



UNIVERSITY  
OF TASMANIA

# **School of Economics**

**Faculty of Commerce**

## **BEA130 Foundations of Economic Policy**

**Semester 2, 2003**

### **Unit Outline Hobart Campus**

**Dr Hugh Sibly**

CRICOS Provider Code: 00586B

# Contact details

**Unit coordinator/lecturer:** Dr Hugh Sibly  
**Campus:** Hobart  
**e-mail:** [hugh.Sibly@utas.edu.au](mailto:hugh.Sibly@utas.edu.au)  
**phone:** 6226 2825  
**fax :** 6226 7587  
**Consultation hours :** 10am Thursdays or by appointment

# Unit details

**Campus & Mode:** Hobart, Web CT Supported  
**Unit Weight:** 12.5%  
**Prerequisite** BEA110 Economics for Business

**Teaching Staff:** Dr Hugh Sibly

# Contents

Unit description	1
Aim	1
Learning outcomes	1
Generic graduate attributes	2
Prerequisite/corequisite units	2
Assumed skills	2
Prerequisite/corequisite units	2
Texts, references and learning resources	2
Prescribed text(s)	2
Recommended readings	2
Teaching arrangements	3
Lectures	3
Workshops	3
Office Hours	4
Occupational health and safety (OH&S)	4
Unit schedule	4
Workshop	5
Important Dates to Remember	6
Learning expectations and strategies	6
Expectations	6
Learning strategies	7
Assessment	7
Assessment summary	8
Submission of assignments	8
Requests for extensions	8
Penalties	9
Academic referencing	9
Plagiarism	9
Additional assistance	10
EL SIS Support	10
Help resolving concerns about this unit	11
Unit feedback	11



## **Unit description**

This unit is the second of two foundation level economics units offered by the School of Economics. The unit is a core unit in all Economics and Finance Majors in the BEc and BCom.

## **Aim**

A striking feature of the Australian economy is the way in which private businesses and the government operate side-by-side. Some goods, such as CD players and pizzas, are produced by private business and are traded in markets with little government involvement. However, there are many instances in which government regulates the price and/or quality of goods, restricts who can buy them, owns or restricts access to resources, or produces the good itself. We also regularly observe the government's efforts to redistribute income and to control key macroeconomic aggregates such as unemployment and inflation.

The principal aim of this unit is to provide students with a set of analytical tools and concepts to help them understand this form of economic organisation. While students will be expected to draw upon the basic tools and concepts introduced in BEA110 Economics for Business, this unit develops a number of new microeconomic and macroeconomic themes. The microeconomic component of the unit will focus on the properties of competitive markets and the potential role of the state in promoting efficient market outcomes. The macroeconomic component includes an analysis of the determinants of macroeconomic outcomes. This analysis is used to describe the impact of monetary and fiscal policy. The microeconomic and macroeconomic analysis is used to consider issues relating to international trade.

## **Learning outcomes**

On completion of this unit, you should be able to:

- Demonstrate an understanding of the impact of government policy in a market economy
- Define and display an understanding of a number of key economic concepts;
- Apply sound skills of economic reasoning and elementary analysis to a range of specific economic issues and policies;
- Display an understanding of how elementary graphical techniques are used to understand and develop economic analysis.

## **Generic graduate attributes**

This course develops students's generic skills in the following ways :

Knowledge: Through understanding macroeconomic and microeconomic policy problems

Communication Skills: Through workshop presentation and the assignment

Problem Solving: Through workshop problems, the test and the exam

Global Perspective: Studying International Economics

Social Responsibility: Discussing Efficiency and Fairness.

## **Prerequisite/corequisite units**

### **Assumed skills**

- Economic analysis equivalent to that taught in BEA110

### **Prerequisite/corequisite units**

BEA110 Economics for Business

## **Texts, references and learning resources**

### **Prescribed text(s)**

It is essential that you have ready access to the following prescribed text. This book will be available from the University Bookstore. Note that weekly readings will be drawn from this text and that reading references will not be given for any other texts.

Gans, Joshua, King, Stephen, Stonecash, Robin and Mankiw, N. Gregory, (2000), *Principles of Economics*, (first edition), Harcourt Brace and Company, Australia.

