

Writing Assignment #1

ECO204

Exam Date: Wednesday Oct. 8th 5:00 PM

Exercise Date: Sunday Oct. 5th 11:59PM

This is an individual assignment. Collaborating, providing, or receiving answers from someone else on this assignment violates Academic Integrity.

This is a closed-book written exam, and NO aids are allowed. Bring your T-card with you on the exam day.

What Exactly is Going to Happen?

The writing assessment is taking place this coming Wednesday, October 8th! It is the first assessment in ECO204 and is worth 7.5% of your final grade. The test will pose a question related to the assigned topic and some related readings (more below), and you will write an essay addressing the question.

- You will write the assignment on the exam document provided. The exam document will consist of five pages. The first three pages correspond to the three sections of your essay: **Introduction, Body, and Conclusion**. The last two pages are for Draft Work. You must hand in all five pages, but we will only mark the first three pages containing your Introduction, Body, and Conclusion. These pages correspond to your “final essay.” We recommend that you write both your draft work and final essay in pencil and bring a good eraser to erase and write over any mistakes on your “final” copy. *You do not need to necessarily use the draft pages* but it is a good idea to list the important points that you want to write about in the draft.
- Students must be seated by 5:00 p.m. The writing test begins at 5:10 p.m. and ends at 6:50 p.m., lasting 100 minutes. All papers will be collected at 6:50 p.m., so make sure you arrive on time, or you may run out of time. You will hand in all the pages of your exam at the end of the test. The word limit is 800 words, but the suggested length is around 600 words, as essays are often best when they are “short and sweet” with efficiently presented arguments. Writing more does not ensure a higher grade and may even make it harder to understand your essay. Make sure you don’t write so much that you don’t leave yourself time to polish the essay. Leave at least 15 to 20 minutes for revisions.
- If you finish early, put your hand up, and we will come by your seat and collect your document. If you finish with less than 20 minutes left in the test (after 6:30 p.m.), we’ll ask you to wait and hand it in with the others.

General Formatting

You will **lose AT LEAST 20 points** for **ANY** of the following:

1. If your writing is messy with lots of crossed words and sentences, or if the pencil is too light and cannot be read.
2. **Do not copy the question in your response.**
3. No footnotes, no formulas, no jargon.
4. Each section should contain short related paragraphs that use the questions as a guideline. Do not write short and disconnected answers to the questions. This is not a math exam, it's a writing assessment. The outcome should look like an essay.

Important Points to Consider

- You will be marked based on your analysis's quality and accuracy and not based on the quantity of your essay, similar to a real policy brief or a news article. You won't convince policy makers or your readers by talking too much but rather by creating a well-thought-out and specific argument.
- This first writing assignment aims to develop and assess your ability to apply ECO204 concepts to a real-world problem or topic, conduct analysis, and communicate your analysis to a lay audience (i.e., one not formally trained in economics). Think as if you were drafting an op-ed for the Globe and Mail or an article on this topic in The Economist or Atlantic magazine. That's the type of audience you should think of yourself as addressing.
- Note: It is normal to interpret "writing" as mainly being about sentence structure, paragraph organization, grammar, etc. These things are important, but good and effective writing uses simple, jargon-free English and short sentences. This is especially important to remember if English is your second language. You will not be penalized if your meaning is clear and your analysis is solid, even if your grammar is not that of an Oxford don.
- As well, your handwriting needs to be legible but does not need to be elegant. Minor mistakes like a crossed-out sentence on one of the "final" essay pages will not be penalized so long as we can reasonably read your essay. If one or more sections of your "final" paper become too messy, you'll want to erase and overwrite your work. Ensure you write within the indicated margins on each page, as we will upload these pages to Crowdmark. Although it's not recommended, if you absolutely need to, you can continue one of the "final" sections on one of the draft pages, but this needs to be clearly indicated on the document otherwise it will not be graded.

What are We Writing About?

The goal of this in-class writing assessment is for you to apply the topics we have covered over the first four chapters (supply and demand and consumer theory) to address a topic in professional economics. Specifically, we will be writing on **the impact of**

federal interventions in Canada's housing market. We have provided links to four short readings on this test info page below. Two articles discuss the housing shortage and affordability challenges in Canada, and two articles examine recent policy measures designed to increase housing supply. Based on these readings, here are some things to think about:

