

# Decide with the 5 C's

How to **EVALUATE** and **JUSTIFY** a decision

|                                            |                                                         |                                                |                                                 |                                             |
|--------------------------------------------|---------------------------------------------------------|------------------------------------------------|-------------------------------------------------|---------------------------------------------|
| <b>C</b><br><b>Choice</b><br><i>Decide</i> | <b>C</b><br><b>Costs &amp; benefits</b><br><i>Weigh</i> | <b>C</b><br><b>Criterion</b><br><i>Measure</i> | <b>C</b><br><b>Combine</b><br><i>Synthesise</i> | <b>C</b><br><b>Caveat</b><br><i>Qualify</i> |
|--------------------------------------------|---------------------------------------------------------|------------------------------------------------|-------------------------------------------------|---------------------------------------------|

Decision · 1

Options · ~4 each

Criterion · 1

Reasoning · 1-2

Caveat · ~1

Typical exam marks (QCAA external assessment 2023-25). **Explaining the options earns the most.** In your IA (Evaluating out of 7), the last three C's lift you from 3 to 4+ marks.

The first two C's give **reasons**.The last three turn them into **reasoning**: that's what reaches the top band.

| Step                                                                                                             | What you write                                                                                                                                            | Sentence starters                                                                                                               |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>C</b><br>CHOICE<br><b>Choice</b><br><i>Decide · What is my decision?</i>                                      | Make <b>one distinct decision</b> in the question's own words. Not "both", and not a separate recommendation.                                             | "[Option B] should be more effective in improving..."<br>"The government should not cut income tax at point A..."               |
| <b>C</b><br>COSTS & BENEFITS<br><b>Costs &amp; benefits</b><br><i>Weigh · What are the gains and the losses?</i> | Explain <b>how each option works</b> , then its <b>gains and losses</b> , with data. For every benefit to a group, give its cost, or say none is evident. | "Option A would..., which..., but it would also..."<br>"The main cost of [option] falls on..."                                  |
| <b>C</b><br>CRITERION<br><b>Criterion</b><br><i>Measure · Judged against what?</i>                               | Judge against the <b>criterion, by name</b> . No criterion named? Judge whether <b>benefits outweigh costs for each group</b> the question names.         | "Judged on [living standards / equity / future employment],..."<br>"For businesses, the benefits outweigh the costs because..." |
| <b>C</b><br>COMBINE<br><b>Combine</b><br><i>Synthesise · How do ideas and perspectives fit together?</i>         | Link ideas in a <b>chain of reasoning</b> , use <b>your diagram or model</b> , and weigh <b>two perspectives</b> .                                        | "...because [mechanism], which means [effect], so [criterion]..."<br>"From the perspective of [group], however,..."             |
| <b>C</b><br>CAVEAT<br><b>Caveat</b><br><i>Qualify · When might it not hold?</i>                                  | Say <b>when it might not hold</b> : time, size, who loses, data that doesn't fit. Use <i>should, may, if</i> .                                            | "This decision may not hold if..."<br>"In the short term..., but in the long term..."                                           |

## THE OPTION LADDER Costs & benefits, done properly · ~4 marks per option, the biggest mark earner

|                                                                                               |                                                                                           |                                                                                      |                                                                                                                |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>1</b> <b>Describe it</b><br>What is it, and who does it?<br>Add a detail from the sources. | <b>2</b> <b>Explain how it works</b><br>Use a model: a shift or movement on your diagram. | <b>3</b> <b>Flow-on effects, with data</b><br>Who gains, who loses, and by how much? | <b>4</b> <b>An idea, perspective or limitation</b><br>e.g. "not all holiday rentals would be affected" (2025). |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|

**Then decide (~3-4 marks):** a distinct decision + the criterion by name + economic reasoning + two perspectives. Turn the page for the three question types.

# Exam toolkit: three question types

Spot the type, then **DECIDE** the right way

| TYPE A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | TYPE B                                                                                                                                                                                                                                                                                                                                                                                                                           | TYPE C                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Two options, one criterion</b><br>LOOKS LIKE<br><i>"Evaluate [option 1] and [option 2]... decide which is more effective, using the criterion of [X]."</i><br>STRUCTURE<br>1 <b>Problem</b> , with a calculation<br>2 <b>Trends</b> from the sources, with data and dates<br>3 <b>Option ladder</b> for each option<br>4 <b>Decision</b> : criterion + reasoning + two perspectives<br>SEEN IN<br>2024 Q15 (future employment) · 2025 Q15b (living standards) · 2023 Q14, 2025 Q14 (equity)<br><b>Marks</b> : Extended response 21–26 · short response 10–13 | <b>Should it go ahead?</b><br>LOOKS LIKE<br><i>"Decide whether [the central bank / government] should [continue / cut / raise] ..."</i><br>STRUCTURE<br>1 <b>Forces for</b> , with data<br>2 <b>"However"</b> : the forces against<br>3 <b>Decision + reason + caveat</b><br>SEEN IN<br>2023 Q13 (cut income tax?) · 2024 Q13 (monetary policy stance) · 2025 Q13 (can the RBA manage it?)<br><b>Marks</b> : Short response 7–11 | <b>Benefits and costs for each group</b><br>LOOKS LIKE<br><i>"Evaluate the benefits and costs using the perspectives of households, businesses and government."</i><br>STRUCTURE<br>1 <b>Rationale</b> for the policy<br>2 For <b>each group</b> : a benefit, a cost, a verdict<br>3 <b>Overall</b> : do the benefits outweigh the costs?<br>SEEN IN<br>2023 Q15 (payroll tax)<br><b>Marks</b> : Extended response 22 · no criterion named, so the groups are your criterion |

