MACQUARIE UNIVERSITY
In cooperation with
The Ever Surprising and Perpetually Perplexed
Division of Economic and Financial Studies
presents

Do Not Memorise!

ECON 309
INDUSTRIAL ORGANISATION
(or The Way of all Flesh)
Improved in 29 Different Outlandish Ways for 2005
[Newly Enriched with Added Rationality and
Stripped of Irritating Administrative Bloat]

In conditions of perfect knowledge,
the theory of the firm is very simple.
There are no firms
Brian Loasby
WARNING

Students are fully responsible for carefully reading all the material in this course outline. If a student has any question whatsoever, he or she should seek clarification with the lecturer-in-charge as soon as possible. Failure to read these incredibly extensive course notes will likely add to the risk of performing poorly in this course. It may also lead to extreme disorientation, stomach upsets, aggravated acne and occasional dizziness. However if you choose to ignore useful information willfully, you will have no one to blame but yourself for your subsequent disappointing performance. The information included is not meant to scare you or terminally bore you, but rather to allow you to make intelligent choices.

Students are expected to take full responsibility for all of their actions.

There are some self-styled experts who have patronisingly concluded that students are incapable of reading a long course outline. I persist in having more faith in the ability of students. Besides, if reading the course outline is beyond your ability, you have little hope in reading the course material. To provide you with a reliable guide to the course requires extensive information. Thus every effort has been made to make the guidelines and requirements of this course explicit. This includes making all contractual expectations clear as well as providing each student with an understanding of how to approach this course. The lecturer-in-charge apologises profusely and abjectly for the length of this
outline. Though, as the course progresses students should become aware of why such a monotonous, and even excruciating length is required. If by the end of the course you still have complaints about the length of this outline, you probably have failed to grasp the key concept of the course. (You’ve also probably failed the course as well.)

Course Summary
This is a course about contracting. There is only one topic and we will never deviate from it. If at any time you fail to see the relevance of any particular discussion to the contractual framework as it is expounded in this course, you need to seek immediate assistance.

In standard economic theory, markets exist to allocate and distribute a nation’s wealth through the process of exchange. The way in which a society organises these markets and the purposes to which the resulting structures are put cannot be understood without in turn comprehending the way in which industries are organised within that economy, specifically the contractual arrangements that facilitate economic exchange.

Markets are not the only institutional structure that facilitates contracting. We will analyse markets, firms and government as simply three different institutional or governance structures which serve to accomplish given economic objectives. The issue then becomes not which one should be utilised, but what mix is most likely to facilitate exchange through the process of contracting. Understanding the actual mix of the three alternatives depends upon being able to evaluate the comparative transaction costs of using each option.

⊕ PLEASE NOTE ⊕ This course will make full use of all the standard microeconomic tools. Remember: these tools are your friends!! Those students who are not yet on a first name basis with these useful aids will need to put in some extra effort to become comfortable in their presence. If graphs are still only pictures as far as you’re concerned, get help immediately.
Lectures and Seminars

Unfortunately there is only a single two-hour lecture a week. Each lecture will be held on Wednesday. An afternoon lecture runs from ☀ 3:00 - 5:00 PM; ▲C5C T1. The lecture is then repeated soon after from ☀ 6:00 - 8:00 PM; ▲E7B 100. (Please note - this room was a classic university dump, but it has now been refurbished to resemble a conference room in a cheap motel. This was the best the university was willing to offer. Feel free to dress down to match the environment. However, the University bylaws do require that students are dressed.)

Students who are especially keen or lacking a life of their own may attend both sessions. They may also tape the lectures and play them back while brushing their teeth or scratching their armpits. The Lecturer-in-Charge unfortunately cannot be responsible for any mental aberrations that may develop as a result of such behaviour.

Please note: There are no provisions for lectures to be officially taped. There are also no written versions of the lectures either. These do not exist. The course is not meant to be in any way an adventure in distance education. You are not required to attend lectures. However, you will be responsible for understanding all and any lecture material.

Lecturer:
Weeks 1-13

Craig Freedman

▲▲▲ C5C 345
☎☎☎ 9850-7444
☎☎☎ 9850-8586
Associate Professor Freedman [lecturer-in-charge] will be your ever present spiritual guide to the mystical world of industrial organisation. He promises not to desert you during your moments of self-doubt and mental debilitation. Your first attempt to visit to his dreadfully overcrowded office should not come after you have failed the course ☹

Craig Freedman in an astonishing burst of generosity has most kindly and quite sweetly agreed to be tutor-in-charge during this term of your spiritual arise. He is an accomplished performer on the Sousaphone and the Welsh nose flute. Be sure to ask for a performance of his famous version of the national anthem of Turkmenistan (Little Feet Sleep Sweetly) when you visit. Or if you prefer, talk to him about his other passion - clog dancing.

°CSC 345
☎ 9850-7444
➔ 9850-8586

Preparation

Please Note - The objective of the course is to help you apply economic thinking. To do this you will need to thoroughly understand the course material. The course is not about learning new techniques or developing complex analytical models. As a result, the course will not test your ability to memorise huge, undigested slabs of material. Answers to exam questions based on memorised responses will be penalised.