- How does a change in construction costs or financial incentives affect the supply of housing? How might this apply to new rental developments when the GST is removed, or to municipalities receiving funding through the Housing Accelerator and Infrastructure Fund? (Try to answer using the theories learned up to chapter 6, you can just talk about how cost change affects the supply, you don't need to (and must not) go into details about the production.)
- How do tax incentives help increase housing supply while making housing more affordable? Consider the potential benefits and costs of these subsidies.
- How supply-side constraints, such as zoning laws, permitting delays, or infrastructure bottlenecks, continue to limit housing construction, and how do these constraints affect equilibrium prices and quantities in the market?
- How does persistent housing scarcity affect affordability and the economic well-being of Canadian households, especially in large urban centers?
- What are the potential costs and benefits of federal programs like the Housing Accelerator Fund or tax changes like the GST removal? Do they create additional housing supply, or do they risk transferring benefits to developers without solving affordability?
- How might municipalities' use of Accelerator Fund dollars influence local incentives and affect consumer and producer surplus in the housing market?
- How could long-run shifts in demand, such as more households renting or seeking new housing types, interact with these supply-side policies?

The goal, when thinking about these topics, is to:

- Communicate to us that you understand the supply and demand and/or consumer behavior model covered in class (depending on which is most relevant to the question).
- Show you can interpret one or both of these models creatively and use them to address issues that arise in our modern economy.
- Communicate your understanding of the models in a way somebody who has yet to have 200-level lectures on consumer theory and markets could understand.
- Important: make assumptions (based on the theories learned) and build your argument on those assumptions. Relax assumptions and revisit the results.

What Should the Essay be Like?

You are welcome to include personal opinions in your essays (personal statements are not evaluated or penalized; they are opinions and cannot be right or wrong!) as well as analysis. Offering your own opinion on the topic you are writing about can spice up your essay, and fun-to-read essays are good! However, make sure your personal thoughts are not crowding out the analysis. *You should back up your opinions with facts and/or to be credible: in our case, microeconomic reasoning and theory!*

Since there are only 100 minutes and three pages to write on, the essays will naturally be fairly short. So, leave enough space for the analysis that increase your marks.

About facts, you do **not** need to memorize any specific “stylized facts” from the articles linked below. However, you likely will remember a few things from the articles that strike you as especially interesting and that you can bring to bear on your essays. Put another way: you should do enough reading to gain a basic familiarity with Canada’s housing market, current affordability challenges, and the recent supply-side policies being implemented. However, you will not be tested on whether you can recite the material in the suggested readings, and you will not be asked to come up with any particular fact or figure from the assigned readings. Also, you do not need to worry about proper citations or references for this first essay assignment.

This is a personal essay: it should convey your own thoughts, ideas, and logical deductions based on general knowledge picked up from the readings and ECO204. There’s no clear answer on how housing policy should be designed, it depends on how you weigh affordability, supply incentives, and community well-being.

Pre-Test Readings

- Economist article: [How Canada went from preachy to pragmatic](#)
access through library: [click here](#)
- [What election promises on housing would mean for Toronto and the GTA](#)
- [The risks of trying to fix the housing crisis with federal funding](#)
- [The Great Rebuild Seven ways to fix Canada’s housing shortage](#)
- [Municipalities’ Housing Accelerator Fund incentive puts dollars in developers’ pockets](#)

Tips

- **Think like an economist.**

In ECO204, in addition to learning specific models, we also want you to develop an understanding of the “economist’s view of the world.” If you plan to study economics in your upper-year courses, you need to understand this worldview and be (critically) sympathetic to it so that you can use it to think about problems and events that occur in the real economy around us. This essay gives you a chance to use your “economist’s view of the world” to address a current economic subject.

Hiring processes for economist positions in government organizations will often include writing a policy briefing. This is really good practice!

- **Write well (or as well as you can).**

Use short, clear sentences. Do not have sentences that are vague or subject to multiple interpretations. Above all, be precise.

- Avoid (most) jargon. For instance, it’s not a great idea to talk about "elasticities" in your essay, as "elasticity" is not a concept that would make sense to somebody outside an economics class. Talk about "responsiveness to price" instead. When solving problems for other specialists who know the jargon, it can be acceptable to jump straight to technicalities. But that’s not the goal of this particular exercise. When you use a jargon word, such as a "choke price," make sure you define it for your reader!
- Be clear. Good, clear, creative answers demonstrating an understanding of the models we have covered so far in ECO204 will be rewarded even if they end abruptly or if you get your verb tenses wrong. What matters is the quality of the analysis and the clarity of your thoughts, not stuff that could be fixed if you had another three hours to correct grammar and craft a perfect topic sentence. In particular, within broad limits, this writing assignment should not reward native speakers of English over those who are not native speakers.

- **Be prepared**

It is an excellent idea to try the practice writing test question we provide, and bring your work to live or virtual office hours before the assignment day.

This is your first writing assignment; there’s room and time to improve from here. Try to have fun with the topic!

Good luck!