

School of Accounting and Commercial Law

MMPA 508 ECONOMICS

Trimester 1, 2015

COURSE OUTLINE

Names and Contact Details

<i>Course Coordinator & Lecturer</i>	Dr. Adrian Slack adrian.slack@vuw.ac.nz Office Hours: By appointment	RH 315	463 5125
<i>Course Administrator</i>	Rebekah Sage rebekah.sage@vuw.ac.nz Office hours: Monday-Friday, 8.30 am – 5.00 pm	RH 728	463 6921

Trimester Dates

Teaching Period: Monday 2nd March – Friday 5th June

Study Period: Monday 8th June – Thursday 11th June

Examination Period: Friday 12th June – Wednesday 1st July (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 13th March 2015.
2. The standard last date for withdrawal from this course is Friday 15th May. 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 or [online](#).

Class Times and Room Numbers

Thursdays: 12.40 – 3.30 pm

Venue: RH LT3 (Rutherford House Lecture Theatre 3), Pipitea Campus

Course Delivery

Lectures will comprise the delivery of the course material plus discussion of theoretical and applied questions.

Expected Workload

This course is a 15-point course. One point is equated to 10 hours of work, which means a total of 150 hours is expected for this course, spread over the 12 teaching weeks, mid-trimester break, study week and the examination period. This involves attending the lectures and tutorials every week, assignments, and preparations for all exams.

Prescription

Economic principles and their application to issues facing the accounting profession.

Course Learning Objectives (CLOs)

Students who are successful in this course will be able to:

- (a) define, explain and apply economic concepts and terms;
- (b) identify and explain the economic implications of different economic systems;
- (c) apply economic principles, including supply and demand concepts, to evaluate policy with respect to certain current economic issues;
- (d) apply the economic theory of the firm (including marginal and transaction cost analysis) in different market settings;
- (e) explain the importance of international trade to economic performance, and analyse domestic and international trade policy as it pertains to economic issues;
- (f) analyse the determinants of economic growth and business cycles (changes in GDP);
- (g) the linkages between macroeconomic variables, the trade and capital account balances, and business cycles in the New Zealand economy;
- (h) explain the determinants of government revenues and expenditure, and the effect of these and the government budget on the performance of the economy;
- (i) define measures of money and the price level and analyse the basis of monetary policy; and
- (j) explain the interaction between microeconomic policy and macroeconomic performance.

Course Content

The course objective is to explain economic principles and their application to issues facing households, businesses and the government in the New Zealand economy in the context of the international economic environment. Special focus is placed on understanding the economics toolbox so that it can be used for general economic analysis.

The following table provides a broad outline of the material to be covered in a given lecture. It is sufficient to enable students to read and put themselves in a position to benefit from lectures. The lecturer may sometimes deviate from the order given here. Lectures will be largely based on the Hubbard et al book (see Readings below).

Week	Topic and key concepts	Chapter
Week 1	Overview, analytical tools, trade-offs Concepts: model, scarcity, trade-offs, opportunity cost	1, 2
Week 2	Prices, supply and demand Concepts: supply and demand, price and quantity, equilibrium, elasticity	3, 4
Week 3	Efficiency and equity Concepts: efficiency (allocative, productive, dynamic), inequality	5
Week 4	Firms and costs Concepts: cost minimisation, incomplete contracts, transactions costs	6
Week 5	Firms and profits in perfectly competitive markets Concepts: profit maximisation, competition, price-takers	7
<i>Mid-trimester break (2 weeks)</i>		
Week 6	Imperfect competition Concepts: market power, price-makers, monopoly, oligopoly, game theory	8, 9
Week 7	Factor markets; The role of government Concepts: marginal productivity, market failure, public good, externality, asymmetric information	10; 11

Week 8	Foundations of macroeconomics: GDP and growth Concepts: GDP, wellbeing, growth, productivity	12
Week 9	Macroeconomic issues: inflation and unemployment Concepts: price level, inflation, types of unemployment, Phillips curve	13
Week 10	Macroeconomic equilibrium and business cycles Concepts: aggregate expenditure, business cycle, AD-AS model, types of economics	14
Week 11	Macroeconomic policy: monetary and fiscal Concepts: economic policy, Official Cash Rate (OCR), multiplier, crowding out, supply-side policy	15, 16, 17
Week 12	International economics Concepts: absolute and comparative advantage, balance of payments (BoP), (foreign) exchange rate	18, 19

Readings

The required textbook for the course is:

Hubbard, Garnett, Lewis, O'Brien. *Essentials of Economics*, 2nd edition. Pearson, Australia, 2012.

Optional reading, but highly recommended:

Myeconlab supplement to *Essentials of Economics*.

Materials and Equipment

Students will be permitted to use electronic calculators during exams and assignments. These calculators must not contain memory capabilities and must be non-programmable.

Assessment

The Assessment Handbook will apply to all VUW courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

Item	Specifications	%	Date	CLO Covered
Assignment 1	To be put on Blackboard	8%	4pm, 2 April	(c), (d)
Test	100 minutes, Closed Book Assesses material covered in lectures 1 to 5	25%	In class, 23 April	(a)-(d)
Assignment 2	To be put on Blackboard	12%	4pm, 4 June	(g), (i), (j)
Exam	2 hours, Closed Book Assesses material covered in all lectures - this is a comprehensive exam	55%	TBA (see 'Examinations' below)	(a)-(j)

The assessment combines multiple-choice, essay-type and computational questions. The questions are largely at a higher level, designed to test students' understanding of economic concepts and their application to decision-making and public policy, with an emphasis on the former.

Penalties

Unjustifiable absences from tests will result in a mark of 'zero' for that test and may result in a student not meeting mandatory course requirements.

Students unable to take a scheduled test or submit a scheduled assignment due to exceptional circumstances, must complete the 'Consideration of Exceptional Personal Circumstances for Tests Application Form' available on Blackboard. Submit this form to the MPA Administrator as early as possible, preferably before the test date.

Note: The submission of an application does not mean that the test requirement has been changed or waived. Penalties, as detailed above, will apply if it is not successful.

Exceptional Personal Circumstances include an impairment assessed by Disability Services, illness, bereavement, circumstances involving the health or wellbeing of a relative or close friend, compulsory attendance at court, national or international representative commitments, significant cultural commitments, or activities in which the student is representing the University.

Note: Not being organised or failing to plan ahead are **not** exceptional circumstances.

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 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 submitted to Turnitin. A copy of submitted materials will be retained 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.

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 following period:

Friday 12th June 2015 – Wednesday 1st July 2015 (inclusive)

Mandatory Course Requirements

None.

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

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made 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 concerning this course will be provided in lectures and posted on Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

Student feedback

Any feedback is considered and followed up on.

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
<http://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.
