

School of Economics and Finance

ECON 140
ECONOMICS AND STRATEGIC BEHAVIOUR

Trimester Three 2010

COURSE OUTLINE

Names and Contact Details

Stephen Burnell RH425 463-5764 Course Coordinator
Office hours: Tuesday, Thursday, 10:00am-12:00pm

Adrian Slack RH315 463-5233 ext 8571 Lecturer
Office hours: Monday and Tuesday 11:00am – 12:00pm or by appointment

Francine McGee RH319 463-5818 Course Administrator
Office hours: 8:00am – 4:00pm

Trimester Dates

Teaching Period: Monday 10th January 2011 to Friday 11th February 2011

Public holiday: Monday 24th January 2011, no lecture

Start Date - Finish Date: : Monday 10th January 2011 to Friday 11th February 2011

Examination Period

Monday 14 February to Saturday 19 February 2011(inclusive)

Withdrawal from Course:

Withdrawal date with refund: **10th January 2011**

The last date for withdrawal from this course is the three-quarter point of the teaching period, i.e. 3rd February 2011.

After that date, students wishing to withdraw late must apply on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation.

The application form is available from either of our Student Customer Service Desks.

Class Times and Room Numbers

ECON 140 9310 Monday, Tuesday and Wednesday 16:10-18:00 MCLT101

Course Content

Note that 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.

Date	Lecture	Topic	Text	Page refs	Tutorial
10-Jan	L1	Strategic behaviour	Ch 14	311-328	
	L2				
11-Jan	L3	Imperfect information	Ch 15	333-350	
	L4				
12-Jan	L5	Monopoly	Ch 11	261-270	
	L6				
17-Jan	L7	Oligopoly	Ch 12	274-284	L1-2
	L8				L3-4
18-Jan	L9	Government policies towards competition	Ch 13	289-299	
	L10				
19-Jan	L11	Aggregate expenditure and income	Ch 21, 22, 30, 31	485-496, 661-684, 689-697	
	L12				
23-Jan		<i>On-line tests 1 and 2 close</i>			
24-Jan		<i>Wellington Anniversary Day (no lecture)</i>			
25-Jan	L13	Aggregate expenditure and income			L5-6
	L14				L7-8
26-Jan	L15	Fiscal policy	Ch 25, 30, 33	547-554, 729-736	
	L16				
28-Jan		<i>Assignment due (12pm, midday)</i>			
30-Jan		<i>On-line test 3 closes</i>			
31-Jan	L17	Fiscal policy			L11-12
	L18				L13-14
01-Feb	L19	Inflation	Ch 23, 31	509-516, 692-696	
	L20				
02-Feb		<i>Multi-choice test (covers L1-10)</i>			
06-Feb		<i>On-line test 4 closes</i>			
07-Feb	L21	The money supply	Ch 28, 32, 33, 35	736-751	L15-18
	L22				L21-24
08-Feb	L23	Monetary policy			
	L24				
09-Feb		<i>Note: there are tutorials, but no lectures.</i>			
13-Feb		<i>On-line tests 5 and 6 close</i>			

Course Learning Objectives

This course continues the introduction to economics begun in ECON 140. It is not intended as a first course in economics, and we will presume knowledge of material covered in ECON 140. We will cover further topics in both micro and macroeconomics.

In addition the course exposes students to the use of simple economic models, and so prepares students for further study in ECON and FINA courses. Analysis of these models will sometimes require knowledge of elementary mathematics, such as graphing lines.

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

- Assess and solve simple games
- Explain and assess problems arising from imperfect information
- Explain and assess the implications of imperfect competition in markets
- Analyse the basic income-expenditure model of macroeconomics
- Analyse the macroeconomics impact of fiscal policy
- Assess the consequences of inflation
- Analyse the macroeconomic impact of monetary policy

Course Delivery

The course material will be delivered via 24 lectures (over 5 weeks; see the indicative schedule above), plus eight tutorial sessions. It will be essential that students have access to the course Blackboard site.