MEMORISATION WILL NOT HELP YOU TO UNDERSTAND. Memorising is practically, if not entirely, useless in this course. ☹️
What may have worked for you in previous courses will have little effectiveness in this particular course. Those who delay making any serious effort in the hopes of last minute cramming (swallowing whole large blocs of notes), will find themselves sadly disappointed. There is a vast difference between being able to recall material and understanding that material. Only by having a sufficient understanding will you be able to apply it to analysing practical case studies. Even if you could (quite remarkably) reproduce at will, every page from the textbook, you would still be in danger of failing this course. It is therefore wise to avoid unnecessary heartbreak.

Disappointment can best be avoided by working conscientiously throughout the term. (Yes, I do realise you’ve heard all this before.) You may put in more time in this course than in others, but by doing so you will end up with added skills and an ability to think, study and research. But remember it is not merely a matter of putting in time. The time you do put in must be used wisely. Please try to do the assigned reading before casually strolling into the lecture. At a very minimum, read the textbook before you look the lecturer in the eye. By doing so, the lecture itself will become more comprehensible (and even more interesting). Keeping up with your work in this fashion will ultimately make your life easier. Since each lecture builds from the previous one, falling seriously behind will eliminate almost all possibility of:

- passing the course
- learning anything at all
- becoming prime minister of Kazakhstan (though not necessarily of Australia)
- having a hit single in the US or the UK (though still possibly winning the Australian Idol song contest)

Previous experience shows that those students that form study groups early on in the term are much less likely to fail. Study groups will help
you discuss the material and come to some basic understanding of what it means and how you can apply it. Groups will be useful in preparing seminar papers and research essays as well as studying for the final exam. The final exam should present no unmanageable difficulty if you have been working together in such groups. This means that many of you will have to overcome your innate prejudice against this mode of preparation. Please note that solitary study is most conducive to memorisation unless you have a tendency to talk to yourself out loud in the third person.

SPECIAL INFORMATION FOR THOSE WHO (for whatever reason) MUST PASS THIS COURSE:

- This course is given exactly once every year,
- It has never been offered in summer school and the probability that it will be offered this year is slim to none,
- Once you complete the course you should have a full understanding of why the course is not offered in the summer session,
- You will not pass simply because this is the last course required for graduation,
- You will not pass simply because you have done well in other subjects,
- If you want to reduce the risk of failing, the only practical alternative is to actually do the course as required,
- Since this is a unique course, no alternative course offered at Numbskull University of Technology and Science, or any other institution will be accepted as a substitute,
- Your friend’s friend who had a friend whose cousin’s sister managed to pass Econ 309 without working is probably lying to you,
- This is not a course for lazy students.

If you do not pass this course, the only (ONLY) option is to take the course again next year. The idea of building up a long term
relationship with me by repeating this course several times may not sound too appealing. In that case, you should be motivated to do everything in your ability to pass the course. You can only increase the probability of passing by doing the assigned work. Those of you who think that trying to pass the course, without actually doing the required work, is an entertaining way to spend your time, will find this to be a very high risk strategy.

COURSE RESOURCES

The ever popular 309 Chat Room

If you are seriously concerned with passing this course, let me once again emphasise that there is no secret way to do so. You may consult with former students if you think for some reason that I am trying to mislead you. Let me emphasise, once again, that past experience demonstrates that the one most successful way to:

- tackle the material in this course,
- find true insight,
- clear up the unsightly blemishes that occur in prominent places

is to form a study group. You may convince yourself by simply reading the text or drooling over your notes that you understand the material. However, feedback is essential. This is the only way you will know for sure if you can explain ideas to someone else. Ideally you might like to find the most clueless people in the course. If you can make them understand, you can explain the material to anyone.

I would therefore urge you to find someone (anyone) who can help you in your studies.

To facilitate this bonding process, as well as to assist the terminally shy, I am continuing the use of a zippy new (well not so new anymore) learning tool. It will now be possible to talk to other 309 students (without involving any unsightly, sticky human contact) via the all encompassing and ubiquitous web. On the Econ 309 Bulletin Board students will be able to raise questions and get incisive responses from other equally
committed students. You can also tackle the ever popular question of the week. Huge psychic rewards are available to those providing the most incisive answers. Accessing the site is as simple as possible. (Okay, it used to be simpler before the computer bureaucrats interfered, but it is still quite manageable.)

- Go to the Division of Economic and Financial Studies home page http://www.efs.mq.edu.au/. Quickly skip over the self-promoting divisional bumf.
- Click on Departments and Centres
- Click on Economics
- This brings you to the Department of Economics home page.
- Click on Course Home Pages
- Click on Econ309 Forum
- Once on the Forum home page the first thing you do is to login using your user name and password already supplied to you for all your courses. Contact the library help desk if you’ve forgotten who you are or your magic password. Once you’re in the fun can begin. Check for course announcements, discussion questions (including the question of the week), raise issues, swap recipes, amaze your friends, and find out about the secret vices of Hilary Duff.

I know it is traumatic for some of you to put your name to a statement, but now is the time to get over that particular phobia. All participants should be treated with the utmost respect. Please keep all comments limited to the course content. The site does not serve as an ad hoc dating service ♡. I will audit the chat room as the moderator (the designated big brother). Try to restrain yourself from doing anything terminally silly or offensive. Ask yourself, ‘Would I really want my mother to read this?’

