. Present your calculations in a clearly formatted table, identify the profit-maximising output level where marginal cost equals marginal revenue, and explain why producing beyond this point reduces total profit. [HL only]

What this helps you practise:

Calculating cost and revenue data and applying the profit maximisation condition

How to use it well:

Practise these calculations until they are automatic. Paper 3 frequently includes cost/revenue tables requiring multi-step calculations.

Prompt 81: The multiplier effect

Copy this prompt into your AI tool:

If the marginal propensity to consume is 0.8, calculate the value of the Keynesian multiplier using the formula one divided by one minus MPC. If the government increases spending by fifty million dollars, calculate the predicted total change in national income through successive rounds of spending. Analyse what assumptions underlie this

calculation, including the closed economy assumption and the absence of taxation and import leakages. [HL only]

What this helps you practise:

Calculating the multiplier and applying it to fiscal policy scenarios

How to use it well:

Know the multiplier formula ($1/(1-MPC)$) and its assumptions. Paper 3 may ask you to calculate the multiplier and critically assess its real-world applicability.

Prompt 82: Tariff calculations and welfare analysis

Copy this prompt into your AI tool:

Using a tariff diagram with specific numerical values for world price, domestic price after tariff, and quantity points for domestic supply and demand, calculate the change in consumer surplus loss, producer surplus gain, government tariff revenue collected, and the two deadweight loss triangles representing production and consumption inefficiency resulting from the tariff imposition. Show the geometric calculations for each area. [HL only]

What this helps you practise:

Calculating welfare effects of a tariff using diagram data

How to use it well:

Paper 3 may provide a tariff diagram with numerical values and ask you to calculate each welfare area.

Practise calculating areas of triangles and rectangles.

Prompt 83: Comparative advantage calculations

Copy this prompt into your AI tool:

Given production possibility data showing that Country A can produce either one hundred units of wheat or fifty units of cloth, and Country B can produce either sixty units of wheat or forty units of cloth, calculate the opportunity cost of each good in each country. Determine which country has comparative advantage in each product, demonstrate the potential gains from specialisation and trade, and identify a mutually beneficial terms of trade range. [HL only]

What this helps you practise:

Calculating opportunity costs and comparative advantage from numerical data

How to use it well:

This is a standard Paper 3 question type. Practise setting out opportunity cost calculations clearly and showing how trade benefits both countries.

Prompt 84: Terms of trade index

Copy this prompt into your AI tool:

Calculate the terms of trade index using export price index and import price index data provided for three consecutive years, applying the formula: terms of trade equals export price index divided by import price index multiplied by one hundred. Interpret the changes between years, explaining whether the terms of trade have improved or deteriorated, and evaluate the implications for the country's export purchasing power and balance of payments position. [HL only]

What this helps you practise:

Calculating and interpreting the terms of trade index over time

How to use it well:

Know the formula (export price index / import price index x 100). Paper 3 expects you to calculate correctly and interpret the economic significance.

Prompt 85: Tax revenue and deadweight loss

Copy this prompt into your AI tool:

Given supply and demand equations or a diagram with specific price and quantity values, calculate the tax revenue collected by the government as the tax rate multiplied by the post-tax equilibrium quantity, and the deadweight loss created by the indirect tax as the area of the triangle between the supply and demand curves over the range of lost output.

Analyse how the incidence of the tax depends on relative elasticities of supply. [HL only]

What this helps you practise:

Calculating tax revenue and deadweight loss from numerical data

How to use it well:

Identify the tax wedge, quantity change, and calculate areas precisely. Show all working for full marks.

Prompt 86: Weighted index numbers

Copy this prompt into your AI tool:

Construct a weighted price index from given data on a basket of five goods including their quantities consumed and prices across two time periods.

Calculate the index using the Laspeyres method with base-year quantity weights. Explain why weighting by consumption patterns is important for accurately reflecting changes in the cost of living, and analyse the limitations of fixed-weight index numbers including substitution bias and quality change. [HL only]

What this helps you practise:

Constructing and interpreting weighted index numbers

How to use it well:

Know how to calculate simple and weighted indices.

