



EFFECTIVE READING STRATEGIES

For Students in the Faculty of
Economics and Commerce

2nd Edition

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Reading for academic study is an active, analytical process. You are not expected to accept everything you read and then repeat it back but to think carefully and critically about what you have read. You are expected to be able to think about what the reading means in the context of other things you have read, how the ideas are connected to other ideas, how the ideas make sense and what you think of these ideas.

1. READING STRATEGIES

There are a number of different strategies for effective reading. Each is useful at different times. Think about the ways in which you read. It is not always necessary (or indeed a good idea) to read everything in full. You simply don't have the time. It is also important that you develop the skill of identifying the main idea in a text without wading through it in detail and avoid spending a long time looking up words in the dictionary.

1.1 Scanning

This is the way you read a telephone directory or the TV guide. Your eye runs very quickly through the text to look for a particular piece of information or to see if it contains anything that is relevant. It is not necessary to read every word but look instead for a key word or heading.

1.2 Skimming

This involves looking quickly through a text to get the main idea. Look at headings, summaries and each paragraph's topic sentences rather than examples and explanations. Read the first sentence of each paragraph, or the first and last sentences. Look at graphs or tables, headings and subheadings. This strategy is also useful when taking notes.

Example:

Look at the following passage. The key words have been underlined so that you can identify the main idea of the paragraph.

Macroeconomics emphasises the interactions in the economy as a whole. It deliberately simplifies the individual building blocks of the analysis in order to retain a manageable analysis of the complete interaction of the economy. For example, macroeconomists typically do not worry about the breakdown of consumer goods into cars, bicycles, televisions and calculators. They prefer to treat them all as a single bundle called 'consumer goods' because they are more interested in studying the interaction between households' purchases of consumer goods and firms' decisions about purchases of machinery and buildings. (Yates, 1989, p. 30)

The paragraph begins with a definition of the key term, macroeconomics. The definition is then explained. By skimming you can see the structure of the paragraph (key word, definition, example).

1.3 Locating Topic Sentences

Identifying the main idea of each paragraph through the topic sentence will help you with skimming and with taking notes. Often the topic sentence comes at the beginning of the paragraph.

Example:

Markets co-ordinate individual decisions through price adjustments. To see how, think about the market for hamburgers in your local area. Suppose the quantity of the hamburgers being offered for sale is less than the quantity that people would like to buy. Some people who want to buy hamburgers will not be able to do so. To make the choices of buyers and sellers compatible, buyers will have to scale down their appetites and more hamburgers will be offered for sale. An increase in the price of hamburgers will produce this outcome. A higher price will encourage producers to offer more hamburgers for sale (McTaggart, Findlay & Parkin, 1999, p. 17).

This paragraph is about markets. The topic sentence is: Markets coordinate individual decisions through price adjustments

Although most of the sentences are about hamburgers they are used as an example to illustrate this point.

While the topic sentence usually comes at the beginning of the sentence, this is not always the case:

When economic efficiency has been achieved, production costs are as low as possible, and consumers want the combination of goods and services that is being produced. Three distinct conditions produce economic efficiency. They are efficient production, efficient consumption and efficient exchange (McTaggart, Findlay & Parkin, 1999, p. 13).

In this case the topic sentence is:

Three distinct conditions produce economic efficiency.

The first sentence in the paragraph is an example of economic efficiency, followed by the topic sentence. This is followed by an explanation of the three conditions.

Topic sentences are not always straightforward:

The economy contains millions of people each making thousands of decisions a year. That's a lot of choices! Won't there be conflicts between them? How are they all coordinated? (McTaggart, Findlay & Parkin, 1999, p. 17)

In this case the topic sentence is in the form of a question. The main idea is the coordination of decisions in the economy.

1.4 Reading in Detail

Sometimes it is important to read every word carefully and every example, and to read the whole article, chapter or book. You may need to do this if it is particularly relevant to some writing you are doing, or clearly presents a concept with which you are having difficulty.

Each reading strategy is important at a particular time and you can mix the strategies. You may want to scan a chapter until you find a particular paragraph or explanation that is important to you. You may want to skim to understand the important ideas before a tutorial and read certain parts in full later when you have to write an essay. You may skim because you understand a certain concept, but read in full when you need to understand the ideas in the way the author has explained them, and use the examples to assist you.



2. ACTIVE READING: PUTTING THE STRATEGIES INTO PRACTICE

2.1 Before you start

- Before you start, decide the purpose of your reading. Work out what you want to gain from your reading and make headings. Then fit what you have read into each of the headings. This will encourage you to think clearly about what you are reading and identify the main ideas.