More Resources

All overhead slides and the COURSE READING PACKET will be placed in the Econ Reference and Information Centre [*ERIC*] which is now in its stunningly, almost new, ‘motel modern’ quarters C5C 244. “A
triumph of functionalism over taste," Frintz Tarbruch, *Sydney Morning Herald.*

The complete course reading packet and workbook will also be available for sale at the chaotic Coop Bookstore. Plan your buying spree in advance since the Bookstore has done nothing to alleviate the yearly horrendous queues. I have arranged that it will be offered for sale at the lowest price possible. (The low price may sometimes mean slightly lower quality. However, if your copy is missing pages, please check with me. You may simply have a bad copy and will need to exchange it at the Bookstore.) This means that almost all of the heavy mark up goes to the Bookstore. Despite having done all the preparation work, none of the proceeds actually go to me. This reader is provided for your benefit. It is not a personal, ‘get rich slow’ scheme. Be sure to buy it as soon as possible since I cannot guarantee that there will be copies available for each and every one of you. I can only make an approximate estimate of each year’s enrollment before the start of the term.

*It is not economically or logistically feasible to have a second printing done. When they run out there will be no more to be purchased. Do not wait until the third week of term to start thinking about buying it. You need to keep up with your reading by starting in week one if not earlier.*

If you decline to make this sensible purchase, you will have to depend upon *ERIC* for all your needs. This will mean that you will pay more. Last year’s reading packet is probably available second hand from previous students. Since I change the packet substantially (up to 95% entirely new material), if not completely each year, you will find such second hand packets to be completely useless. To repeat, do not waste your money by buying a second hand packet. They are of no use whatsoever. Those students who are happily repeating the course will also need to buy a new reading packet.
Packets consist of approximately six short articles from the business press which illustrate and apply that week's course content. It will also include approximately two economic journal articles which will investigate a particularly important course idea in greater depth than will your text or certainly the lecture. This may seem an overwhelming amount of reading to trudge through each week. I have actually tried to minimise the amount of material, but there is no magic route to understanding. It is only by reading, thinking and trying to apply your understanding that you will make any discernible progress. There will naturally be weeks when you may be unable to cover all the material. Please try however to make an effort to do as much as possible on a weekly basis. Let me remind those of you who are nodding off, if you don't try to read the course material and think about it carefully you raise the risk of failing the course.

You need to realize that both the textbook and the reading packet are equally important. The textbook provides you with the theoretical framework necessary for analysis. However, only by reading the required packets each week and puzzling through the study questions can you begin to understand how you can apply the requisite economic framework.

Each week's packet will also have a set of study questions to aid you in understanding the relevant material. A guide to answering the first seven weeks of questions will be available in the reference room after the semester break (2 May 2005). The guide to the remaining questions will be similarly available during the last week of lectures. In each case, an announcement will be placed on the 309 bulletin board. These guides will not present complete answers but just provide a few pointers to indicate how you can go about tackling each question. They are not something to be memorised. Students are urged to deal with these questions each week in their study groups and/or by using the 309 Chat Room.

㊡ Tackling a question only after first looking at a set of guidelines greatly depreciates the usefulness of the study guide questions. ㊡

This is the reason that such guides are not provided on a weekly basis. Once again, there is no substitute for hard work. If all of your little brain cells are not perspiring from the effort of thinking through problems, you are at grave risk of repeating this course.
All overhead slides from the lecture will be available the week of the lecture (in advance) if at all possible. Please buy them at *ERIC* if you so desire. Changes are sometimes made to planned overheads during the lecture itself if the lecturer is so inspired. Please do not panic if a slide is added during the lecture, slides are rearranged or omitted. Photocopies of these slides by themselves will be of limited assistance [nearly worthless] as a study aid. Most will simply be graphical or algebraic models already contained in your assigned reading, or possibly a brief outline of a few major points. By buying copies, you are simply saving yourself the time needed to reproduce them during the lecture. You will need to supplement these bare bone outlines by staying awake to listen and jot down notes. You should be concerned if your pen never hits paper. Lecture notes are your responsibility. Remember, do not confuse photocopies of the overhead slides with a reasonable set of lecture notes. Producing a good set of lecture notes requires listening and thinking before writing. Important points will be stressed and repeated by the lecturer. It is not simply sufficient to mindlessly duplicate overhead slides. Machines can copy, they cannot take notes.

→There are quite deliberately no set of lecture notes available. I am fully aware that many students use these as a security blanket or assume that they need only memorise them to pass the course. This is a sort of addiction which you now need to leave behind. Such notes at this stage of your career would only be counter productive. They would tempt too many students to waste their time memorising large chunks of these supposedly authorised and official notes. Again, my contractual responsibility is to aim for results, not to make your life easy. It is the unfortunate truth that real achievement does not come easily for most people.←

Course material is unfortunately not available via the net. I simply do not have the resources to scan in and correct all the reading packets each and every year. (This is also the case for the overhead slides.) It is also not a once off expense since the course material does change each year. Remember, be cautious about (don’t do it) buying reading packets from former students for this very reason.
This course is not about memorising unrelated bits of information but about learning to apply and use economics. Therefore, strategies that have seen you through in previous courses are unlikely to work in this particular course. Be bold and rely on your own intelligence and ability. Those who have done the assigned readings will find that note taking becomes simpler than if they nonchalantly stroll into the lecture venue with empty heads and empty stomachs. To repeat, those who have the urge may tape any and all lectures. Video-taping or hired film crews are not welcome.