Paper 3 may ask you to construct an index and discuss its usefulness.

Prompt 87: Policy analysis: fiscal stimulus

Copy this prompt into your AI tool:

A government plans to increase spending by twenty billion dollars funded by borrowing, with a marginal propensity to consume of 0.75. Calculate the Keynesian multiplier value of four and the expected total increase in national income of eighty billion dollars. Then analyse the potential consequences for government debt sustainability, the crowding-out effect on private investment through rising interest rates, and the risk of demand-pull inflation if the output gap is small. [HL only]

What this helps you practise:

Combining quantitative calculation with qualitative policy analysis

How to use it well:

Paper 3 tests both calculation and analysis. After computing the numerical answer, discuss the assumptions and real-world complications.

Prompt 88: Exchange rate calculations

Copy this prompt into your AI tool:

If the exchange rate changes from one US dollar equals one hundred ten Japanese yen to one US dollar equals ninety-five yen, calculate the percentage change in the exchange rate from both the dollar and yen perspectives. Determine whether the dollar has appreciated or depreciated against the yen, and analyse the likely impact on US export competitiveness in the Japanese market, considering the price elasticity of demand for American goods. [HL only]

What this helps you practise:

Calculating and interpreting exchange rate changes and their trade effects

How to use it well:

Be careful with the direction of appreciation and depreciation. Paper 3 exchange rate questions test both calculation accuracy and economic interpretation.

Prompt 89: Multi-step policy scenario

Copy this prompt into your AI tool:

A country faces eight percent inflation, three percent unemployment below its estimated natural rate, and a current account deficit of five percent of GDP. Using quantitative reasoning, appropriate AD/AS diagrams, and the concept of policy trade-offs, analyse the contractionary monetary and fiscal policy options available. Evaluate which combination of demand-side and supply-side policies might best address these three macroeconomic imbalances simultaneously without causing a recession. [HL only]

What this helps you practise:

Integrating quantitative analysis with multi-objective policy evaluation

How to use it well:

This represents the most demanding type of Paper 3 question. Practise linking calculations to policy recommendations and acknowledging trade-offs between objectives.

Section 9

Internal Assessment and Portfolio Work

The Internal Assessment (IA) in IB Economics consists of a portfolio of three commentaries, each based on a different published media article and linked to a different section of the syllabus. Each commentary has a word limit of 800 words.

Commentaries are assessed on five criteria: diagrams, terminology, application, analysis, and evaluation. The portfolio accounts for 20% of the SL grade and 20% of the HL grade, making it a significant component of the overall assessment.

These prompts support each stage of the IA process, from selecting appropriate articles through to writing the commentary, drawing diagrams, and self-assessing against IB criteria.

Prompt 90: Selecting an appropriate article

Copy this prompt into your AI tool:

Identify the characteristics of a good article for an IB Economics IA commentary, including clear connection to a specific syllabus concept such as market failure or trade protection, sufficient economic content to support diagram-based analysis, publication within the last twelve months for contemporary relevance, and appropriate scope that can be analysed within the eight-hundred-word limit without oversimplifying complex multi-factor issues.

What this helps you practise:

Selecting media articles that provide strong opportunities for economic analysis

How to use it well:

Choose articles published within the last year that

clearly relate to syllabus concepts. The article should provide enough content for analysis but not be so complex that 800 words is insufficient.

Prompt 91: Linking articles to syllabus sections

Copy this prompt into your AI tool:

Given three potential articles covering a government subsidy on electric vehicles, a central bank interest rate decision, and a country joining a free trade agreement, identify which syllabus section each relates to and explain which specific economic concepts such as positive externalities, monetary policy transmission, or trade creation you would analyse. Ensure each article covers a different section to satisfy the portfolio diversity requirement.

What this helps you practise:

Mapping articles to syllabus sections to ensure portfolio coverage

How to use it well:

Your three commentaries must cover three different syllabus sections. Plan your portfolio early to ensure balanced coverage.