Expected Workload

The expected workload for ECON 140 is 150 hours in aggregate; 30 hours per week over the 5 week segment of the 2011 summer semester. You should expect to spend 30 hours per week on this subject: 6 hours in lectures, 2 hours in tutorials and the remainder in independent study, reading, preparing for lectures and tutorials, and completing the required assessment.

Group Work

There is no group work for ECON 140.

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.

Lecture notes, including key definitions and concepts for the course, have been placed on the ECON 140 Blackboard site. These will be essential for many of the examples given in the course, and for the assignment.

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.

David Begg, Stanley Fischer and Rudiger Dornbusch, *Economics*, (McGraw-Hill), 9th edition, 2008.

Robert Frank and Ben Bernanke, *Principles of Economics*, (McGraw-Hill), 3rd edition, 2007 or 2nd edition, 2004.

Jerry Mushin, *Income, Interest Rates and Prices: An Overview of Macroeconomic Theory* (Dunmore Press), third edition 1999.
Michael Parking, *Microeconomics*, (Addison Wesley), 3rd edition, 1996.
John Sloman and Keith Norris, *Principles of Economics and Introduction to Macroeconomics*, (Dryden Press/Harcourt Brace), 1999.

Materials and Equipment

Silent non-programmable calculators may be taken into the test and examination.

For tutorials and study, students should be familiar with basic Excel skills.

Assessment Requirements

Your performance will be evaluated on the basis of:

- 6% Written assignment, due 11:55pm, Friday 28 January – submitted via Blackboard
- 9% Six online tests each worth 1.5% submitted via Blackboard
- 25% Multichoice test, Wednesday 2 February, 5:00pm (50 minutes). Note: the test will consist solely of 40 multi-choice questions
- 60% Final Examination (120 minutes). Note: 70% of the examination will be multi-choice

The assignment topic will be available on Blackboard. You will be asked to submit your assignment electronically through Blackboard. Please ensure that you submit it as either a doc or pdf.file, as we cannot guarantee that the assignment markers will be able to read other formats. Your assignment mark plus comments from the marker will also be communicated through Blackboard.

The assignment may require you to draw a diagram. It is important that such a diagram is accurate and so using Excel – or similar software – will be desirable. Handwritten diagrams, of which photocopies can be submitted on PDF files, should be acceptable.

Assignments that are submitted late will be awarded a zero mark unless the course co-ordinator has approved an extension. Extensions are granted if there is a problem that is severe and unavoidable, and for which evidence is available. A zero mark will be awarded for plagiarised assignments.

Students may ask for their written assignments to be remarked. It is quite possible for an assignment to receive a lower mark after this process. Applications for remarks must be made before Friday 11 February. To apply for a remark, fill in the form available on Blackboard, noting why you think the mark does not, in your view, fairly reflect the quality of your work. Note also the comments on the form about what is acceptable and what is not. Hand this with your assignment to Francine McGee. Allow for up to two weeks for remarks to be completed.

The online tests consist of 20 multi-choice questions 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 *Online tests*. There are 6 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*.

The multi-choice test on Wednesday 2nd February 2011 (at 5:00pm) will consist of 40 multi-choice questions and cover the first four topics 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 specified in the course 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 final examination will be two hours. It will consist of 70 multi-choice questions and two written answers (to be chosen from four).

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

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.

The final examination for this course will be scheduled at some time during the period from Monday 14 February to Saturday 19 February 2011(inclusive).

Penalties

Late submissions of the assignment will normally earn a grade of zero (see above). Late submission of the online tests is not technically feasible. Failure to attend the multi-choice test on 2nd February will normally earn a grade of zero.

Tutorials

Tutorials are groups of approximately 15-18 students and a tutor, meeting for fifty minutes, for four weeks of the course. 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>. You can sign up to a tutorial at this site. 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 clashes, you are no 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 140.

Class Representative

For each stream, a class representative will be elected in one of the first classes, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Additional information will regularly be placed on the course Blackboard site. 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>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

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

Manaaki Pihipihinga Programme

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