

School of Government

MAPP 521

ECONOMICS

(for Ministry of Transport a-PAD Programme)

(15 Points)

Trimester 1 / 2015

COURSE OUTLINE

Names and Contact Details

Course Coordinator:

Dr Seamus Hogan

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Staff from Treasury, the Reserve Bank, Motu 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 9 March to Friday 12 June 2015

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). Ceasing to attend lectures or verbally advising a member of staff will NOT be accepted as a formal notice of withdrawal.

The standard last date for withdrawal from this course is **Friday 15 May 2015**. 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.

Course Delivery

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

Class Times and Room Numbers

Class Dates and Times:	Monday 9 March 2015	9.30am – 2.00pm
	Monday 16 March 2015	9.30am – 2.00pm
	Monday 13 April 2015	9.30am – 2.00pm
	Monday 20 April 2015	9.30am – 2.00pm
	Monday 18 May 2015	9.30am – 2.00pm
	Monday 8 June 2015	9.00am – 5.00pm (Sessions 6 & 7 combined)

Class Location: Room RWW 501, Level 5, Railway West Wing, Pipitea Campus

Attendance is required at all class sessions

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. We start by analysing how markets allow individuals responding to incentives to coordinate their actions in the face of scarcity. We then consider how and why government can influence outcomes by either intervening in markets or participating in them directly.

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 the scope and method of Economics (Monday 9 March 2015)

General Introduction:

Harford, T. (2008), "Introducing the Logic of Life", Chapter 1 in *The Logic of Life*: pp. 1-32, Little, Brown.

Framework 1: Introduction to supply and demand

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.

Framework 2a: Consumer choice—prices, budget constraints and indifference curves

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

Session 2: The Optimal Allocation of Resources (Monday 16 March 2015)

Framework 2b: Production choices.

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

Framework 2c: Putting it together; Pareto efficiency and the role of prices.

Read, L.E. (1958), "I, Pencil: My Family Tree as told to Leonard E. Read", www.econlib.org/library/Essays/rdPnc11.html.

Bastiat, F. (1845), "The petition of the candlemakers", <http://bastiat.org/en/petition.html>

Hayek, F.A. (1945) "The use of Information in Society", *American Economic Review* 35 (4): 519-30.

Landsburg, S.E. (2004), "What I like about Scrooge", opinion article in Slate: www.slate.com/articles/life/holidays/2004/12/what_i_like_about_scrooge.html

Session 3: The Limits of Markets and Government (Monday 13 April 2015)

Part 1: Various roles of government:

- Rules of the game
- Market failures
- Equity and fairness
- Behavioural economics, paternalism and nudges
- Repugnance

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

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”.

Roth, A. (2007), “Repugnance as a Constraint on Markets”, *Journal of Economic Perspectives*, 21 No 3: 37-58.

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

Viscusi, K. (1994), “Cigarette Taxation and the Social Consequences of Smoking”, NBER Working Paper No 4891.

Part 2: The limits of government:

Buchanan, J. (1979), “Politics without Romance: A Sketch of Positive Public Choice Theory and its Normative Implications”, reprinted in *The Collected Works of James M. Buchanan* Volume 1: Liberty Fund.

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

Session 4: Public Policy – The Pursuit of Efficiency and Equity (Monday 20 April 2015)

Readings for this and later sessions will be provided on Blackboard later in the trimester but in advance of the sessions.

Session 5: Macroeconomics and Monetary Policy (Monday 18 May 2015)

What is Different about the Macroeconomy?

Good Times Macro: Macroeconomics as Inflation Control

- Monetary policy objectives, instruments and transmission mechanisms
- Rules versus discretion in macroeconomic policy
- Time consistency and the Reserve Bank Act

Bad Times Macro: Macroeconomics and Coordination Failures

- Old and New Keynesian idea
- The zero lower bound
- Macroprudential regulation
- Quantitative Easing

Session 6: Fiscal policy, Debt Dynamics, and Government Budgeting (Monday 8 June, 2015, am)

- What do government debt and deficits measure?
- The government budget constraint
- Automatic and policy-induced fiscal stabilisers
- Fiscal multipliers and revisiting economic-impact studies.

Session 7: Economics and Public Policy (Monday 8 June 2015, pm)

In this session, students will present on a topic as described in the second assessment below.

Access to Blackboard

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. Ensure that you can access Blackboard before the course begins.

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.

If you have any problems gaining access to Victoria University's computer facilities, such as myVictoria and Blackboard, 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.

Power-point slides and other lecture materials that are posted on Blackboard may differ from the presentations used in class, as the copyright rules for archived presentations differ somewhat from those for live presentation.

Assessment

There are three pieces of assessment for this course:

1. First assessment (25%): 1 hour concept/short answer test on Monday 13 April 2015. This will cover the material from Sessions 1 and 2.
2. Second assessment (45%): Economic analysis of a New Zealand public policy issue. Each student will submit an article of around 1500 words in blog format to the class blog set up on Blackboard. The Monday article can be posted at any time before Monday May 25. At that point, comments on each post will be open, and students will have two weeks to indulge in a (respectful) discussion on each others' posts. The presentation session on the afternoon of Monday 8 June will require student to present in groups on one of the topics *other* than the ones each wrote on for the blog. The weighting in this assessment will be 20% for the blog

post, 15% for comments on other students' posts, and 10% for the class presentation. More details on this assessment will be provided later in the trimester.

3. Third assessment (30%): take home assignment (on the material covered in sessions 5 and 6), due on Friday 12 June 2015.

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

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

Students should keep a copy of all submitted work.

Note on Quality Assurance

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.

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.

Computation of Grades

The translation from numerical marks to letter grades is set by the following grade ranges.

<i>Pass/Fail</i>	<i>Grade</i>	<i>Normal range</i>	<i>Indicative characterisation</i>
Pass	A+	90% - 100%	Outstanding performance
	A	85% - 89%	Excellent performance
	A-	80% - 84%	Excellent performance in most respects
	B+	75% - 79%	Very good performance
	B	70% - 74%	Good performance
	B-	65% - 69%	Good performance overall, but some weaknesses
	C+	60% - 64%	Satisfactory to good performance
	C	55% - 59%	Satisfactory performance
	C-	50% - 54%	Adequate evidence of learning
Fail	D	40% - 49%	Poor performance overall; some evidence of learning
	E	0 - 39%	Well below the standard required
	K	Fail due to not satisfying mandatory course requirements, even though the student's numerical course mark reached the level specified for a pass, usually 50%. A student whose course mark is below 50 should be given a D (40-49) or E (0-39), regardless of whether they met the mandatory course requirements	
Pass	P	Overall Pass (for a course classified as Pass/Fail)	
Fail	F	Fail (for a Pass/Fail course)	

Mandatory Course Requirements

In addition to obtaining an overall course mark of 50 or better, students 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.

Information will be communicated via Blackboard. It is essential, therefore, that you activate your @myvuw.ac.nz email account (the free email account created for you when you enrol and accessed via the myVictoria student web portal) before the start of the course. Once you have activated your @myvuw.ac.nz email account, if you want to receive these emails at your preferred email address (e.g. your home or work email address), you must modify the settings so all emails sent to it are automatically forwarded to your preferred email address. For more information, please go to www.victoria.ac.nz/its/student-services/FAQs.aspx#Email_Forward .

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.

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.

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 .