⚠️ Turn off mobile phones before entering the lecture theatre ⚠️

Seminars

Seminars will be held during weeks 3, 5, 7, 9, 11, and 13. If before week 3, you find that you will be unable to attend your assigned seminar regularly due to a time conflict, see Craig Freedman as quickly as possible. If you cannot see him in person, try to phone, write or even e-mail. Personal contact is however the speediest way. Do not try to officially change your section via student services or any other administrative process. To repeat, using alternative methods to change seminar sections will not be considered legitimate. Those people have no idea as to what the current status of the seminars are. Nor will they convey this information to the lecturer-in-charge, the tutor-in-charge or to Nancy the flying echidna. Everything will be done to resolve any difficulties in a mutually advantageous manner. Again, changes are made if there is a time conflict, not to cater to a sudden whim on your part. (You do not need to be in the same seminar as your friend. Take a chance and try meeting new and wonderful people.) All seminar leaders are equally trained and capable. It is not possible to avoid one or to select another.
A time conflict specifically means that you are enrolled in another course that is only given at the same time as your assigned seminar.

Do not assume that the seminar assignment received during enrolment is valid. This should be seen as merely temporary. For a variety of reasons, some students will be switched from one seminar class to another. The lists posted by the lecturer-in-charge are the only valid seminar allocations. Failure to attend the class indicated on this list will lead to you being marked absent. A list of seminar assignments (even classrooms) will be posted the second week of term (Tuesday 8 March 2005) outside the door of the tutor-in-charge (C5C 345) as well as outside that of the lecturer-in-charge (C5C 345). Assignments will also be posted on the 309 bulletin board. These assign you to a specific seminar group providing you with the correct time and room location. It is not intended to assign a specific seminar reading for you to do. Please see Craig Freedman for any desired changes before the first seminar [Week 3]. This is the only way to change seminar sections.

Never Show Up To A Seminar Unprepared.

Attendance at these seminars is both expected and compulsory. This means not simply showing up and imitating office furniture. It is assumed that each student will have read the assigned article to be discussed and will have thought about what the article means, including any possible consequences for economic theory and policy.

Attendance will be taken at each and every seminar meeting. An unprepared student will at the very least be marked absent even if physically present. An unprepared student may be asked to leave the seminar. Students arriving halfway through the seminar will also be considered invisible and marked accordingly as will those that attempt to mysteriously vanish before the seminar is complete. A watchful eye will be kept on those students sitting close to any exit. Students are responsible for the material covered during these seminars. Please bring the appropriate seminar article to each seminar.
\* ONE QUESTION IN THE FINAL EXAM WILL BE BASED ON SEMINAR MATERIAL. \*

This one question may, and in the past has always, referred to two or more assigned articles. Students usually find it difficult to provide an adequate answer to this question unless they attend and participate in all six seminars.

Seminars can only hope to be successful if students attend and participate. Because of the positive externalities involved in attendance, I will place a tax on any student’s repeated absences. Each student will be allowed to miss one seminar. No explanation need be given, nor is your seminar leader eager to hear about real or imaginary aches and pains. For each additional absence (no matter what the excuse may be - I turn into a werewolf whenever a seminar is held during a full moon), two marks will be subtracted from your final assessment, i.e. a student who chooses to stay away from all seminars will be marked off ten (10) points and will stand a very poor chance of actually passing the course.

There are no excused absences for any conceivable or even inconceivable reason. Do not bother bringing in medical certificates from that cousin of yours who runs a 24 hour Medicare and pizza delivery outlet. (The patient reported that she felt unwell.)

Because a student may find that an emergency will infrequently mean that he or she cannot make his or her assigned seminar, it is possible under such circumstances to attend another seminar that week. The wise student will always have at hand the time and venues of alternative seminars. If an alternative is selected, the student must obtain a form from the leader of the seminar the student is visiting giving evidence of attendance. That form must be handed to the student’s assigned seminar leader at the next seminar meeting.

The student is solely responsible for verifying attendance. It is not expected that the need to make use of an alternative seminar will occur more than once during the term. Do not jump around from one seminar to the next. If unable to attend your assigned seminar, request a seminar change. To repeat, each student is allowed one excused absence based entirely on the student’s own judgement. Don’t waste it in order to indulge a momentary whim. No additional excused absences will be granted no matter what the circumstances. (I awoke to find myself transformed into a gigantic cockroach.) Penalties will automatically go into effect after the first absence. Please think carefully before you decide to miss that first seminar. Please do not approach your seminar leader with complex stories concerning your absences. You always have something to lose by wasting other people’s time. Remember, for an economist the opportunity cost of making a
decision is never zero. Although actual participation in each seminar will not be graded, a student's conduct in seminar will be considered in borderline assessment cases. At the very least, by participating a student will learn more and make the seminar more interesting for himself, herself, other seminar participants as well as the much harassed seminar leader. Seminars should not be an occasion to catch up on missed sleep.

Students who miss seminars inevitably do worse on the exam question concerning the required seminar readings.

