

Course Outline Approval Form

(A separate form must be completed for each course)

Course Outline Approval Forms for the Second Trimester are due at the Faculty's Student & Academic Services Office by Monday 13 July 2009, and should be sent in PDF format to the Administrator, Anthea O'Sullivan: anthea.osullivan@vuw.ac.nz

Course Code (not CRN)	<u>ECOW 130</u>	Trimester / Year	<u>2 / 2009</u>
Course Title	<u>Economic Principles & Issues</u>		
Course Coordinator	<u>Steph Burrell</u>	Extn	<u>5764</u>
Scrutineer	<u>D Tompkinson</u>	<i>This person must be a member of Academic Staff</i>	

We confirm that the outline for the above course meets Faculty requirements (as set out in the Course Outline Template), or indicates links to where relevant information is to be found, in respect of the following:

(please tick)

COURSE ORGANISATION

1. Name of School, course code and title, trimester and year

The correct full title of the course, including all parts such as "Special Topic:" must be given. Please ensure that the trimester given in your outline matches that listed in the Banner system.
2. Staff names & contact details
3. Trimester dates (covering the full assessment period and withdrawal dates)
4. Class times and locations

LEARNING OBJECTIVES & CONTENT


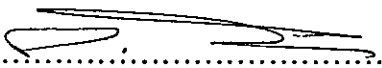
5. Course content
6. Course Learning objectives
7. Course delivery
8. Expected workload
9. Group work (if applicable)
10. Readings, key texts or equivalent materials
11. Any other materials and/or equipment students should obtain

ASSESSMENT & MANDATORY COURSE REQUIREMENTS

- 12. A clear statement of all assessment requirements, including:
 - (a) Weighting of each assessment task and corresponding learning objectives
 - (b) Critical dates of each piece of work
 - (c) Word limits for larger written pieces of work
 - (d) Duration of examination including dates of examination period or N/A
 - (e) Word limits for larger written pieces of work
 - 13. Note re: use of assessed work for quality assurance purposes
 - 14. Statement on penalties N/A
 - 15. Practicum arrangements (if applicable) N/A
 - 16. Details of mandatory course requirements ~~N/A~~
 - 17. Statement on the use of Turnitin (if applicable) or N/A
- N/A

LINKS FOR COMMON MATERIAL

- 18. Academic Integrity
- 19. Details of where to find additional information
- 20. Statement on General University Policies and Statutes
- 21. Manaaki Pihipihinga Programme

Signed  (Course Coordinator) Date 30/6/09	Signed  (Scrutineer) Date 30/6/09 Note: this person MUST be a member of Academic Staff
--	---

School of Economics and Finance

ECON 130
ECONOMIC PRINCIPLES AND ISSUES

Trimester Two 2009

COURSE OUTLINE

Names and Contact Details

Paul Tompkinson	RH403	463-5737	Lecturer
Email: Paul.Tompkinson@vuw.ac.nz			
Stephen Burnell	RH425	463-5764	Course Coordinator
Email: Stephen.Burnell@vuw.ac.nz			
Francine McGee	RH319	463-5818	Course Administrator
Email: Francine.McGee@vuw.ac.nz			

Trimester Dates

Teaching Period: Monday 13 July to Friday 16 October 2009

End of Year Study Period: Monday 19 October to Monday 26 October 2009

Examination Period: Tuesday 27 October to Saturday 14 November 2009 (inclusive)

Note: Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

Withdrawal dates: Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class Times and Room Numbers

ECON 130 8721 Monday and Thursday 8:00am – 8:50am KKL303

The trimester starts on Monday 13 July 2009, with the first lecture on Monday 13 July at 8:00am.

ECON 130 is taught in the first, second and third trimesters.

Course Content

Note this is a broad outline only. It is sufficient to enable students to read ahead of lectures and put themselves in a position to benefit from lectures. However, individual lecturers will sometimes deviate from the order given here. The chapter references are from Stiglitz and Walsh, *Economics* (International Student Edition), 4th edition.

Course Learning Objectives

ECON 130 is an introduction to economic principles and their application to issues facing households, businesses and government in the New Zealand economy and the international economic environment.

