Editorial

Peter Davies, Ross Guest and David McCausland

Moving to a new publisher

We are pleased to announce that from 2013 the International Review of Economics Education will be published by Elsevier. We will also be increasing our issues to three per calendar year. These changes reflect the growing success of the journal. We are very grateful to the referees who have provided immensely valuable comments on the increasing volume of submissions we have been receiving. We are also very pleased with the rising number of high quality submissions we have been receiving.

Although we are moving publishers we will be maintaining our close connection with the Economics Network. The birth and growth of the journal would not have been possible without the Network which has been our home for ten years. It is through the generous funding from the Network that it has been possible to maintain the journal as open access with no author fees. Changing higher education policy in England has seen the withdrawal of government funding for the Network. The excellent work of the Network will, however, continue with the support of the Royal Economic Society, the Scottish Economic Society and many economics departments across the UK. Readers of the journal will be able to follow links to IREE through the Network web site and followers of the Network will be able to follow a link from the new Elsevier page for past IREE editions.

We owe a special debt to John Sloman who, as Director of the Economics Network, has been enormously supportive of the journal. He has also helped a great deal in the negotiations for our move to a new publisher. We wish him well in his 'retirement'.

Improving grades and upgrading the curriculum

Which factors are more important for students' grades? This issue includes papers which consider three plausible causes that have each attracted substantial interest from economics lecturers: prior achievement, students' critical reasoning and study time. These studies prompt reflection on the extent to which the effects of these three factors reflect the methods of teaching and assessment which dominate current practice in the profession.

Chang Da Wan and Roland Cheo contribute to the literature on the effect of pre-university academic achievement on university economics achievement, following the paper on this topic in IREE by Fallan and Opstad (2010, Vol. 9). Wan and Cheo find that although overall pre-university achievement is important, there is no separate effect of performance on particular pre-university subjects including economics or mathematics, contrary to some other studies. Nor did they find any gender effects. The data were drawn from two large south-east Asian universities.

Alexei Orlov and John Roufagalas examine the relationship between students' critical reasoning and performance in undergraduate economics. Using a short test of critical reasoning (Frederick, 2005), they find no association for Principles courses but find a fairly strong association for upper level courses. Given evidence (e.g. Siriopoulos and Pomonis, 2009) of the effect of different teaching methods on the development and exercise of students' thinking skills, Orlov and Roufagalas may be interpreted as a cautionary tale about the level of intellectual demand provided by first year courses. This story suggests that the nature of teaching has important effects on outcomes for students.

Economists (e.g. Stinebrickner and Stinebrickner, 2004) have been very interested in the relationship between student effort and grades. The question has largely been addressed in terms of the amount of time which students have chosen to devote to their academic studies. Hans Bonesrønning and Leiv Opstad contribute to this literature with a study which addresses endogeneity problems by comparing effort and grades for the same student over time. Their evidence supports the conclusions from previous studies in finding a strong positive relationship between effort and grades. They also find that students increase their efforts after they find that they have performed less well than they expected.

The global financial crisis and ensuing Great Recession have led to much soul-searching in macroeconomics education and of course policy. Ideas that have been around for some time but have not hitherto penetrated mainstream macro teaching are beginning to do so. These include the role of leverage in balance sheets of households, firms and banks, the role of bounded rationality in decision making and other concepts from behavioural economics such as present bias and herding. In this vein, the paper here by David Kauper introduces further realism into the neoclassical model of economic growth. Kauper argues against a pedagogy that starts from a theoretical Solow world of diminishing returns to capital leading to convergence of growth rates. Rather we should start with the way students see firms prospering over time. We need to explain the process of creative destruction leading to popular new products, such as the BMW M3, Apple iPhone, Avatar in 3-D, Nintendo Wii, which in turn generates economic growth. It is the desire for profit that drives this process. Kauper's contribution is to show ways of linking profit seeking and creative destruction to the neoclassical model of growth in order that students can connect growth theory more readily with their observations of the world.

Injecting more realism into our models is one way of improving student engagement. Another is to introduce more variety into our classroom delivery methods. Wayne Geerling provides us with a number of excellent examples of multimedia exercises along with some excellent advice on how to get the most out of them. Geerling reminds us that we must be discerning in using multimedia. Youtube clips and the like that are not well chosen are not only a waste of time but can turn students off multimedia in economics teaching.

We are pleased to include two papers in the IT in economics education (formerly CHEER) section of the journal. William and Kevin Hamlen show us an interactive computer model of two-country trade that allows students to investigate the consequences of changing economic parameters. The model is self-contained and makes no assumption concerning the existence of social welfare functions or social indifference curves. The factors of production earn incomes that lead to the demand for two goods. Students can see who are the winners and losers when going from a closed economy to an open economy. The students are able to predict the consequences and then obtain immediate feedback.

Tim Kochanski introduces us to a simulation model, programmed in Netlogo, that demonstrates changes in market structure that occur as marginal costs, demand, and barriers to entry change. Students predict and observe market structure changes in terms of number of firms, market

concentration, market price and quantity, and average marginal costs, profits, and mark-ups across the market as firms innovate. By adjusting the demand growth and barriers to entry, students can explore market changes in terms of these output variables. This facilitates students' understanding of different market structures and exposes them to computational methods, simulation, and a dynamic perspective on the static models provided by standard texts.

References

Fallan, L. and Opstad, L. (2010). 'Student Performance in Principles of Macroeconomics: The Importance of Gender and Personality Type', *International Review of Economics Education*, Vol. 9(1), pp. 76-92.

Frederick, S. (2005). 'Cognitive Reflection and Decision Making,' *Journal of Economic Perspectives*, Vol. 19(4), pp. 25–42.

Stinebrickner, T., and Stinebrickner, R. (2004). 'Time-use and college outcomes,' *Journal of Econometrics*, Vol. 121(1-2), pp. 243-269.

Siriopoulos, C. and Pomonis, G. (2009). 'Selecting Strategies to Foster Economists' Critical Thinking Skills: A Quantile Regression Approach', *International Review of Economics Education*, Vol. 8(1), pp. 106-131.