## SHORT-RESPONSE DECISION Four sentences for a type B question, or the decision paragraph of any type

|                                     |                                                                                                                                                 |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Decide</b><br>the choice C       | "The RBA should raise the cash rate."                                                                                                           |
| <b>Because</b><br>the combine C     | "Higher rates lift borrowing costs, which reduces spending, so demand-pull pressure eases."                                                     |
| <b>Judged on</b><br>the criterion C | "Judged on price stability, this matters: underlying inflation has stayed above the 2–3% target, at 3.2–3.3%, for two years."                   |
| <b>However</b><br>the caveat C      | "However, much of 2025's headline jump was electricity rebates ending, so a small rise is enough, and the decision should stay data-dependent." |

### Criteria bank

|                                     |                                                                          |
|-------------------------------------|--------------------------------------------------------------------------|
| <b>Living standards</b><br>2025 ER  | Measure it with real incomes, access to housing, consumption per person. |
| <b>Future employment</b><br>2024 ER | Measure it with jobs created, skills, growing industries.                |
| <b>Equity</b><br>2023 Q14, 2025 Q14 | Measure it with gaps between groups; who gains, who loses.               |
| <b>Price stability</b>              | Measure it with inflation against the 2–3% target.                       |
| <b>Efficiency</b><br>2023 report    | Measure it with resource use, incentives, cost and simplicity to run.    |

### From the QCAA subject reports

|                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DO</b>                                                                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>✓ Make a <b>distinct choice</b>, not "both" (2025).</li> <li>✓ Give each benefit's <b>cost</b>, or say none is evident (2023).</li> <li>✓ Use <b>if / may / should</b> (2023).</li> <li>✓ Acknowledge <b>data that doesn't fit</b> and why you discount it (2023).</li> <li>✓ Use sources to <b>add meaning</b>, not to repeat them (2025).</li> </ul> |
| <b>DON'T</b>                                                                                                                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"> <li>× Treat a <b>proposal</b> as if it has already happened (2024).</li> <li>× Quote the stimulus at length (2024).</li> <li>× Treat costs and benefits as <b>criteria</b>.</li> <li>× Write an <b>essay introduction</b>, or use "<b>ceteris paribus</b>" as a stock phrase (2023).</li> </ul>                                                            |

# Worked example: two options, one criterion

A type A question, built into a top-band **EVALUATION**

## THE QUESTION

Use Sources 1 and 2 to analyse the economic issue. Evaluate two options for reducing household electricity costs, and decide which is more effective using the criterion of living standards.

### SOURCE 1 · Electricity prices and real wages

Year to December 2025

**21.5%**

electricity prices, as measured in the CPI

**4.6%**

electricity prices, excluding rebates

**-0.4%**

real wages (WPI 3.4% vs CPI 3.8%)

Energy bill rebates were wound back during 2025.

Source: ABS CPI and Wage Price Index, December 2025

### SOURCE 2 · Two government options

#### Option A · Extend energy bill rebates

- \$300 off each household's bill a year
- Takes effect immediately
- Costs about \$3.5 billion a year

#### Option B · Invest in transmission and renewables

- \$3.5 billion a year in new lines and generation
- New supply in 3–5 years
- Lower wholesale prices expected once built

Options are hypothetical, for practice.

## MODEL ANSWER · TOP BAND

### PROBLEM

Analysing

Household electricity prices rose **21.5%** in the year to December 2025, but only **4.6%** excluding rebates, so **16.9 pp** of the rise came from rebates ending. With wages up 3.4% against 3.8% inflation, **real wages fell 0.4%**, squeezing living standards.

### OPTION A

ladder

**Extending the \$300 rebate** lowers the price households pay straight away. It is a **demand-side** measure: it cuts bills without changing the cost of supplying power, and low-income households gain most because electricity is a larger share of their spending. **But** the relief lasts only while the rebate is paid, as the 16.9 pp jump shows, and it costs about \$3.5 billion a year.

### OPTION B

ladder

**Investing in transmission and renewables** is a **supply-side** measure: it **shifts supply to the right**, lowering the equilibrium price of electricity. Cheaper wholesale power cuts costs for firms as well as households, and construction **creates jobs**. **However**, new supply takes **3–5 years**, so households see no relief in the short run.

### DECISION

C's 1, 3, 4, 5

**Option B should be more effective in improving living standards.** Judged on living standards, a lasting fall in the price of electricity raises real incomes every year, **whereas** a rebate only delays the price rise. From the perspective of **firms**, lower energy costs flow through to lower prices; for **low-income households**, though, the wait is costly. This decision **may not hold if** construction runs well beyond five years.

## Where the marks are

### Analysing

- ✓ The issue, a **calculation** (16.9 pp) and real wages with data

### Option A · ~4

- ✓ Describe → how it works (demand-side) → who gains → limitation

### Option B · ~4

- ✓ Describe → supply shifts right → firms and jobs → time lag

### Decision · ~3–4

- ✓ Distinct choice, **criterion named**, reasoning, **two perspectives**, a caveat

## A 2-mark decision

*"Option B is better because it is long term and Option A is only short term. Both options have benefits and costs."*

**Reasons, not reasoning.** No criterion, no chain, no perspectives, and "both have benefits" sits on the fence.

## Ask yourself

Did I climb **the ladder for both options**? Did I **name the criterion** in the decision, weigh **two perspectives**, and say **when it might not hold**?