Final Note on Lecture and Seminar Attendance

Remember, this is not a correspondence course. Togetherness provides untold opportunities for us all. Therefore, attendance at lectures and seminars are strongly urged and in the case of seminars demanded. It will be extremely difficult to fully master the material without consistent attendance and participation. There are no pre-digested lecture notes available. That would defeat the whole point of the seminar. If you want to know what has occurred at a lecture, you will need to attend. Do not ask the lecturer. He has no special notes to offer you. He was also too busy talking to listen to what he was saying. Besides, if you were to stay away, we would all miss you something terrible.

Assessment

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© UFS, Inc.
Seminar Paper  
15 POINTS
Term Paper  
25 POINTS

A Delicious, Comprehensive Final Examination  
60 POINTS

Your final assessment is based on performance alone. Any other method would be highly subjective, inequitable, as well as random. As you will learn in the course, the lecturer-in-charge is only qualified to assess what you have done. Intentions are not measurable. In particular, students will not pass the course based on stated need or desire to pass or on heartfelt pleas of clemency. Your final grade is not a simple matter of adding up points. Unless you pass your final exam (50% or better) you will not pass the course. If you have passed the final exam, the results of your two assignments will be weighted according to your performance on the final exam.

The final exam will cover the entire work done in the course. This must be the case since the material covered is not separable into topics. If you persist in thinking in terms of topics, you will have failed to understand the course. As a result, strategic studying (whatever that may be) is not possible. It is recommended only to the very foolish or those who harbour a strong death wish. The questions will test your understanding rather than your memory. Be sure to answer the question asked rather than some other question to which you know the answer. Your course lecture notes (the ones that you painstakingly inscribe) will provide you with the best study-guide. Study questions in the course reading packets will also prove valuable when preparing for the exam. All past exams have been devoured by a paid troupe of Chilean Army snails. These are not available for an obvious reason. They would send out an incorrect signal that there is a magic security blanket that allows students to simply do some worthless memorisation prior to the exam. The only way to reasonably increase your chances of passing the final exam is to work at the course material throughout the term. You can actually pass a course without the use of a panoply of distracting crutches. Learn to trust yourself and your own abilities. The use of memorised materials and graphs in answering exam questions can only lower your mark.

The exact structure of the exam will be provided during the last lecture period. But basically this is the exam that you will face. The exam will be
of two hours duration. Anything more than that verges on the sadistic. The exam will have two parts. Part A will consist of two questions with some limited choice. Each of these questions will be worth up to 18 points. I place these questions first so that students will expend the most time on those questions which garner the most points. Part B will have two compulsory questions, one of which will deal with material covered in our seminar meetings. The other will be a short, fictional case study which you will have to analyse. Each of these questions will be worth up to 12 points. All questions, including the one dealing with the seminar articles, will involve analysing a small case study, which I will create from my overheated imagination. For instance, the seminar question will pose an imagined case. The question will then ask for the responses of the authors of one or more of the seminar articles to the raised issue. In other words, based on your understanding of their work, you will have to use their approach to analyse the case in point. This will demonstrate if you understand what these authors were trying to do or whether you simply have memorised a set answer.

One of the questions in Part A will require you to construct and apply the principle/agent model which is the one central graphical framework developed in the course. To employ it you will have to translate the information provided in the case study into an appropriate graphical model. If all you do is to reproduce the graphs in your textbook you will receive very little, if any, credit for doing so. I do have access to a photocopy machine that is capable of producing better reproductions than you can manage. I will repeat this once again. It is highly unlikely (about impossible) that one of the sample graphs presented in your text will adequately reflect the information provided in your exam question. If you simply reproduce a textbook example, you will fail the question badly.

Each year large numbers of students nonetheless produce a copy of the textbook examples. They all decisively fail the question making it difficult for them to pass the exam. Don’t be one of these people. Make sure you start trying to understand this basic model many weeks before the actual exam. That is the safest strategy to take if you are to gain sufficient understanding of this key graphical relation.

Also, unless your graph makes some basic sense, I will not bother to read what you write. The question tests your ability to use a graphical model. If you can’t construct a usable model, then what you write is simply irrelevant. Therefore,
think carefully, before you start. Your graph should reflect the relationships described in the question. It is impossible to receive a passing mark for the question without constructing a reasonable graphical analysis.

This will be the only question which requires the application of a formal mathematical (graphical) model. You can, of course, use such models to help you answer any of the other questions. Make sure the employment of such models actually helps. I will not be impressed by your ability to memorise and reproduce models if they merely serve the purpose of being academic dollies to decorate your work. I have seen relatively few students use relevant graphical models in analysing the three other questions.

No, there will not be multiple choice questions since the course hardly lends itself to such an examination approach. If you think it does, lock yourself into a darkened room, and re-evaluate your own life experience.

Knowing the structure of the exam will be of limited help in preparing for it or in passing it. It is provided to allay fears and so that students will have a better idea of what they need to accomplish from the very beginning of the course. To repeat yet again, strategic study (whatever that means) is not possible.

Exams are not marked in a relative manner. There are no pre-assigned grade quotas. All exams are marked to one standard marking guide. In other words, they are marked relative to the marking guide rather than relative to one another. Therefore, someone else’s performance has no impact on your own. Either you demonstrate an understanding of the course material, or you don’t.

Lastly, each question is marked by a different examiner if at all possible. There will be a minimum of three markers employed. The lecturer-in-charge usually limits himself to marking the graphical principal/agent question. If you fail the exam, remember this is a consensus opinion reached independently by three or four separate economists.