### **Recommended readings**

Many students find it useful to consult alternative references as part of their study program. Some useful alternative references which have been placed in the Reserve Section of the Morris Miller Library are:

- Baumol, W. J., Blinder, A. S., Gunther, A. W. and Hicks, J. R. L. (1992), *Economics - Principles and Policy*, (first edition), Harcourt Brace Jovanovich
- Heyne, P. (1997), *The Economic Way of Thinking*, (eighth edition), Prentice-Hall Inc.
- Jackson, J. and McIver, R., (2001), *Microeconomics*, (sixth edition), McGraw-Hill Book Company Australia Pty Limited
- Jackson, J., McIver, R. and McConnell C. (1998), *Economics*, (fifth edition), McGraw-Hill Book Company
- McGillivray M. and Papadopoulos T. (1995), *The Australian Economy: Principles, Policies and Performance*, Melbourne, Nelson.
- McTaggart D., Findley C. and Parkin H. (1999), *Economics* (third edition), Sydney, Addison-Wesley.
- Williams, Jeremy B. and Lawrey, Roger. (1999), *New Economics for the Asia-Pacific: An Issues-Based Modular Approach*, (second edition), McGraw Hill Book Company Inc.

## **Teaching arrangements**

### **Lectures**

There will be 13 two-hour lecture sessions in the unit. Lectures will be held in Lecture Theatre 2, Commerce and Economics Building and will begin on Friday 18<sup>th</sup> July. Lectures will begin at 9.00am and there will be a 10 minute break beginning at approximately 9.50am. Lectures will cover the core examinable material in the unit and attendance is strongly recommended. However lectures are not a substitute for reading, particularly of the textbook, and study conducted in your own time.

Lecture notes will be available to students via WebCT before lectures. These are not considered to be a substitute for your own lecture notes, which are your own responsibility in this unit.

### **Workshops**

Students are required to attend weekly workshop sessions. These will be held at 9am in Humanities 548, commencing in Week 15.

In weeks 16-20 and 22-24 (inclusive) the workshops will involve group problem solving. The problems set for each workshop are intended to reinforce and extend material covered in lectures. The problems to be discussed will be available in the week prior to Workshops. To benefit most from the workshop you should prepare rough answers to the questions. Attendance and participation in weeks 16-20 and 22-24 (inclusive) will be assessed.

## Office Hours

I will be available for consultation for BEA130 students at 10am Thursday during semester. Further consultation times may be added later in semester. There will be consultation times set for the period between the end of semester and the exam.

However inevitably consultation times do not suit some students. Therefore I am happy to arrange individual appointments to discuss any matters relating to the course. An appointment can be made with me during lectures, by calling me, or emailing me.

## Occupational health and safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University's policy at: [http://www.admin.utas.edu.au/hr/ohs/pol\\_proc/ohs.pdf](http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf)

## Unit schedule

All written material in this unit (including lecture summaries and Powerpoint slides, workshop and tutorial exercises, handouts and Worksheets) will be made available to students on the WebCT.

<b>Week</b>	<b>Lecture Topic</b>	<b>Reference</b>
14	Introduction to Public Policy in the Market Economy; Revision of Market Demand	GKM: C2, C4, C5, C7
15	Market Supply and Market Equilibrium	GKM: C6, C14
16	Money	GKM: C27, 28
17	Macroeconomic Equilibrium: Aggregate Demand and Aggregate Supply	GKM: 31
18	Economic Efficiency. Application: Competition vs. Monopoly	GKM: C7, C15
19	Taxation and Price Controls	GKM: C8, 12
20	Pollution and Externalities	GKM: 10
21	In Class Test	
22	Public Goods and Common Resources	GKM: C11
23	Monetary and Fiscal Policy	GKM: 32
24	Inflation vs. Unemployment	GKM: 33, C34
25	International Trade	GKM: C3, C9, C30
26	Review and Feedback	