Prompt 92: Defining key terms in commentary

Copy this prompt into your AI tool:

For a commentary on an article about rising food prices in a developing country, identify five key economic terms you would need to define, such as demand-pull inflation, supply shock, price elasticity of demand, food security, and government subsidy. Write concise, IB-appropriate definitions for each term suitable for inclusion within the eight-hundred-word commentary limit, ensuring each definition supports your subsequent analysis of the article's economic content.

What this helps you practise:

Selecting and defining key terms concisely within word count constraints

How to use it well:

Definitions should be precise and integrated into your analysis, not listed as a glossary. The terminology criterion rewards natural use of economic language.

Prompt 93: Drawing diagrams for commentary

Copy this prompt into your AI tool:

Test me with a commentary scenario on a government's decision to increase the national minimum wage: ask me to identify which supply and demand diagrams showing a price floor above equilibrium in the labour market would be most effective, explain how surplus labour represents unemployment, and analyse how the wage elasticity of demand for labour determines the scale of the employment effect in different sectors.

What this helps you practise:

Selecting and creating relevant diagrams for IA commentaries

How to use it well:

Each commentary should include at least one diagram. Choose diagrams that directly support your analytical points and refer to them explicitly in your text.

Prompt 94: Writing the application section

Copy this prompt into your AI tool:

Write a paragraph for an IA commentary that applies the theory of negative externalities of production to a specific real-world situation described in a media article about industrial water pollution. Link the theoretical concepts of marginal private cost, marginal social cost, and welfare loss

directly to the facts of the article, incorporating a referenced externality diagram that identifies the deadweight loss and the socially optimal output level.

What this helps you practise:

Applying economic theory to the specific context of a media article

How to use it well:

Application means connecting theory to the specific situation in your article, not writing generic theory.

Use data and facts from the article directly.

Prompt 95: Developing analysis in commentary

Copy this prompt into your AI tool:

Demonstrate how you would analyse the economic effects of a policy described in your chosen article, such as a government carbon tax on manufacturing firms. Use the theory of indirect taxation and a supply and demand diagram to show the mechanism through which the tax shifts the supply curve leftward, raises the equilibrium price, reduces quantity, and generates tax revenue, while also identifying the resulting deadweight loss.

What this helps you practise:

Constructing analytical arguments supported by theory and diagrams

How to use it well:

Analysis explains how and why economic effects occur. Go beyond description to show the chain of reasoning. This is where many students lose marks.

Prompt 96: Writing the evaluation section

Copy this prompt into your AI tool:

Write an evaluative paragraph for an IA commentary that critically considers the limitations of a government policy described in an article, such as a subsidy for renewable energy. Address the

assumptions underlying the policy's expected effectiveness, potential unintended consequences including opportunity cost of government spending, distributional effects, and the specific economic and political conditions under which the policy might fail to achieve its stated objectives.

What this helps you practise:

Evaluating economic policies by considering limitations and alternative outcomes

How to use it well:

Evaluation is the highest-order skill assessed.

Consider short-run versus long-run effects, assumptions, stakeholder impacts, and alternative policies.

Prompt 97: Word count management

Copy this prompt into your AI tool:

Review a draft commentary and identify specific areas where you could reduce word count without losing analytical quality, such as eliminating redundant definitions, tightening evaluative sentences, removing unnecessary background context, and combining related points. Demonstrate how strategic editing ensures every word contributes to your economic argument within the eight-hundred-word IA limit while maintaining clear structure across application, analysis, and evaluation.

What this helps you practise:

Editing for concision and analytical density within the 800-word limit

How to use it well:

The 800-word limit forces discipline. Cut descriptive passages and strengthen analytical and evaluative sections. Quality of argument matters more than coverage.

Prompt 98: Self-assessment against IA criteria

Copy this prompt into your AI tool:

Using the IB Economics IA assessment criteria covering diagrams, terminology, application, analysis, and evaluation, assess a draft commentary on an article about rising housing prices. Score yourself in each criterion against the published markband descriptors, providing specific evidence from your draft to justify each score, and identify the single most impactful improvement you could make to raise your overall mark.

