

FORM 4

(Please retain the small font prompts for submission to the Board of Undergraduate Studies and Board of Graduate Studies.)

Proposal to Amend Title of Paper, Prescriptions, Prerequisites, Restrictions or Points Value

Name of Division/School/Department

Commerce Division/School of Business/Department of Economics

Calendar/Guide to Enrolment References

(page numbers)

Guide to Enrolment 2018, p. 129

Subject Code, Number, Title

ECON 112, Principle of Economics 2

ECON 201, Microeconomics

ECON 207, Environmental Economics

ECON 271, Intermediate Microeconomic Theory

Year of Introduction (Year Proposal Takes Effect)

2019

*Please note: If the amendments you wish to make have **already been** dealt with in Form 1 or Form 3 do **not** fill out Form 4. Also please note that if you are making a series of related amendments e.g. changing prescriptions of a number of related papers, please include all the amendments on the one proposal form rather than filling out a separate form for each.*

Deadlines for Proposals

- a) *For proposals for introduction in the following year and to ensure their inclusion in the Guide to Enrolment:*
- *the March meetings of the Divisional Boards;*
 - *April meetings of the Board of Undergraduate Studies and the Board of Graduate Studies;*
 - *April Senate*
- b) *Final deadline for proposals for the following academic year:*
- *the May meetings of the Divisional Boards;*
 - *June meetings of the Board of Undergraduate Studies and the Board of Graduate Studies;*
 - *June Senate.*

Purpose of Proposal

(A succinct description of the purpose of the proposal including any consequential amendments such as deletions of papers and amendments to schedules)

To amend the title and prescription of ECON 112, make its prerequisite (BSNS 113) a co-requisite as well and remove ECON 112 as a prerequisite for ECON 201, ECON 207 and ECON 271.

Qualifications Affected

(Major qualifications for which paper(s) will be offered)

BA

BAppSc

BCom
BSc
DipGrad

Justification for Proposal

(State reasons for amendment/s including, where appropriate, evidence of student demand. You should include a statement as to the effect on the overall programme to which the paper belongs if appropriate. Where the point value of a paper is altered, information should be supplied about the revised “Workload Expectations”, “Proposed Timetable” and “Assessment Procedures” (please refer to the “Workload Expectations”, “Proposed Timetable” and “Assessment Procedures” sections of Form 3 or Form 6 for the information that is required). Please note that if amendments to an existing paper constitute a change of 25% or more to the content of the paper (or a 25% or more change to the points value of a paper), a Form 3 Proposal for a New Paper would be required.)

Historically, the fundamental principles of microeconomics and macroeconomics were taught by the Department of Economics in separate papers. However, for the last ten years or so, they have been taught across two 100-level papers. These papers, originally called ECON 111 (Principles of Economics 1) and ECON 112 (Principles of Economics 2), have operated as a sequence with the former being the prerequisite for the latter.

The shift away from standalone papers in microeconomic and macroeconomic principles arose from the decision to have a single paper in Economics within the BCom core that covered elements of both microeconomics and macroeconomics (i.e., ECON 111, later recoded as BSNS 104 and, in 2017, recoded and renamed BSNS 113, Economic Principles and Policy).

The content of this core paper has evolved over time with the effect of increasing its emphasis on microeconomic principles at the expense of macroeconomics (which has prompted corresponding changes in ECON 112). Following the recent introduction of the five-paper core in the BCom, only three weeks are now spent examining macroeconomic principles in BSNS 113 and ECON 112 has a primarily macroeconomic focus.

Because of these changes, ECON 112 has become less relevant as preparation for students taking the ECON 200-level papers that are entirely microeconomic in nature. In its current form, relatively little class time in ECON 112 is spent building on the microeconomic topics covered in BSNS 113. Consequently, it makes only a small contribution to a student’s preparation for ECON 201 (Microeconomics) and ECON 207 (Environmental Economics).

This is evidenced by the performance of International Business majors (who are not required to take ECON 112 and so typically take ECON 201 straight after BSNS 104/113). Those who chose not to take ECON 112 have achieved a pass rate in ECON 201 over recent years that is comparable to that achieved by students who had taken both first-year Economics papers. In other words, the small amount of microeconomics they missed by not taking ECON 112 does not appear to have materially affected their performance in ECON 201.

Therefore, the point has been reached where it makes sense for ECON 112 to become a paper in macroeconomic principles alone so that it can be removed as a prerequisite for ECON201, ECON207 and ECON271. This can be achieved by shifting one week’s worth of microeconomic material from ECON 112 into BSNS 113 and an equivalent amount of macroeconomic material from BSNS 113 to ECON 112.

To be more specific, the topic areas covered in BSNS 113 would remain the same. However, some of the microeconomic topics would be covered in more detail during the week gained by transferring some of the more technical details of the macroeconomic topics to ECON 112.

In addition, one microeconomic topic (indifference curve analysis, covered in one week) that is currently taught in ECON 112 (and revised in ECON 201), would be removed and taught in ECON 201 only.

Aside from the small amount of new material transferred from BSNS113, the macroeconomic topics currently taught in ECON 112 would remain the same, but some could now be covered in more detail.

With these changes in place, ECON 112 would only need to be retained as a prerequisite for the ECON200-level papers that have a macroeconomic focus – i.e., ECON 202 (Macroeconomics) and ECON 206 (The World Economy).