## Workshop

Week	Workshop Activity
14	No workshop
15	Introductory workshop session + revision problems
16	Group problem solving session 1 (Attendance and participation assessed)
17	Group problem solving session 2 (Attendance and participation assessed)
18	Group problem solving session 3 (Attendance and participation assessed)
19	Group problem solving session 4 (Attendance and participation assessed)
20	Group problem solving session 5 (Attendance and participation assessed)
21	No workshop – revise for test.
22	Group problem solving session 6 (Attendance and participation assessed)
23	Group problem solving session 7 (Attendance and participation assessed)
24	Group problem solving session 8 (Attendance and participation assessed)
25	Session on Macroeconomic Policy
26	Revision Session

## Important Dates to Remember

Week	Date	Event
14	Friday July 18 <sup>th</sup>	Lectures begin
15	Thursday July 24 <sup>th</sup>	Workshops begin
21	Friday 5 <sup>th</sup> September	In Class Test (begins 9am)
<b>AVCC Common Week Study Period (29 Sept – 3 Oct)</b>		
25	Monday 6 October	Assignment (due 10am)
26	Friday 17 <sup>th</sup> October	Classes end
	20 – 24 October	Study Period
	25 Oct – 11 Nov	Examination Period

## Learning expectations and strategies

### Expectations

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers.

The University's Code of Conduct for Teaching and Learning states:

*Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.*

## Learning strategies

If you need assistance in preparing for study please refer to your tutor or lecturer. For additional information refer to the Learning Development website :

<http://www.utas.edu.au/learndev/>

If you will be using WebCT for the first time and would like some information on how to use WebCT refer to the following guide:

[http://www.utas.edu.au/coursesonline/docs/using\\_webct.pdf](http://www.utas.edu.au/coursesonline/docs/using_webct.pdf)

Some of the units you will study use video conferencing to deliver lectures and tutorials. To enable you to get the best out of a video conference please refer to the following guide. <http://www.its.utas.edu.au/videoconf/vcstudentguide.pdf>

## Assessment

Your overall grade in this unit will be determined by your performance in a final exam and in course work.

Final Exam (2 hours)	60%
Continuous Assessment	40%

Continuous Assessment in the unit will consist of the following:

### In Class Test (20%)

An in class test worth 20% will be held during the lecture session of week 8. The test will begin at 9.00am Friday 5th September.

### Workshop Attendance and Participation (8%)

The Workshops in weeks 16-20 and 22-24 (inclusive) will involve group problem solving. These sessions are considered a critical part of your learning in this unit. Therefore attendance will form part of the assessment (0.5% each workshop) as will participation in the workshop (0.5% per workshop).

If you are unable to attend a workshop through unanticipated and/or unexpected events, such as illness or personal tragedy, please inform your lecturer as soon as possible after the workshop you miss. You will be awarded an attendance and participation mark equal to your average on the other workshops.

If you are unable to attend the workshop through predictable events, such as work or attending classes in other units, you may still obtain attendance and participation marks for a workshop by submitting written answers to all workshop questions *prior* to that workshop. Your answers need not be correct, and will not be graded. But they must be a serious attempt to answer the questions.

**Assignment (12%)**

You are required to submit answers to an assignment which is worth 12% of your final assessment in the unit. The assignment will be distributed at lectures on Friday 26 September. Assignments are due by 10.00am Monday 6 October. (Thus you will have the mid semester break to complete the assignment.)

The assignment will consist of a selection of questions discussed in workshops. You should have already drafted a set of solutions to these problems by the time the assignment is distributed. Accordingly it is not anticipated that anyone will qualify for an extension for this assignment.

**Assessment summary**

<b>Component</b>	<b>Weight/Value</b>	<b>Due date</b>
Workshop Attendance and Participation	8 x 1%	Workshops in weeks 16-20 and 22-24 inclusive.
In Class Test	20%	9am Friday 5 September
Assignment	12%	10am Monday 6 October
Final Exam	60%	Examination Period

**Submission of assignments**

All work must have the School of Economics Assignment Cover Sheet attached. The cover sheet will be available on the unit page on WebCT.

Please remember that you are responsible for lodging your written work on or before the due date. We suggest that you keep a copy – photocopying is ideal. Even in the most ‘perfect’ of systems, items sometimes go astray. Lodge your assignments in the box marked BEA130 on Level 4, Foyer Area, Commerce Building. Work will be returned during classes. Uncollected assignments will be available from the Secretary’s office, Room 407.