At the end of this course, students should be able to:

- Explain and assess the key principles of economics
- Explain and assess the optimal choices of consumers
- Explain and assess the optimal production plans of firms
- Identify an equilibrium and the main influences on equilibrium prices and quantities
- Assess the benefits and costs of international trade
- Assess the role of the government in the economy
- Explain the basic concepts of finance
- Assess the main influences of national saving and investment
- Assess the causes and consequences of economic growth

Course outline ECON 130, 2009

Thinking like an economist

Chapters 1, 2

L1 – 2 Choices and tradeoffs
 Choices and incentives
 Choices and information
 Voluntary exchange
 The distribution of resources
 The logic of rational choice

Consumer choice

Chapters 5, 8, 9

L3 – 6 The budget line
 Preferences and utility
 The optimal consumption plan: equalise the marginal utility per dollar
 What happens if income rises?
 What happens if the price of one good increases?
 The choice between leisure and consumption
 The choice between consumption today and consumption tomorrow

Producer choice

Chapters 6, 7

L7 – 10 Production functions: inputs and outputs
 Fixed versus variable costs
 Cost minimisation: equalise the marginal output per dollar
 Profit maximisation: marginal cost equals marginal revenue
 What happens if the price of an input increases?
 What happens if the price of the output increases?
 Short-run and long-run responses

Equilibrium

Chapters 3, 4, 10

- L11 – 12 Demand and supply
Equilibrium: demand equals supply
The equilibrium and changes in demand
The equilibrium and changes in supply
Is the market efficient?

International trade

Chapters 19

- L13 – 14 Comparative advantage and the gains from trade
Tariffs
Some arguments against globalisation

The government

Chapters 17

- L15 – 16 Taxation
Government spending
Why does the government fund health and education?
Market failures and government intervention

Finance

Chapters 9, 39

- L17 – 18 Time and interest rates
The present discounted value of revenue streams
Types of assets
Expected returns: risk, liquidity, and taxation

Saving and investment

Chapters 24

- L19 – 22 The supply of loans: saving
The demands for loans: borrowing and investment
Equilibrium in the loans market
What happens if the supply of loans increases?
What happens if the demand for loans increases?

Growth

Chapters 8, 20, 27

- L23 – 24 The capital stock
Technological change
Do people in rich countries work less than people in poor countries?

Course Delivery

The course will have two lectures per week plus one tutorial (tutorials will start in the second week). It is expected that students will prepare for their tutorials and actively participate in them.

Expected Workload

The expected workload for ECON 130 is 150 hours in aggregate; 10 hours per week during term, plus 30 hours (in total) during the break and study period. You should expect to spend ten hours per week on this subject during term, two hours in lectures, one hour in a tutorial and seven hours reading and preparing for lectures and tutorials.

Readings

The required textbook for the course is:

Joseph E Stiglitz and Carl E Walsh, *Economics* (W W Norton), 4th Edition (International Student Edition), 2006, ISBN 0-393-92622-2.

Extra material, including lecture notes, and definitions and concepts for the course, have been placed on the ECON 130 Blackboard site. These will be useful for many of the examples given in the course, and for the assignment.

Joseph Stiglitz's *Making globalization work* (Allen Lane, 2006), may be used to illustrate economic principles and stimulate discussion.

The most appropriate **Supplementary reading**, which you will find helpful but which is not required, will vary according to your particular interests, experience and aptitude but may well include the following texts in the library.

William J Baumol and Alan S Blinder, *Economics: Principles and Policy* (Harcourt), 5th edition, 1991.

Robert H Frank and Ben S Bernanke, *Principles of Economics* (McGraw Hill/Irwin), 2nd edition, 2004.

Jerry Mushin, *Income, Interest Rates and Prices: An Overview of Macroeconomic Theory* (Dunmore Press), 3rd edition 1999.

Michael Parkin, *Microeconomics*, (Addison Wesley), 3rd edition, 1996.

John Sloman and Penelope de Boer, *Economics* (Pearson Education), 2009.

Alan C Stockman, *Introduction to Microeconomics and Introduction to Macroeconomics*, (Dryden Press/Harcourt Brace), 1999.

If you are in doubt about the meaning of any economic terms, we suggest that you consult D. W. Pearce (ed) *Macmillan Dictionary of Modern Economics* (1983) which is available in the Study Hall of the Library. However, do not expect too much of a dictionary – Economics deals with concepts and ideas rather than with words.

For those frightened of maths, we recommend

Penelope Proffitt, *Maths Made Easy* (Prentice Hall, 2002);

G. Kennedy, *Mathematics for Innumerate Economists* (Homes and Meier, 1982), especially Chapters 1-4.

A good guide to the recent developments in the New Zealand economy is

Paul Dalziel and Ralph Lattimore, - *The New Zealand Macroeconomy: Striving for Sustainable Growth with Equity* (Oxford UP, 2004) also contains a useful guide for further reading. "The New Zealand Macroeconomy: Striving for Sustainable Growth with Equity" (Oxford UP, 2004).