There is considerable research evidence which suggests that it will help learning if you work out your goals before you begin reading (McKeachie, 1999, p. 147)

Look at:

- The article or chapter heading. What does the title tell you about the topic. What do you already know about this? What are the writer's conclusions?
- The summaries at the beginning or end of the readings to get an overview. Terminology is often explained here.
- Headings and subheadings as they indicate the shape and focus of the writing.

Wilhite (1983) found that prequestions – questions asked before the reading facilitated understanding



2.2 While you read

- Always approach your reading armed with a pencil or highlighter. You should underline key words (unless it is a library book!) and ideas that you need to remember. At the end of the paragraph, try to note down in the margin or on a piece of paper the point the writer was making.
- Ask yourself questions as you read:
 - What is the main idea?
 - What evidence is there?
 - Why is this relevant?
 - Are there other points of view?
 - How does this connect with other ideas you have been reading?

2.3 Vocabulary

You may be confused by specialist vocabulary - words that are only used in this subject or are used in a special way in this subject. Check these words with the glossary in your text books. Remember, the dictionary definition of these words may not be the way the words are used in your area of study. In Economics, Accounting, Finance and Management, some words are used in very specific ways. These are defined in the glossary of the text in the precise way they are used in that text. These are the definitions you should use in your work. For example the dictionary definition of investment is 'the investing of money or capital in order to secure profitable returns' (Macquarie Dictionary). Whereas for Economics the term is defined as 'the purchase of new plant, buildings, vehicles and machinery and additions to inventories in a given time period' (McTaggart et al., 1996).

3. NOTE TAKING

3.1 Note taking and quoting

Here is an example of note taking from Mankiw (1999, p. 5). The chapter heading (Ten Principles of Economics) gives you a great deal of information and gives a shape to your reading - you are looking for ten principles. The section reproduced here has two key terms defined in the right hand margin. The first sentence of the first paragraph tells you that this section is about trade-offs or choices. It discusses some examples of trade-offs. The second paragraph outlines an important trade-off, between efficiency and equity. The third paragraph discusses government policies to balance efficiency and equity. The final paragraph is concerned with the importance of acknowledging trade-offs.

Example

When people are grouped into societies, they face different kinds of trade-offs. The classic trade-off is between 'guns and butter'. The more we spend on defence to protect our shores from foreign aggressors (guns), the less we can spend on personal goods to raise our standard of living at home (butter). Also important in modern society is the trade-off between a clean environment and a high level of income. Laws that require firms to reduce pollution raise the cost of producing goods and services. Because of the higher costs, these firms end up earning smaller profits, paying lower wages, charging higher prices, or some combination of these three. Thus, although pollution regulations give us the benefit of a cleaner environment and the improved health that comes with it, they have the cost of reducing the incomes of the firms' owners, workers and customers.

Another trade-off society faces is between efficiency and equity. Efficiency means that society is getting the most it can from its scarce resources. Equity means that the benefits of those resources are distributed fairly among society's members. In other words, efficiency refers to the size of the economic pie, and equity refers to how the pie is divided. Often, when government policies are being designed, these two goals conflict.

Consider, for instance, policies aimed at achieving a more equitable distribution of economic wellbeing. Some of these policies, such as the age pension or unemployment benefits, try to help those members of society who are the most in need. Others, such as the individual income tax, ask the financially successful to contribute more than others to support the government. Although these policies have the benefit of achieving greater equity, they have a cost in terms of reduced efficiency. When the government redistributes income from the rich to the poor, it can reduce the reward for working hard; as a result, people may work less and produce fewer goods and services. In other words, as the government tries to cut the economic pie into more equitable slices, the pie may get smaller.

Recognising that people face trade-offs does not by itself tell us what decisions they will or should make. A student should not abandon the study of psychology just because doing so would increase the time available for the study of economics. Society should not stop protecting the environment just because environmental regulations reduce our material standard of living. The poor should not be ignored just because helping them distorts work incentives. Nonetheless, acknowledging life's trade-offs is important because people are likely to make good decisions only if they understand the options that they have available. (Mankiw, 1999, p. 5)

Efficiency: the property of society getting the most it can from its scarce resources.

Equity: the property of distributing economic prosperity fairly among the members of society.

The following is a summary of the main points in my own words on the left-hand side and quotations, with a page number on the right hand side. In this way it is very clear when I come to write an assignment what are my words and what are not. It also allows me to digest the material by putting it into my own words.