**Requests for extensions**

Extensions will only be granted on the basis of consultation with your lecturer before the due date. If you are ill, please provide a medical certificate so that this can be noted. If you are unable to attend the mid-semester test due to circumstances beyond your control, please inform your lecturer or the School Secretary before the test date.

## Penalties

Late submission of assignments and other forms of assessment will incur a penalty of:

1 – business day late	=	10% penalty
2 – 5 business days late	=	25% penalty
5 business days or more	=	100% penalty

## Academic referencing

Student writers need to back up their ideas by referring to scholarly literature, works of art and inventions that they have used. Failure to do so constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence. It is important that students understand how to correctly refer to the work of others and maintain academic integrity.

The appropriate referencing style for this unit is

Baumol, William (1986), "Productivity Growth, Convergence and Welfare", *American Economic Review*, vol. 76, pp. 1072-85.

Maddison, Angus (1970), *Economic Progress and Policy in Developing Countries*, London, Allen and Unwin.

For information on presentation of assignments :

<http://www.utas.edu.au/library/assist/gpoa/gpoa.html>

Please read the following statement on plagiarism. Should you require clarification please see your unit coordinator or lecturer.

## Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own; for example, using an author's words without putting them in quotation marks and citing the source, using an author's ideas without proper acknowledgment and citation or copying another student's work.

In fact the intentional copying and submission of someone else's work as one's own is a serious offence tantamount to academic fraud. It is a University offence punishable by a range of penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, exclusion from a unit, a course, or the University. **When in doubt consult your lecturer or tutor.** Details of penalties that can be imposed are available in the Ordinance of Student Discipline or at: [www.utas.edu.au/plagiarism](http://www.utas.edu.au/plagiarism)

Useful resources on academic integrity, including what it is and how to maintain it, are also available at [http://www.utas.edu.au/tl/academic\\_integrity/index.html](http://www.utas.edu.au/tl/academic_integrity/index.html)

## **Additional assistance**

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you should raise these with your lecturer.

Student Services staff are located in Hobart, Launceston and Burnie and provide a wide range of services to assist students, they include:

- Student Counsellor
- Careers Adviser
- Disability Adviser
- Student Employment Service.

Or visit the Student Services website at :  
<http://student.admin.utas.edu.au/services/>

Should you require assistance in accessing the Library visit their website for more information at <http://www.utas.edu.au/library/>

Your contact Librarian for this unit is :

Heather Mitchell (ext 2306)

International Services website provides information on the assistance available to international students, visit their site at :  
<http://www.international.utas.edu.au/index.html>

The Learning Development website has a wide range of resources on study skills and learning strategies, visit their site at : <http://www.utas.edu.au/learndev/>

## **EL SIS Support**

EL SIS means English Language Support for International Students and is a service provided free of charge to international students who need assistance with their language. The EL SIS contact is Jan Counsell - Room 214 in Hytten Hall, opposite the International Student Office – email address:

[Jan.Counsell@utas.edu.au](mailto:Jan.Counsell@utas.edu.au)

If you are an international student you can make an appointment to see Jan.

## Help resolving concerns about this unit

If you have any concerns or complaints with the administration and/or management in this unit or your BEc course of either a general or personal nature, then you should in the first instance discuss the matter with your lecturer. If you feel that you would rather discuss the issue with an independent person within the School of Economics, then contact the Ombusperson:

**Dr Sarah Jennings**  
**School of Economics**  
**Room 413**  
email [sarah.jennings@utas.edu.au](mailto:sarah.jennings@utas.edu.au)

If the matter is still unresolved and you would like to know who to contact or the procedures for resolving your concern refer to the following website :  
<http://student.admin.utas.edu.au/services/complaints/index.html>

The Hobart based Tasmanian University Union (TUU) or the Launceston/Burnie based Student Association (SA) may also be able to assist.

## Unit feedback

The University of Tasmania, on a regular basis, evaluates its teaching and learning environment through the Student Evaluation of Teaching and Learning (SETL) system. The University values feedback from students and from time to time you will be asked to complete a SETL evaluation for a unit of study. For more information on SETL go to :

<http://student.admin.utas.edu.au/setl/index.html>