What this helps you practise:

Self-assessing against IB IA criteria to identify areas for improvement

How to use it well:

Read the criteria descriptors carefully and mark honestly. The most common weaknesses are in evaluation and the integration of diagrams. Focus improvement there.

Prompt 99: Portfolio balance and variety

Copy this prompt into your AI tool:

Review your three IA commentaries as a complete portfolio and assess whether they cover three different syllabus sections such as microeconomics, macroeconomics, and international economics. Evaluate whether you have used a sufficient variety of economic concepts, diagram types, and analytical approaches across the portfolio. Identify what specific adjustments in topic selection or theoretical focus would strengthen the overall portfolio balance.

What this helps you practise:

Evaluating portfolio balance across syllabus sections and analytical approaches

How to use it well:

Think of the portfolio as a whole, not three separate

pieces. Variety in concepts, diagrams, and economic contexts demonstrates breadth of understanding.

Prompt 100: Referencing and presentation

Copy this prompt into your AI tool:

Demonstrate your understanding of the referencing and presentation requirements for the IB Economics IA portfolio, including correct formatting of the cover page with candidate information and word count, proper citation of the source article with publication details, appropriate labelling and numbering of all economic diagrams, and the requirement that each commentary is a standalone analytical piece with clearly identified syllabus connections.

What this helps you practise:

Meeting IB presentation and referencing requirements for the IA portfolio

How to use it well:

Include the article, a cover page with required details, and proper referencing. Presentation errors can create a negative impression even if the analysis is strong.

Final Closing Note

You have now worked through 100 prompts designed to help you think more clearly, revise more effectively, and prepare more confidently for your GCSE.

Remember: the goal was never to rely on AI for answers. The goal was to use it as a tool to test, challenge, and strengthen your own understanding.

The strongest students are not those who avoid difficulty, but those who engage with it deliberately. Each mistake you identified, each explanation you improved, and each gap you filled has strengthened your thinking.

As you continue your studies, aim to depend less on prompts and more on your own judgement. AI can support you — but your reasoning, clarity, and persistence are what earn marks.

Approach your exams calmly. Think carefully. Write clearly.

You are more prepared than you think.

Using AI Beyond This Book

The prompts in this book are starting points, not final forms.

As you grow more confident, begin modifying them:

- Add constraints (for example, “limit to three key points”).
- Increase difficulty gradually.
- Ask the AI to challenge your reasoning.
- Request alternative explanations.
- Ask it to critique your thinking rather than provide answers.

The most powerful use of AI is not asking it to tell you things — it is asking it to test and refine your thinking.

In the future, those who understand how to use tools intelligently will have an advantage. Treat AI as a tutor, not a shortcut. The skill of asking better questions will continue to matter long after your exams are over.

About the Author

James R. Martin holds an MSci in Physics from the University of Bristol and a PGCE with a Physics focus from the University of Oxford. He has over a decade of experience teaching and tutoring students aged 11–18 across a range of subjects, including Physics, Biology, Chemistry, Mathematics, Economics, and Electronics.

He has worked with multiple syllabi, including GCSE, A-Level, KS3, and the International Baccalaureate Diploma Programme (IBDP), supporting students of varying abilities to develop clarity, confidence, and exam success.

His work focuses on effective revision strategies, independent thinking, and the responsible use of artificial intelligence as a tool to strengthen — not replace — understanding.

Other Titles in This Series

The *100 AI Prompts for Smarter Revision* series supports students across GCSE, A-Level, and IB DP subjects.

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- English Language
- English Literature
- Mathematics
- Physics
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- Geography
- History
- Computer Science
- Economics
- Business Studies
- Religious Studies
- Psychology
- French
- Spanish
- German

A-Level

- Mathematics
- Further Mathematics
- Physics
- Chemistry
- Biology
- Economics
- History
- Geography
- English Literature
- Psychology
- Computer Science

- Politics
- Business

IBDP

- Mathematics: Analysis & Approaches
- Mathematics: Applications & Interpretation
- Physics
- Chemistry
- Biology
- Economics
- Geography
- History
- English A: Literature
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