

School of Government

MAPP 521
ECONOMICS
(Ministry of Transport)
(15 Points)

Trimester 1 / 2014

COURSE OUTLINE

Names and Contact Details

Course Coordinator: **Professor Claudia Scott**
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Other Contributors: **Professor Viv Hall**
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Staff from the Ministry of Transport, Ministry of Justice and other organisations will contribute to some sessions.

Administrator: **Darren Morgan**
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School Office Hours: 8.30am to 5.00pm, Monday to Friday

Trimester Dates

Monday 10 March to Tuesday 3 June 2014

Withdrawal from Course

Formal notice of withdrawal must be in writing on a Course Add/Drop form (available from either of the Faculty's Student Customer Service Desks or from the course administrator). Not paying your fees, ceasing to attend lectures or verbally advising a member of staff will NOT be accepted as a formal notice of withdrawal.

1. Your fees will be refunded if you withdraw from this course on or before **Friday 14 March 2014**.
2. The standard last date for withdrawal from this course is **Friday 16 May 2014**. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

This course is delivered in a weekly format.

Class Dates and Times:	Tuesday 11 March 2014	8.30am – 1.00pm
	Tuesday 18 March 2014	8.30am – 1.00pm
	Tuesday 8 April 2014	8.30am – 1.00pm
	Tuesday 15 April 2014	8.30am – 1.00pm
	Tuesday 6 May 2014	8.30am – 1.00pm
	Tuesday 20 May 2014	9.00am – 5.00pm (full day = (Session 6 and 7 combined)

Class Location: Room RWW 501, Level 5, Railway West Wing, Pipitea Campus
The timetable is available to view on the Victoria University website at www.victoria.ac.nz/students/study/timetables

Attendance is required at all teaching days

Course Delivery

This course is delivered in a weekly format, in seven half-day sessions on six days.

Prescription

This course examines economic concepts, theories and frameworks for understanding and analysing public policy and management issues.

Course Learning Objectives

This course introduces analytical ideas in economics for understanding policy debates and analysing public policy issues. The nature of economic incentives is introduced to assist in explaining how people go about making decisions. Incentives are investigated in the context of how markets work, both at the level of individuals and firms (microeconomics) and at the level of an entire economy (macroeconomics). For microeconomics, the unifying framework for examining the role of government is the notion that markets may not always function properly. For macroeconomics, the emphasis will be upon understanding how gross domestic product (GDP) and employment are determined, and how they may be influenced by interest rates, expectations of inflation, government decisions and other “macroeconomic” variables.

By the end of the course, it is expected that course participants will be able to:

- understand the perspectives, frameworks and tools that economics brings to the study of public policy;
- identify what government can and cannot do to improve economic outcomes and how its intervention may affect economic activity;
- appreciate both the strengths and weaknesses of economics for analysing problems.

Expected Workload

The learning objectives set for each course are demanding and, to achieve them, candidates must make a significant commitment in time and effort to reading, studying, thinking, and completion of assessment items outside of contact time. Courses vary in design but all require preparation and learning before the first day of the course and regular learning is also necessary (students who leave everything to the last moment rarely achieve at a high level).

Expressed in input terms, on average, the time commitment required usually translates to approximately 150 hours for a 15-point course.

Course Content and Readings

Session 1: Introduction to Economics (Tuesday 11 March 2014)

Economics as a topic, discipline and way of thinking

Introduction to supply and demand

Microeconomics: Income, prices and the consumer’s budget constraint. Utility as a measure of satisfaction. Indifference curves as quantity combinations with the same utility. Utility-maximization by consumers.

Landsburg, S. (1995), “Supply, demand and equilibrium”, Chapter 1 in *Price Theory and Applications*: pp. 1-31, West Publishing Company.

Stiglitz, J. (1993), “Using demand and supply”, Chapter 5 in *Economics*: pp. 109-138, W.W. Norton and Company.

Stiglitz, J. (1993), “The consumption decision”, Chapter 8 in *Economics*: pp. 197-228, W.W. Norton and Company.

Levitt, S. and S. Dubner (2006), “What do schoolteachers and sumo wrestlers have in common?”, Chapter 1 in *Freakonomics*: pp. 15-19, Penguin Books.

Session 2: The Optimal Allocation of Resources (Tuesday 18 March 2014)

Production choices. Consumer surplus, producer surplus and economic efficiency. The efficiency of perfect competition. Imperfect Competition

Mankiw, N. (2004), “Firms in competitive markets”, Chapter 14 in *Principles of Economics, 3rd edition*: pp. 289-311, South-Western.

_____, (2004), “Monopoly”, Chapter 15 in *Principles of Economics, 3rd edition*: pp. 313-344, South-Western.

Session 3: Market Failure and Government Failure (Tuesday 8 April 2014)

Stiglitz, J. (2000) ‘Market Failure and the Role of Government’, *Economics of the Public Sector*, WW Norton.

Brown, C. and Jackson, P. (1990) chapter 3 “Economic Analysis of Public Goods”.

Stiglitz, J. (1993), “Externalities, merit goods, public decision-making”, Chapter 23 in *Economics*: pp. 587-610, W.W. Norton and Company.