You may bring a foreign language dictionary into the exam if you obtain prior permission from the lecturer-in-charge. You must show him the dictionary that you plan to use at least 24 hours prior to the exam. Any foreign language dictionary may be checked when you enter the exam venue or during the exam itself. Electronic dictionaries of any sort are not permitted. These disturb other students attempting to take the exam. It is unlikely that taking a foreign language dictionary into an exam will provide you with much assistance. Any student using such a dictionary should try to minimise time spent looking up words. Time spent in this manner leaves less time for you to actually answer the exam questions.
CONSIDERATION CASES

Students are advised to start taking their vitamin and mineral supplements now. In this way they can hope to avoid sudden illnesses that mysteriously strike only during scheduled examination dates or just as an assignment is coming due. Perhaps you should also mail dietary supplements to your elderly relatives as well.

Only those students who maintain a passing grade average prior to the final examination may apply for a supplementary examination at the end of the term.

All consideration requests must be accompanied by an official medical form available from the Reference Room (CSC 244), or possibly the General Division Office (CSC 302). You might also try downloading it from the division web site.

There are no exceptions to this rule. Those cases involving incapacitating illness will be carefully considered by a medical specialist provided such cases are accompanied by the proper extensive documentation. Minor coughs and vague ailments will fail to impress. You either are or are not able to get out of bed and take the exam. The probability of being struck down with an incapacitating illness just as you start reading the exam paper is slight for most people. Do not simply make the attempt in the firm belief that you can always have another chance at taking the exam. If you are really too sick to take the exam, stay home and apply for a supplementary. Except in unusual cases, it is unlikely that requests for supplementary examinations will be granted. Failure to pass the final examination, or the fear that one hasn’t passed, is certainly not a ground for requesting or for being granted a supplementary examination. To avert inevitable disappointment, please do not make such requests for any but the most serious of reasons. You will only be wasting your time and breaking the heart of your lecturer. For cases involving severe illness prior to the final exam, please contact the lecturer in charge before the final examination. He will be more than happy to take into consideration any extenuating circumstances you may want to present, but only before the examination.

Remember, a consideration request is not an insurance policy.

Please also keep in mind that a supplementary examination will inevitably involve even less choice than the original examination (namely there will be no choice whatsoever in the questions posed). This reflects the additional study time available.

Historically, failure rates on supplementary examinations tend to be considerably higher than in the regular exam.

Please do not request a supplementary, except in cases where there really is no other option. If you in fact take the exam, it is unlikely that you will be granted a supplementary. Either you are capable of taking an exam or you are not. Taking it as a speculative venture with the belief that you can always have another go is a grave mistake. Being granted a supplementary under such circumstances is one of the worst things that could happen to you. In the past such students’ grades usually have either gone down or at best stayed the same.
In those cases where supplementary petitions are approved, you must remember the following: Requests for a supplementary examination will not take into account whether the student has or has not passed the final exam. Gaining a supplementary means that your regular final exam results are completely ignored. In other words, being granted a supplementary is not a signal of your performance on the final exam. It is quite possible that a student who has passed the final exam will be granted a supplementary. In which case, the student will be obliged to take the supplementary in order to pass the course. If the student subsequently fails the supplementary, it will be that failing grade that counts. A supplementary is not only a way to raise your grade. It may result in a lower one as well. Past results show that students taking a supplementary are more likely to lower than raise their grades.

Only submit a consideration form if you want to take a supplementary. Do not use it simply to inform me of what you consider to be extenuating circumstances that occurred prior to the exam. (I suddenly discovered I was pregnant, much to my surprise.) Such information is of no interest to me after the exam but only prior to it. Information of that sort, after the fact, will be looked upon with great suspicion. Therefore, I will consider all and any consideration applications to be a request for a supplementary.

Unfortunately, it will not be possible to schedule any early exams. The mid-year exam period begins with a bang on 15 June 2005 and ends with a whimper on 29 June 2005. There is no way to predict when during this period this exam will be scheduled. Expect the unexpected. In the past, exams have been held anywhere from the very beginning of the exam period to the very end. If you book airline tickets assuming that the exam will be early you are taking a large risk. Students are reminded that they are solely responsible for finding out the time and venue of the exam. Misread schedules are not a sufficient reason for applying for a supplementary.

There is absolutely no real reason to contact me following the final exam (except if you are overwhelmed by an attack of nostalgia). If you receive a supplementary, you should check the appropriate website where it will be posted. If you have any questions concerning your final grade you may send me an appropriate letter and I will do my best to reply by mail. (The appeals process is covered in the next section.)

After the exam, do not (I repeat) do not attempt to contact me concerning the exam or your final grade except by sending me a letter. Do not phone, do not e-mail and especially do not show up in person to discuss your results. Do not send in friends, cousins or aged grandparents to act as your agents. Such strategies will not help. I regret having to put in place such harsh requirements but it is the only way I know to effectively reduce the opportunism which has otherwise been displayed in the past. It also ensures that each student has a written record to refer to and the time to go over that record.

