For most people, studying Economics is a totally new experience. While the basic concepts are often grasped fairly quickly, developing a deeper understanding of the relationships among and the implications of these concepts can be somewhat overwhelming. However, with some time, effort and a good bit of organization you can gain mastery of the subject. While recognizing that not everyone learns most effectively in the same way, the following hints can provide a good starting point for successful study of economics.

A. Getting the Most Out of Class:

Attending class is the single most important thing you can do to aid in your understanding of economics. A recent study (Romer, 1993) undertaken at 3 “typical” schools (a medium-sized private university, a small liberal arts college and a large public university) concluded that “considering only students who do all of the problem sets and controlling for grade point average, the difference in performance between a student who attends regularly and one who attends sporadically is about a full letter grade.” Reaping all of the benefits of class attendance will require a bit more effort than simply staying awake, though.

1. Be prepared for class by skimming through the text's treatment of the material to be covered prior to the class meeting. If you have some idea of what I'm talking about in class, you can focus your efforts on following the arguments made, thinking about the implications, etc., rather than just on grasping the new concepts. Going back to the text after class can then provide you with more in-depth treatment of the issues and additional examples of applications.

2. Ask questions or otherwise slow me down if I'm hurtling through difficult material in a manner that leaves you totally unable to follow the advice under A.1. of thinking about the material as it's covered, rather than simply writing it down.

3. Review your notes from the previous class prior to the next class, since new material typically builds on the old material. Thus, lingering questions about earlier topics can hinder understanding of the new topics.

B. Approaching the Material

It may help to think of the material in economics 1 as being a bit like a big box of building blocks of many different shapes. Once you understand what each of these different blocks look like and how they fit together, you can build many different structures. If you simply tried to look at the pictures on the box of all the sample structures, though, it would be almost impossible to memorize all of the things that could be built! In much the same way, it is impossible to cover all of the possible applications of the tools being learned in economics 1. However, if you can develop a good understanding of the basic building blocks, you will be well-equipped to fit them together into many different applications.
1. A good place to start trying to look at the material as a collection of similar blocks is with the graphs. Almost every concept we cover can be illustrated graphically. As you go through your notes and the text, try the following with each graph. Take each curve in the graph and ask yourself, "What does this curve represent? Why does this curve have this shape? What assumptions are behind this curve? What would cause this curve to move?" Putting it all together should then allow you to understand what information is being conveyed by the graph. If you do this for every graph, you'll discover several things. First, you'll find yourself repeating the same things over and over. This repetition will reinforce your understanding of that building block. Second, you'll realize that the same building block shows up in different contexts, reinforcing the relationships among the material.

2. The study guide can be helpful in organizing your thinking about the material. Try writing down the chapter objectives from the study guide in a list, and then asking yourself if you have mastered that objective. Reading through the shaded "tip boxes" can also provide some additional insights.

3. Practice with the use of the building blocks is also important. The problem sets are good start, but most people can use even more practice. At the end of each chapter in the text there is an additional problem set. Answers to the even numbered problems are given in the back of the book. Be sure to carefully consider the problem before consulting the answers though. At a minimum, reading over the odd number problems to get more ideas about possible applications of the material can be useful. If you want to work on these problems, and then check with me about the correct answers, I'm happy to discuss the problems with you. The practice tests and application problems at the end of each chapter in the study guide are probably a better place to start than the practice problems during the chapter. Again, though, reading through the practice problems can provide more examples of applications.

C. Taking the Exam

1. It's important not to get flustered during the multiple-choice section. There is a real tendency to read the question and the four answers, and panic when the right answer does not appear immediately obvious. In most cases, you will need to work out a little mini-short-answer problem before choosing the correct response. It may even be helpful to actually cover up the possible answers and come up with your own answer first, and then check to see if that's one of the choices! Sometimes the structure of the question is such that you need to scan the answers to fully understand the question, but the same basic principle applies - in most cases you should be actively working out the problem, not just "recognizing" the correct answer. A well-done exam will likely have many little graphs and notes scribbled in the margins of the multiple choice section.

2. As a last resort, standard multiple-choice techniques can be employed to eliminate some answers. Try to determine if there are multiple answers that say the same thing in different ways, or answers that provide information contradictory to information provided in the question, etc.
3. Try not to "over-answer" the problems in part 2 of the exams. It wastes your time to write down a lot of extraneous information. You may think it will help to show that you learned something, but if it's not what the question was about, it won't and your time would be better spent thinking about the issues. Use of abbreviations, arrows, etc. (stuff like $P \downarrow$, sub effect $\Rightarrow$ buy more) are fine as long as your meaning is clear. If you are worried about running out of time, you may want to start with part 2, but be sure not to spend more than about 25 to 30 minutes on that section, since 40% of 65 minutes is 26 minutes. Don't short-change the multiple-choice section, which will count for 60%.

4. Approach all the problems, but especially those in part 2, by breaking them down into simple steps. It's easy to become overwhelmed, and to panic upon first reading of a question, if you feel that you don't know anything about the issue. Take a deep breath and start trying to determine which building blocks (see B.) are part of the given problem. Try to avoid "over-thinking" a problem. In all cases, something that we've learned in class is the key to solving the problem. If you find yourself wandering off into concepts we've never considered, you may be treading into dangerous territory! Try to keep focused on using the basic tools from this class.

References