In addition, as ECON 112 would no longer directly build on the topics covered in BSNS 113, it would not be essential for students to complete BSNS113 before tackling ECON112. Some material contained in BSNS113 (i.e., the basic supply-and-demand model) would still be useful for students taking ECON112 (as some macroeconomic topics have microeconomic foundations) but, as this material is covered early in the paper, BSNS113 could be safely taken as a co-requisite alongside ECON112.

Old Title/Point Value/Prescription/Prerequisites/Restrictions

(In *Guide to Enrolment* format. Please provide *Guide to Enrolment* year and page numbers.)

Guide to Enrolment 2018, p. 129

ECON 112 Principles of Economics 2

SS, S2 0.15 EFTS OL, OC 18 points

Builds on the introductory material from BSNS 113, and extends the analysis of markets and mixed economies and how they work, both in New Zealand and in international contexts.

P BSNS 104 or 113

R ECON 102, 212, MANV 201

SC Arts and Music, Commerce, Science

ECON 201 Microeconomics

S1 0.15 EFTS OL, OC 18 points

Provides a working knowledge of microeconomic theories with an emphasis on their application to business and public sector decision making.

P (BSNS 104 or 113) and ECON 112

SC Arts and Music, Commerce, Science

ECON 207 Environmental Economics

S1 0.15 EFTS OL, OC 18 points

An introduction to the economic analysis of environmental problems such as air and water pollution, global warming, acid rain and ozone depletion; policy instruments for dealing with such problems.

P (BSNS 104 or 113) and ECON 112

SC Arts and Music, Commerce, Science

ECON 271 Intermediate Microeconomic Theory

S1 0.15 EFTS OL, OC 18 points

Presents an analytic approach to intermediate microeconomics. The emphasis is on the fundamental conceptual foundations of microeconomics, illustrating their application with concrete examples.

P (BSNS 104 or 113) and ECON 112 and one of FINC 102, FINQ 102, MATH 160, 170

SC Arts and Music, Commerce, Science

Proposed Title/Point Value/Prescription/Prerequisites/Restrictions

(In *Guide to Enrolment* format. Please provide *Guide to Enrolment* year and page numbers. Note: The description of content should be no longer than 30 words. Refer to the *Important Notes for Completing Forms* for guidance on titles, prescriptions, prerequisites etc.)

ECON 112 Principles of Macroeconomics

SS, S2 0.15 EFTS OL, OC 18 points

Introduction to analysing the economy as a whole. Topics include the determination of national income, unemployment, inflation, interest rates and the exchange rate, as well as monetary and fiscal policy.

PC BSNS 104 or 113

R ECON 102, 212, MANV 201

SC Arts and Music, Commerce, Science

ECON 201 Microeconomics

S1 0.15 EFTS OL, OC 18 points

Provides a working knowledge of microeconomic theories with an emphasis on their application to business and public sector decision making.

P BSNS 104 or 113

SC Arts and Music, Commerce, Science

ECON 207 Environmental Economics

S1 0.15 EFTS OL, OC 18 points

An introduction to the economic analysis of environmental problems such as air and water pollution, global warming, acid rain and ozone depletion; policy instruments for dealing with such problems.

P BSNS 104 or 113

SC Arts and Music, Commerce, Science

ECON 271 Intermediate Microeconomic Theory

S1 0.15 EFTS OL, OC 18 points

Presents an analytic approach to intermediate microeconomics. The emphasis is on the fundamental conceptual foundations of microeconomics, illustrating their application with concrete examples.

P (BSNS 104 or 113) and one of FINC 102, FINQ 102, MATH 160, 170

SC Arts and Music, Commerce, Science

Consequential Amendments to Regulations or Schedules

(All changes to regulations and schedules as a result of making this change must be detailed below. This includes changes that will need to be made to Schedules, including Schedules A, B and C. Include Calendar page numbers. Changes to the Programme Information in the *Guide to Enrolment* are not required. Consequential deletion(s) of papers must also be reported here in which case a separate Form 5, proposal to delete a paper, does not need to be completed.)

There are no consequential amendments to regulations or schedules resulting from this proposal.

Implications

(Describe any academic, administrative and resource implications of this amendment)

There are no significant academic, administrative, or other resource implications resulting from this proposal.

Transitional Arrangements

(Are there any transitional arrangements necessary as a result of amending the paper(s)? If necessary, special arrangements must be specified for students who are part-way through programmes who would otherwise be disadvantaged, e.g. by changes to prerequisites or the redistribution of course content amongst a number of papers.)

This proposal makes it easier than is currently the case for some students to progress to certain ECON200-level papers. It also removes the need for students to take BSNS113 and ECON112 sequentially. In these respects it will advantage rather than disadvantage some students who are partway through their degree programme.

Students who have taken the existing version of BSNS113 **but** have not taken the existing version of ECON112 **and** who decide to progress to ECON201 or ECON207 in 2019 could have slightly less background in microeconomic principles than the rest of the class. However, the number of students in this category is likely to be small and the experience of the International Business students (who have been in exactly this situation for many years) suggests that they should cope. The material these students would have missed is, in any case, revised in some detail in ECON201 as a matter of course.

Therefore, no special arrangements are needed for students part-way through their degree programmes.

Consultation with Professions/Other Departments/Other Divisions

(Please indicate any consultation undertaken with other departments, Divisions or students.)

Staff Member Responsible for Drafting Proposal

(Please give the name and contact details of the staff member who drafted the proposal if different from the Head of Department)

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