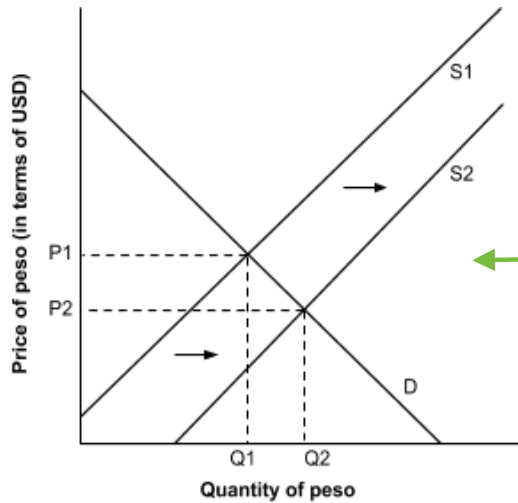


This article illustrates the potential depreciation of the peso and its effects to the Argentine economy, arisen from the removal of exchange controls, where depreciation may be defined as the fall in value of a currency in terms of another and exchange controls may be defined as restrictions which the government imposes to limit the amount of foreign and local currency that is allowed to be traded.

Diagram 1: The depreciation of the peso



Notice the use of definition without being wordy, but rather contributing to the flow of the paper.

Clearly labeled diagram that is relevant to the commentary and specific to the article.
Notice the clarity of the title and each curve is properly labeled

Connection to abstract economic concept

“The gap between the official exchange rate and a parallel rate (black market rate) known as the blue-chip swap” indicates the potential depreciation of the Argentine peso when left to market forces. The removal of exchange controls allow Argentinians to increase the exchange of pesos for dollars, prompting an increase in the supply of pesos in exchange for an increase in demand of dollars. This is shown in diagram 1 by S1 extending to S2, P1 shifting downwards to P2, portraying the depreciation of the peso.

The depreciation of the peso may lead to cheaper Argentine exports for foreign consumers, increasing the competitiveness of Argentine exports and decreasing the demand from Argentine consumers for expensive imports, improving Argentina’s current account, where the current account may be defined as the sum of trades in goods, trades in services, net flow of income, and current transfers. Moreover, increased demand for exports and domestic goods and services may lead to increased employment in the export sector and import-competing domestic firms, decreasing unemployment in long-term, where unemployment may be defined as when those who are at working age, are willing and able to work, cannot find but are actively seeking for a job.

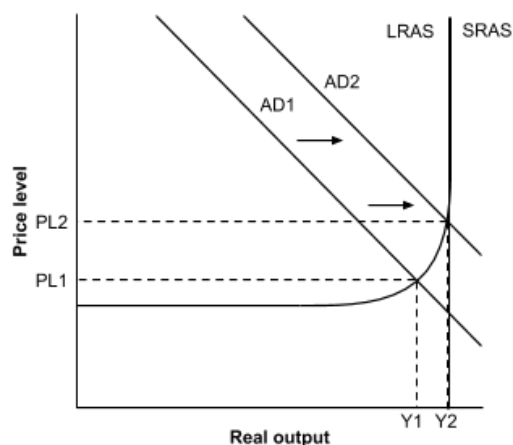
Specific/ concrete statements from the article.

An argument/ thesis.

Multiple perspectives being considered but one singular argument being made.

Continuing to define new terms as they appear.
Although the student could save some words by cutting “may be defined” each time.

Diagram 2: Demand-Pull Inflation



New graph needed, new graph used, new graph referenced.

However, because net exports act as a component of aggregate demand, its improvement indicates an increase in AD, shown by AD1 extending to AD2 in diagram 2, potentially leading to demand-pull inflation with PL1 shifting upwards to PL2. Nonetheless, an increase in AD may benefit Argentina's economy in long-term through an increase in real GDP, where Gross Domestic Product (GDP) may be defined as the total

An argument.

market value of all finished goods and services produced in an economy over a period of time. In addition, as the relative price of imported raw materials increase, the costs of production increases, potentially leading to cost-push inflation. Thus, the depreciation of the peso may cause short-term "inflation to accelerate to as fast as 47 percent" from the original "24 percent" and "spark social discontent".

Consistently connecting abstract economic ideas to concrete/specifics in teh article

To decrease social discontent, the Argentine central bank may increase interest rates to support the peso, evident through Argentine finance minister's statement "to intervene should declines in the peso spiral out of control". This may have contractionary effects to the Argentine economy, offsetting the increase in AD in short-term. On the other hand, the removal of exchange controls may allow the peso to return to its true value after long periods of pegged control, which may be beneficial to the Argentine economy in long-term. Through a less interventionist approach to the peso exchange rate may increase economic efficiency and allow the Argentine central bank to "rebuild foreign reserves from a nine-year low" which "have tumbled to the lowest since 2006, due to intervention to maintain the crawling peg".

Preceding the removal of exchange controls, speculation may lead to a further decrease in value of the peso and provoke adverse effects to the Argentine economy in short-term. This is evident through "many businesses jack(ing) up prices in hopes of protecting themselves against any devaluation", further increasing inflation, and "other businesses, such as factories, simply shut(ing) down to wait to see what happens to the peso", hampering real GDP growth. Nonetheless, speculation of the depreciation of the

an argument This time, the student is putting forth a possible casue of the policy and defending it through economic ideas, but then criticizes it with economic ideas. It is clear which perspective the student thinks is best, but both sides have merit.

peso may also “provoke farmers to sell crops they have been holding back” due to price stickiness. While the peso depreciates, a fixed price in dollars may be demanded for the same quantity of crops, which may in turn be exchanged for a relatively larger amounts of pesos for domestic use. Macri’s removal of “export taxes on most crops” may further strengthen the benefits for farmers, leading to a long-term increase in real GDP for the primary-sector-dependent Argentine economy.

Overall, the fall in value of the peso may lead to short-term loss for the Argentine economy through an interim increase in inflation, social discontent, negative speculation, and the potential implementation of contractionary policy. However, in long-term, the Argentine economy may benefit through a healthier current account and foreign reserve base, an increase in economic efficiency, an increase in real GDP, and an increase in domestic employment.

Strong conclusion where with evaluation that has been clearly built by reasons presented throughout the commentary.

Notice the focus on short-term versus long term gains.

The students shows awareness of different economic perspectives. Again this comes from the rest of the commentary.

Even this student could improve. There are some wordy phrasings that could be eliminated to give more words to explore further.

Their thesis could/should have been stated at the beginning of the paper so that one could follow the logic throughout.

But overall the paper is strong.