Stuart Birks and Srikanta Chatterjee, (ed). *The New Zealand Economy: Issues and Policies* (Third edition, Dunmore Press, 1997)

Regular surveys of the New Zealand economy are produced by: The Reserve Bank of New Zealand *Bulletin* and *Annual Report* (<http://www.rbnz.govt.nz/>); the Organisation for Economic Co-operation and Development (OECD) in its *Economic Survey of New Zealand* (<http://www.oecd.org/>); and the New Zealand Institute of Economic Research in its *Quarterly Predictions*. Statistics New Zealand is an invaluable website for New Zealand data (<http://www.stats.govt.nz/>) as is the N.Z. Institute of Economic Research *Quarterly Survey of Business Opinion* (<http://www.nzier.org.nz/>).

Materials and Equipment

Silent non-programmable calculators may be taken into the test and examination. You may find a calculator useful, but they are by no means compulsory.

Assessment Requirements

- On-line tests 15% on-line – see below
- Maths competency test 0% on-line – see below
- Multi-choice test 25% Wednesday 9th September 6:30pm (50 minutes)
- Exam 60% 27 October – 14 November (120 minutes)

The test on Wednesday 9 September 2009 will cover the first six weeks of the course. In particular, all the material covered in lectures up to the end of lecture 12, and the application materials and all the reading which is specified in the lecture outline as relevant for those lectures will be examinable. A missed test will be entered as a zero unless either written permission has been granted in advance by the Course Administrator, or there are clear medical reasons for non-attendance, supported by written evidence from a doctor.

The assignments consist of short on-line tests to be completed at the end of each section of work. You will complete them via Blackboard. They can be found in the content area called *On-line tests*. There are 10 such tests and your assessment will be based on all of these. Each test will be available for two teaching weeks after the relevant material has been taught. Each test will be shut down just before midnight on the announced Sunday. On the Monday morning, the test will then be available for study purposes, in the content area called *Tests for study purposes*.

IMPORTANT NOTE: You may sit each on-line test as many times as you like. However, for each test, your final attempt will be the one recorded and used to determine your assignment grade. This is due to technical difficulties associated with using your best score. If your final attempt does not display a numerical score (for example, a padlock symbol or an exclamation mark), then you will need to resit the test or have your score recorded as zero. Each test must be submitted within 20 minutes, otherwise your mark will show as an exclamation mark (“!”), which cannot be interpreted as a numerical score.

Numeracy test

In order to understand what we teach you, you will need to have a working understanding of some basic mathematical and logical concepts. So that we can identify (and then help) those who need the help, an on-line numeracy tests is available for you on the ECON 130 Blackboard site. Click on the content area, *Numeracy test*, and answer the 20 questions by midnight, Sunday 26 July. The test must be completed within 20 minutes, otherwise a grade will not be recorded. You can sit the numeracy test as many times as you wish. As with the other on-line tests, you final attempt will be used to determine your grade. Students who

struggle with the tests are strongly encouraged to attend an extra mathematics lecture. The notes for this lecture (and to assist you with the on-line test) can be found in the Blackboard contents area, *Numeracy test*.

Additional mathematics lectures will be held on:

Monday 27 th July	12:00 – 12:50	Room to be confirmed
Friday 31 st July	12:00 – 12:50	Room to be confirmed

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

Examination dates for trimester two: Tuesday 27th October to Saturday 14th November 2009 (inclusive).

Tutorials

Tutorials are groups of approximately 15 – 18 students and a tutor, meeting for fifty minutes once a week. They provide a forum for discussing problems and working through exercises. You will choose a tutorial group during the first week of lectures.

Tutorial rooms and times will be available on <https://signups.victoria.ac.nz> from 12:00 pm on Monday 6 July. You can sign up to a tutorial at this site. Tutorial signup must be completed by 3pm on Thursday 16 July. Anybody not having signed up for a tutorial by that time will need to see the course administrator.

Tutorial exercises and discussion material are specified on Blackboard. This can be accessed at www.blackboard.vuw.ac.nz. The exercises have been designed to give structure to the tutorial sessions and to provide a focus for discussion, but it is expected that tutorials will range beyond them.

You are expected to prepare for tutorials by keeping up with the prescribed reading and by attempting the exercises in advance of your session. You should attempt, in writing, the questions before attending your tutorial. Tutorials are also your opportunity to raise and clarify any problems you may have with the material covered in lectures.

You must attend regularly the tutorial group to which you are assigned. If, because of work or timetable clashed, you are not longer able to attend your allocated tutorial, you must notify the course administrator, to assist you to find a suitable tutorial time.

Mandatory Course Requirements

There are no mandatory course requirements for ECON 130.

Communication of Additional Information

Additional information will be placed on Blackboard, www.blackboard.vuw.ac.nz from time to time. You will also receive emails sent to the email address recorded on Student Records. Please check at the start of the course that this is the address you want us to use.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