Summary of main points in my words	Quotations with page number
Society faces trade-offs between different needs eg: 1. defence and living standards 2. profit and a clean environment	p5
Efficiency/equity trade off These can conflict	Efficiency: the property of society getting the most it can from scarce resources Equity: the property of distributing prosperity fairly among the member so of society
Govt. policies aimed at achieving distribution of wealth – trade off between equity and efficiency Need to think about trade-offs to make good decisions	

- Always note down the title, author, date, publisher and page numbers if you are taking notes. It is also a good idea to note the call number if it is a library book.
- Make notes in your own words as this helps you think about what you are reading. It is not sufficient to simply read and underline. You need to digest the material by making notes.
- It is a good idea to divide your page in half, vertically. On one side of the page, sum up the paragraph and on the other write down any direct quotes that you think are important. It is important to separate quotes from your own words. Don't copy anything unless you make it clear to yourself that it is the author's words and not yours.
- Use diagrams or tables or concept maps when you have finished reading a section.

3.2 Summarising

When you have finished reading try to sum up the article or chapter in one sentence.

- Work out what the main theme of the reading was.
- Was there an argument? What was it? What was the author's point of view? How is the argument supported? In what ways do you agree? In what ways do you disagree?
- How does this fit in with other things you have been reading and discussing?
- Draw graphs or diagrams for yourself to help you understand and remember what you are reading. Be particularly conscious of the labelling of the axes and think about why these are labelled in this way
- Translate your ideas into your own words as you are reading. Say them to yourself. Saying something makes it much clearer in your mind and helps you to remember. Try to explain your ideas to someone. Work with someone else and ask each other questions. Join a study group and discuss your work with other students.

Examples of notetaking

Example 1:

Using chapter objectives to guide your reading:

Here is an example of note taking from the textbook *Principles of Microeconomics*, (Mankiw, Gans & King, 1999) Chapter 4, 'The Market Forces of Supply and Demand'.

This example shows you how to begin by making yourself a list of questions which you will answer as you read.

Questions	Answers/notes from Chapter 4
What is a competitive market?	
What determines the demand for a good in a competitive market?	
What determines the supply of a good in a competitive market?	
In what ways do supply and demand together set the price of a good?	
In what ways do supply and demand together determine the quantity of the product sold?	
What is the role of prices in allocating scarce resources in market economies?	



Example 2

Summarising key points

Following this is an example, from the first year Accounting text, of summarising a passage so that its significant ideas are made clear. Initially the main points are underlined:

Financial and Management accounting

Accounting's role of helping decision makers by measuring, processing and communication information is usually divided into the categories of management accounting and financial accounting. Although there is considerable overlap in the functions of management accounting and financial accounting, the two can be distinguished by who the principal users of their information will be. Management accounting provides internal decision makers who are charged with achieving the goals of profitability and liquidity with information about financing, investing and operation activities. Managers and employees who conduct the activities of the business need information that tells them how they have done in the past and what they can expect in the future. For example, Woolworths needs an operating report on each outlet that tells how much was sold at that outlet and what costs were incurred, and it needs a budget for each outlet that projects the sales and costs for the next year. Sometimes the term 'cost accounting' is used instead of management accounting. Financial accounting generates reports and communicates them to external decision makers so that they can evaluate how well the business has achieved its goals.. These reports are called financial statements. Woolworths, for instance, will send its financial statements to its owners (called shareholders), its banks and other creditors, and government regulators. Financial statements report directly on the goals of profitability and liquidity and are used extensively both inside and outside a business to evaluate the business's success. It is important for every person involved with a business to understand financial statements. They are a central feature of accounting and are the primary focus of this book.

In summary, and according to Statement of Accounting Concepts (SAC) 2 'Objective of general Purpose Financial Reporting', the objectives of accounting are: to provide relevant and reliable information to permit the assessment of performance, financial position, and financing and investing; to assist report users to made and evaluate decisions about the allocation of scarce resources; and to enable managements and governing bodies to discharge their accountability.

Wise et al 1998 Principles of Accounting p7

Summary of main points in preceding excerpt:

The role of accounting can be divided into 2 categories:

1. Management accounting - information for decision-makers inside the company about what has happened in the past and what to expect in the future.
2. Financial accounting - information for decision-makers outside the company. Usually in the form of financial statements.

The purpose of accounting is to provide information for the purposes of assessment and decision making.

Main idea in one sentence:

Accounting is providing information for decision-makers either inside or outside a company.

