

School of Economics and Finance  
**PUBL/ECON 411: Public Economics B**  
Trimester Two 2008  
**COURSE OUTLINE**

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**Course lecturer and coordinator**

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**Lectures:** Wednesday RWW 127 15:40 - 17:30

The trimester, including the examination period is Monday 7 July to Saturday 8 November 2008.

This course deals with the economic analysis of social regulation, broadly conceived. We take a technocratic perspective in the first six weeks, analysing the the roles and drawbacks of policy instruments such as specification standards, performance standards, Pigovian taxes and tradeable emissions permits. In the final six weeks, we turn to two recent controversies. The first concerns the resurgence of paternalist ideas, motivated by behavioural economics. The second is cost-benefit analysis in evaluating environmental policies. We will pay particular attention to the role of discounting in the case for action to counteract global warming.

**Lecture outline**

*Environmental economics and the choice of policy instruments*

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|--|---------|
| 1. Implementation in a first-best world          | 11 July |
| 2. Regulatory failure                            | 18 July |
| 3. Two-part instruments                          | 25 July |
| 4. Heterogeneity and tradeable permits           | 1 Aug   |
| 5. Instrument choice under aggregate uncertainty | 8 Aug   |
| 6. Accounting for enforcement and evasion        | 15 Aug  |

*Paternalism and risk regulation*

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| 7. Risk assessment and behavioural economics | 5 Sep  |
| 8. Taxing externalities                      | 12 Sep |
| 9. Asymmetric and libertarian paternalism    | 19 Sep |

*Cost-benefit analysis*

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|--|--------|
| 10. Traditional and cognitive rationales for cba | 26 Sep |
| 11. Valuation                                    | 3 Oct  |
| 12. Discounting and the Stern report             | 10 Oct |

### Required background

While this is not a particularly technical course by honours standards, a basic understanding of microeconomic concepts and methods will be assumed. ECON 201 is officially a prerequisite and should be more than enough. But if you are not familiar with concepts such as *externality*, *Pareto efficiency* and *partial differentiation*, then you probably need to do some background reading. Although assessment is mainly essays, mathematical notation will be used frequently in lectures.

### Assessment:

2 essays	2500 words	20% each	10 Sep & 8 Oct
2 hour final Exam		60%	17 October - 8 November

Silent non-programmable calculators will be permitted in the exam, but not useful. Students are obliged to be present at university until the end of the examination period.

Assignments that are late without permission will attract **penalties** of 5% a day. Essays will only be assessed up to the word limit.

The official **expected workload** is 150 hours, or 12 to 13 per week.

There is no textbook. There will be **readings** every week. Usually these readings will be articles that can be downloaded via links on Blackboard, but not occasion, hard copies may be made available at the SEF reception area on the third floor of Rutherford House.

### Blackboard

Course documents, **announcements**, assignment questions and other information will be available on the blackboard website: <http://blackboard.vuw.ac.nz>.

## Faculty of Commerce and Administration Offices

### Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

### Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building on the ground floor (EA005). This counter is the first point of contact for :

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

### **Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <<http://www.turnitin.com>>.

Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism. *At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin.* You are strongly advised to check with your tutor or the course coordinator if you are uncertain about how to use and cite material from other sources. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

### **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to [www.victoria.ac.nz/home/about/policy/students.aspx](http://www.victoria.ac.nz/home/about/policy/students.aspx).

For information on the following topics, go to the Faculty's website [www.victoria.ac.nz/fca](http://www.victoria.ac.nz/fca) under Important Information for Students:

- Academic Grievances
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

### **Academic Integrity and Plagiarism**

Academic integrity is about honesty – put simply it means *no cheating*. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

*The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other students or staff.*

It is still plagiarism even if you re-structure the material or present it in your own style or words.

*Note: including the work of others will not be considered plagiarism as long as the work is acknowledged by appropriate referencing.*

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University's website: [www.victoria.ac.nz/home/studying/plagiarism.html](http://www.victoria.ac.nz/home/studying/plagiarism.html)

### **Manaaki Pihipihinga Programme**

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, phone (04) 463 6015 or email [manaaki-pihipihinga-programme@vuw.ac.nz](mailto:manaaki-pihipihinga-programme@vuw.ac.nz). To contact the Pacific Support Coordinator, phone (04) 463 5842 or email [pacific-support-coord@vuw.ac.nz](mailto:pacific-support-coord@vuw.ac.nz).