Weimer, D. and Vining, A (2004) *Limits to Public Intervention: Government Failures, Policy Analysis: Concepts and Practice*, chapter 7 Prentice-Hall.

Levitt, S. and S. Dubner (2006), “Where have all the criminals gone?”, Chapter 4 in *Freakonomics*: pp. 105-132, Penguin Books.

Session 4: Public Policy – The Pursuit of Efficiency and Equity (Tuesday 15 April 2014)

Connolly, S. and Munro, A. (1999) chapter 3: Equity and Efficiency in *Economics of the Public Sector*, Prentice-Hall.

Guest, R. (2012) How can government deliver services efficiently? In *Government in a Market Economy*, Cengage Learning Australia.

Introduction to Fiscal Policy

Macroeconomic interdependences, macroeconomic measures, aggregate demand and supply

Session 5: Fiscal policy, the Dynamics of Debt and Sovereign Debt Crises (Tuesday 6 May 2014)

Fiscal policy instruments

Public Finance Amendment Act, 2004, Part 2 Fiscal Responsibility

The government budget constraint, and methods of financing government spending

Sovereign debt crises

A perspective from NZ Treasury

(Readings for these sessions will be supplied (in advance) in class)

Session 6: Monetary Policy, in the Context of Financial Crises (Tuesday 20 May 2014, am)

Monetary policy objectives, instruments and transmission mechanisms

Rules versus discretion in macroeconomic policy, time-consistent policy & policy credibility

Reserve Bank of New Zealand Act, 1989; Policy Targets Agreement, 20 September 2012

Financial crises

Official cash rates versus “quantitative easing”/”unconventional monetary policy”

A perspective from the Reserve Bank of New Zealand.

(Readings for these sessions will be supplied (in advance) in class and will be posted on Blackboard)

Session 7: Economics and Public Policy (Tuesday 20 May 2014, pm)

In this session, students will present on a topic they have selected for the third assessment, which will concern economic issues and perspectives surrounding the role(s) of the New Zealand government in the funding, provision or regulation of a service or activity.

Blackboard is Victoria University’s online environment that supports teaching and learning by making course information, materials and other learning activities available via the internet through the myVictoria student web portal.

To access the Blackboard site for this course:

1. Open a web browser and go to www.myvictoria.ac.nz .
2. Log into myVictoria using your ITS Username (on your Confirmation of Study) and password (if you've never used the Victoria University computer facilities before, your initial password is your student ID number, on your Confirmation of Study, Fees Assessment or student ID card – you may be asked to change it when you log in for the first time).
3. Once you've logged into myVictoria, select Blackboard (from the options along the top of the page) to go to your Blackboard homepage.
4. The "My Courses" section displays the courses you have access to – select the appropriate link to access the course-specific Blackboard site. Please note that only courses that are actually using Blackboard and have been made available to students by their respective course coordinator will be displayed.

You are recommended to ensure that your computer access to Victoria University's computer facilities, such as myVictoria and Blackboard, is working BEFORE your course starts. If you have any problems, you should contact the ITS Service Desk on (04) 463 5050 or its-service@vuw.ac.nz . See www.victoria.ac.nz/its/student-services/ for more information.

Assessment

There are three pieces of assessment for this course:

1. First assessment (25%): 1 hour concept/short answer test on Tuesday 15 April 2014.
2. Second assessment (35%): Economic analysis of a New Zealand public policy issue. Individuals working in small groups of 3 are encouraged. Each student will submit an essay of 1,500 words on Thursday 15 May 2014 on an aspect of the topic (25%), and the group will make a joint presentation during the afternoon of Tuesday 20 May 2014. A summary of the key findings of the group will be presented in six slides which will be distributed to participants on Friday 16 May 2014 and will be presented on the afternoon of Tuesday 20 May 2014 (10%).
3. Third assessment (30%): take home assignment (macro-economics), due on Tuesday 3 June 2014.

Full details on these assessments will be provided and discussed in class.

Your mark will be based on these three assessments and the remaining 10% will relate to your contribution to class discussion and activities.

Please submit ALL assignments electronically to sog-assignments@vuw.ac.nz

Students should keep a copy of all submitted work.

Class Attendance

Attendance is required at all seven sessions.

If you become aware after a course starts that you will be unable to attend a significant part of a day (i.e. more than two hours), you must advise the course coordinator explaining why you will be unable to attend. The course coordinator may excuse you from attendance and may also require you to complete compensatory work relating to the course content covered during your absence.

Penalties

The ability to plan for and meet deadlines is a core competency of both advanced study and public management. Failure to meet deadlines disrupts course planning and is unfair on students who do submit their work on time. It is expected therefore that you will complete and hand in assignments by the due date. Marks will be deducted at the rate of five per cent for every day by which the assignment is late and no assignments will be accepted after five working days beyond the date they are due. For example, if you get 65% for an assignment, but you handed it in on Monday when it was due the previous Friday, you will get a mark of 50%.