To repeat, my role is solely to evaluate your course work based on your actual performance. There may be some lecturers or administrators at this University who lay claim to an almost mystic ability to know when students are lying to them. I am unfortunately not one of these chosen few. I cannot lay claim to having such supernatural powers. Grades do not and should not reflect the bargaining abilities of students. By the end of this course you should understand why. Such a practise would be both inefficient and inequitable, a condition that makes any self-respecting economist break out in hives.
The exception to this rule is if you have any questions concerning procedures in the case of applying for a supplementary or of filing an appeal. If that case you are welcome to contact me using any array of methods, but only to clarify procedure. I will though still not allow personal contact since it is too difficult for many students under these conditions to resist launching an extended appeal concerning their final grade. In any case, please do not try to expand the exchange beyond this limit. To do so will only embarrass everyone involved.

The wise course of action is to come and see me before the exam. At that time, you may pour your heart out to me if you think it is necessary. You may convey any extenuating circumstances that you think are vaguely relevant. I will listen to you with all seriousness and extend every sympathy to you. After the exam, such information strongly signals opportunism of the rent seeking variety and a strong urge to weasel out of your responsibilities. It is too late to see me after the course and the exam are over. (See: ‘locking the barn door after the horse is gone’ and other appropriate cliches.)

SATISFACTORY PERFORMANCE IS REQUIRED IN ALL SEGMENTS OF THIS SUBJECT. THIS INCLUDES, AS A BARE MINIMUM, A PASS MARK ON YOUR FINAL EXAM. IF YOU FAIL THE FINAL EXAM, YOU FAIL THE COURSE, REGARDLESS OF YOUR PREVIOUS RESULTS.

For those failing to pass the exam (passing is defined as a score of 50% or more), you results for your in semester assessments will be discarded. Your final grade will simply reflect your performance in the final exam. This should make it clear that you didn’t almost pass the course. No student almost passes the course. If you fail, you fail decisively and unquestionably. Everyone else receives the full benefit of the doubt.

The Value of Whining, Weeping and Whingeing

The Appeals Process

You will be heartbroken should you fail the final exam. What can you do? Keep in mind that you have already been given every benefit of the doubt and every consideration possible. In no way have you come close to passing. If you have failed, you have failed convincingly and perhaps even dismally. Therefore there is very little you can do. Your course grade is not an initial offer in a bargaining process. There is
absolutely no reason to phone me, appear in person, or cry salty tears on to the rug. There is however an appeals process. Before you make an appeal however you need to understand what this means. You have every right to understand why you failed the exam. In fact, you will need such information before you can make a legitimate appeal. However, appeals must be based on your performance alone. You do not have the right to lodge a frivolous appeal any more than you have the right to lodge a frivolous legal law suit. Some students seem to believe that they have nothing to lose by wasting everyone’s time by filing such frivolous appeals. This implies that decisions have no opportunity costs attached to them. This is bad economics.

The appeals procedure is described in the Handbook of Undergraduate Studies. I supply below a quick summary of the initial steps that must be taken. Please note that there have been some changes to this procedure.

✔ Send me a letter (not an e-mail) requesting a written discussion of your exam performance. Include your name, student number, mailing address, and a contact phone number or e-mail address. Letters may either be mailed to me or delivered by hand to the front desk (C5C 302). All such letters must reach me by 22 July 2004 and preferably before. If you are overseas, I will look to see that your letter is postmarked by 22 July. Please make your request as soon as possible since it takes a considerable amount of time to prepare the document. Remember this is not yet an appeal since you first need this vital information provided before you submit an appeal.

I will then reread your exam once more. Keep in mind that I have already reread all failing exams before giving you a course grade and checked for any clerical errors. I have also checked to make sure that the other two or three markers have followed the prescribed marking guidelines in a consistent fashion. However, I will do both of these procedures once more. If I somehow find a clerical error I will of course correct it. Notice that although I will reread your exam, I
will not remark it. Some students have a fanciful idea that I will go through these exams and find extra marks. This is as nonsensical as carrying umbrellas to protect yourself from flying pigs. Each question is marked consistently by different markers to an absolute marking guideline. I check to see that consistency has been maintained across any given question. To mark an individual student’s answer differently would be giving an unfair advantage to those students who complain. To be fair, I would then have to remark all student exams according to this new standard. This will simply not happen. What you will receive is an analysis of what you wrote as compared to how you could have approached each question if you wanted to adequately deal with the relevant question. This should give you a clear understanding of where you went wrong.

When you receive this information, you can then decide whether you have any basis for appealing. There are six legitimate reasons for appealing:

* the unit co-ordinator did not provide a unit outline as required
* the assessment requirements as specified in the unit outline were varied in an unreasonable way
examiners judgement was not objectively applied because of prejudice against the individual candidate
a candidate is of the view that a clerical error has occurred in the computation of the grade
due regard has not been paid to the evidence of illness or misadventure if submitted by the specified date
a candidate is of the view that they have been disadvantaged in some way due to the conduct of their examination

Let’s look at each of these six reasons from the viewpoint of this specific course. If you are reading this, then you know that a course outline was offered. The assessment requirements as specified in the course outline will not be changed. Given that there are at least three examiners it is highly unlikely that all these examiners would know who the student is and be simultaneously prejudiced against him. Nor is it likely that the markers will collude with one another. Each paper will be checked several times for clerical errors. Students will be granted every benefit of the doubt but evidence of illness or misadventure do not guarantee a pass mark. Also, a student under these circumstances is entitled to apply for a supplementary exam. The same applies to any disturbance at the exam itself. The student will be given every benefit of the doubt though such a disturbance will not magically transform a clear failure into a pass. Again, such a student is entitled to apply for a supplementary exam.