Active reading overview

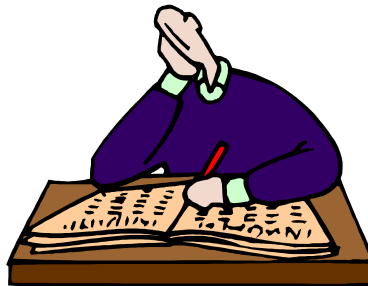
Preview

Before you begin taking notes, preview what you are reading

- Read the abstract
- Read the introductory paragraph
- Read the first sentence of each paragraph
- Read the conclusion or summary
- Look at headings and subheadings
- Look at underlined or highlighted words
- Look at key words

Review

- Have your notes answered the questions you aimed to answer?
- Is there anything you do not understand?
- Have the publication details and page numbers of all quotations and paraphrases been noted?



4. READING CRITICALLY

4.1 Reading books and articles

At university level it is not sufficient to reproduce what you read. It is necessary to think critically, to question and to evaluate. Think about:

- The purpose of the text you are reading
- The point of view of the writer
- The writer's conclusions. These are often indicated by words such as therefore, thus, so, as a result, in short, it is evident that.
- The evidence or justifications used to support the conclusions. This can be indicated by words such as for example, since, because, is indicated by, the research suggests.
- The assumptions
- The logic and consistency of the argument
- The relationship between ideas

4.2 Reading research articles

When reading research articles there are a number of things you will have to consider.

- What is the hypothesis? How is it significant?
- Has the literature review provided a synthesis of ideas or just a list of paraphrases?
- What are the assumptions?
- What is the model used?
- What is the sample?
- How has data been collected
- What is the analytic tool?

5. INTEGRATING READING AND WRITING

Reading and Note Taking for Essays and Assignments

5.1 Sources

Reading and writing are closely connected activities in academic life. When you are writing an essay or assignment you may need to read widely and integrate other writers' ideas with your own. Different assignments require different levels of reading and research and it is essential that you are clear how much reading is required.

Use the reading in your course notes or reading pack as a start but for most essays you will need to read more widely. Follow up articles in the references of articles in your reading. You may also need to use databases in the library. If you are not sure how to use Buddy, the university's database searcher, ask someone in either the Giblin or Baillieu libraries.

5.2 Organisation

- Be selective in your reading. Don't read everything in a book or article, read according to your needs. Tables of contents, abstracts, introductions and conclusions will help you work out what is useful and what is not. If you have prepared carefully before you begin reading you will save time.
- Mind maps and concept maps (*see writing and concept map booklets*) are good ways to understand complex material and the connections between ideas.
- In planning your writing, you may need to consider the different perspectives of different authors.

Example of focused reading for an essay

The question comes from a Management subject, Chinese Business and Economy.

Critically discuss the approach of multinational enterprises to the China Market during the 1990's.

You could direct your reading through devising questions about the topic. Organise them into a table so that you can fill in information from your reading which shows the viewpoints of different authors. Some authors may not have anything to say in answer to your questions, others a great deal. Different authors may have different perspectives on the same question.

Question	Author 1	Author 2	Author 3
What is a MNE?			
What has been the nature of the China market in the 1990s?			
Which multinational enterprises have been involved in the Chinese market?			
Why have foreign enterprises traditionally wanted joint ventures?			
Why has the Chinese government favoured joint ventures?			
Why do some foreign firms now favour greater equity?			
What are some of the strengths of the approach of multinational enterprises?			
What are some of the weaknesses?			
What are some theoretical frameworks that may be useful for discussing these ideas?			

OVERVIEW

Effective reading requires you to be able to:

- identify the important ideas in a text
- put ideas into your own words
- think actively as you are reading about the significance of the text and the connections between it and other things you have been reading.
- take good notes that will be useful to you now, and also intelligible in a few months time.



References

- Mankiw, N.G., Gans, J., & King, S. (1999). *The principles of microeconomics*, Sydney: Harcourt Brace.
- McKeachie, W. J. (1999) *Teaching tips: Strategies, research and theory for college and university teachers*, Boston: Houghton Mifflin.
- Wilhite, S. (1983). Prepassage questions: The influence of structural importance. *Journal of Educational Psychology*, 75(2), 234-244.
- Wise, T., Needles, B., Anderson, H., & Caldwell, J. (1998). *Principles of accounting*, Brisbane, Australia: Jacaranda Wiley.
- Yates, C. J. (1995). *Economics*, New York: Phoenix ELT.



If you would like more help, please contact the Teaching and Learning Unit at the Faculty of Economics and Commerce. You can do this via the website, www.ecom.unimelb.edu.au/tluwww/, or through the faculty office on 8344 5317.

The TLU has developed a series of booklets like this one to support you in your Economics and Commerce course. They are:

- Learning to learn
- Getting the most out of lectures
- Getting the most out of tutorials
- Effective reading strategies
- Good writing
- Answering questions
- Doing well in exams
- Tips for first years
- Concept mapping
- Basic referencing using the Harvard system