If ill-health, family bereavement or other personal circumstances beyond your control prevent you from meeting the deadline for submitting a piece of written work or from attending class to make a presentation, you can apply for and may be granted an extension to the due date. You should let your course coordinator know as soon as possible in advance of the deadline (if circumstances permit) if you are seeking an extension. Where an extension is sought, evidence, by way of a medical certificate or similar, may be required by the course coordinator.

Mandatory Course Requirements

You must submit or participate in all pieces of assessment required for this course.

If you cannot complete an assignment or sit a test or examination, refer to www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat .

Communication of Additional Information

Additional information may be provided in class, by post, by email or via Blackboard.

NOTE: Information emailed to you via Blackboard can only be sent to your @myvuw.ac.nz email address (the free email address created for you when you enrol and accessed via the myVictoria student web portal). If you want to receive these emails at your preferred email address (e.g. your home or work email address), it is **essential** that you activate your @myvuw.ac.nz email address before the start of the course and you modify the settings so all emails sent to it are automatically forwarded to your preferred email address. Please go to www.victoria.ac.nz/its/student-services/FAQs.aspx#Email_Forward for more information.

You are recommended to ensure that your computer access to Victoria University’s computer facilities, such as myVictoria, Blackboard and email, is working BEFORE your course starts. If you have any problems, you should contact the ITS Service Desk on (04) 463 5050 or its-service@vuw.ac.nz . See www.victoria.ac.nz/its/student-services/ for more information.

School of Government Service Standards

Good learning and teaching outcomes for students in School of Government courses depend on many factors, including open, transparent and accountable relationships between teaching and support staff, and students in their various activities. The following service standards indicate some of the key expectations that teaching staff and students can have of each other. In all cases, they represent what the School believes should be ‘normal’ practice; exceptional circumstances can and will be negotiated as required.

Please note that there are University-wide policies relating to assessment – including rights of review and appeal. Details may be found in the Assessment Handbook (which is reviewed and updated from time to time – www.victoria.ac.nz/about/governance/dvc-academic/publications).

In general terms, any concerns that a student or students may have should be raised with the course coordinator in the first instance. If that course of action is not appropriate, the School’s programme support staff will direct you to the relevant Programme Director/Coordinator.

Standards relating to staff timeliness of responses to email and phone queries:

- Email or phone queries from students will be responded to in 48 hours

Standards relating to availability of course materials:

- Students on modular or intensive courses will usually have course materials at least 4 weeks before the course starts
- Students on weekly courses will usually have course materials available on the first day of the course

Standards relating to attendance:

- It is expected that students will attend all contact teaching sessions for a course. If a student is aware that they will be unable to attend part of a course prior to it commencing, they are required to advise the course coordinator. In such a situation, the student may be declined entry into the course.
- Where a course coordinator approves some non-attendance before the class commences, the course coordinator may set additional item(s) of assessment of learning and teaching objectives for the course for students unable to attend. Advice relating to the submission and assessment of any such additional assessment will be provided by the course coordinator.

Variations to the assessment details provided in the course outline:

- Any variation to the assessment details in the course outline will be formally agreed between the course coordinator and students at the earliest possible time, preferably at the beginning of the course.

Standards relating to assignments – turnaround and feedback:

- Unless otherwise agreed between students and the course coordinator, items of assessment will be marked within 15 working days of submission.
- Comments on pieces of assessment will allow students to understand the reasons for the mark awarded, relative to the teaching and learning objectives specified in the course outline, and will usually include advice on how the student can improve their grades in future assignments.

Academic Integrity, Plagiarism, and the use of Turnitin

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea. Even if it is presented in your own style, you must still acknowledge your sources fully and appropriately. This includes:

- material from books, journals or any other printed source
- the work of other students or staff
- information from the Internet
- software programs and other electronic material
- designs and ideas
- the organisation or structuring of any such material.

Acknowledgement is required for *all* material in any work submitted for assessment unless it is a 'fact' that is well-known in the context (such as "Wellington is the capital of New Zealand") or your own ideas in your own words. Everything else that derives from one of the sources above and ends up in your work – whether it is directly quoted, paraphrased, or put into a table or figure, needs to be acknowledged with a reference that is sufficient for your reader to locate the original source.

Plagiarism undermines academic integrity simply because it is a form of lying, stealing and mistreating others. Plagiarism involves stealing other people's intellectual property and lying about whose work it is. This is why plagiarism is prohibited at Victoria.

If you are found guilty of plagiarism, you may be penalised under the Statute on Student Conduct. You should be aware of your obligations under the Statute, which can be downloaded from the policy website (www.victoria.ac.nz/home/about/policy/students.aspx). You could fail your course or even be suspended from the University.

Plagiarism is easy to detect. The University has systems in place to identify it.

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine www.turnitin.com. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. 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.

There is guidance available to students on how to avoid plagiarism by way of sound study skills and the proper and consistent use of a recognised referencing system. This guidance may be found at the following website www.victoria.ac.nz/home/study/plagiarism.aspx .

If in doubt, seek the advice of your course coordinator.

Plagiarism is simply not worth the risk.

Student Feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php .

Link to General Information

For general information about course-related matters, go to www.victoria.ac.nz/vbs/studenthelp/general-course-information .

Note to Students

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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.