At least as far as this course is concerned, it is not likely that a student will have reason to appeal their grade based on any of these six criteria. An appeal for any other reason is by definition invalid and should not be entered. Think carefully before you proceed.

If you do think you have a legitimate case then you must make a formal appeal to the Dean of the Division. You must put in writing the specific reasons why the grade is being questioned and include a copy of the correspondence with the academic
member in charge of the unit. You must submit this written request for a review of the grade awarded to the Dean of Division or nominee. Remember a student can only appeal on the basis of the six criteria given above.

If a student is dissatisfied with the decision of the Dean of the Division then he or she may make a formal appeal to the Grading Appeals Committee by lodging such a formal appeal with the Registrar and Vice-Principal of the University.

What you cannot or certainly should not do is to base an appeal on anything else than the six recognised criteria. You cannot base an appeal on your financial or visa status. You cannot plea for mercy or state how unhappy you are. You certainly cannot discuss your family situation. These are all issues of consideration which needed to be discussed prior to the exam. They are not a legitimate reason for contesting a grade. Do not for any reason include such information in an appeal. Remember, the exam represents your work. It displays your performance and is the best indicator I have of your ability. Please take full responsibility for what you write. Your answers were not written while you were possessed by an alien presence.

Please note: My letter will be detailed and pull no punches. My responsibility is not to make you feel good but rather to help you understand what you failed to grasp. To once again remind you, I will respond as soon as possible, but these replies do take some time to formulate. Please
include in your letter; name, student number and mailing address. Do not get your hopes up unrealistically about the results of the appeal process.

Do not however simply try your luck. You must provide one of the six appropriate reasons to make any appeal you may launch legitimate. Again, you have no right to bring in extraneous or frivolous matters. I will reserve the right to take action against any student who provides false, malicious, inappropriate or libellous information in any appeal that they might make.

Under no circumstance will I consider a request that is not received or postmarked by 22\textsuperscript{nd} of July.

Grades or exam results (regular or supplementary) will not be posted by me. There is no compelling reason to satisfy anyone's idle curiosity about how other students perform in this course. You will have to wait for the university to release your grades in July. Harassing me will not have any positive result. It will do no good to ask me how many students fail, or to ask about average grades. No such measures are considered, memorised, or preserved. Again, let me stress that marking is not done by marking students relative to one another but relative to an absolute standard.


\section*{Written Assignments}

Students in this course will be fortunate enough to write and turn in two scrumptious written assignments.
SEMINAR PAPER

The purpose of the seminar paper is to force students to learn how to read economic articles carefully and critically. Critical, does not indicate an attempt to find faults, but rather the desire to delve beneath a surface understanding of an article and get at what the author(s) is (are) trying to accomplish. A critical analysis does more than simply summarise an article's argument.

For the seminar paper, students will do a critical analysis of one of six seminar papers. The choice will be up to the student. However, only one [1] seminar paper, namely the first one handed in, will be graded. Therefore, multiple submissions by students will neither be entertained, nor accepted.

Length

Assignments will be a maximum of 1300 WORDS (excluding any footnotes, references, or bibliography). The limit will be firmly held to in order to force you to be precise. Students will most likely have to condense their first draft if they are to meet this constraint. It is therefore vital to try to be as concise as possible. Read the article carefully several times, then think about it. Know what you want to say before you start writing. Think in terms of the one key idea you want your reader to understand and build the paper on that particular hook. Effective thinking cannot be performed via your fingertips on a keyboard. Papers can, of course, be shorter, but experience shows that those papers which are much under the 1300 word limit are more likely to be awful. They are usually short because the students who produce them have little or nothing to say.

Date

The assignment will be handed in at the beginning of the appropriate seminar to your seminar leader. In other words, if you decide to focus on the article to be discussed at the first seminar, you will turn in your work to your assigned seminar leader before the seminar discussion begins. Only papers handed in at the appropriate time to the appropriate person will be accepted. You cannot, for example, hand in an analysis of the first article at the end of the second seminar. Handing the paper to some other seminar leader is also perfectly unacceptable. If you choose to employ a third person as your agent to hand-deliver your paper to your seminar leader, the
responsibility lies with the student to make sure the paper is given to the appropriate person at the appropriate time. The responsibility and risk does not lie with the agent, seminar leader, or any other mysterious animal, vegetable or mineral.

It is probably wise not to put off writing an assignment until the last seminar. No late seminar papers will be accepted for any reason. Those who wait until the last seminar will have to insure that they stay healthy, avoid traffic accidents, and escape technological breakdowns. Marking of assignments will become progressively more demanding as the seminars continue. This will reflect the learning curve students are expected to progress down as they become more adept at reading and analysing economic articles. As a result, there is an opportunity cost to procrastinating. All seminar papers will be marked and returned by the next seminar meeting. Anyone handing in a seminar paper at the final seminar meeting can collect the paper by arrangement with one’s seminar leader one week following the end of classes. Unclaimed papers will be quickly reprocessed by a crack team of ten-year-olds.

Any student failing to hand in a seminar paper will receive a zero (an overwhelming failure) for the course.

Format

A summary merely tells you what happens. A critical analysis attempts to explain what the author is trying to do in an article. The author(s) write to convey a particular idea to the reader. The writer wants you to come away from the paper believing some specific idea. Read over your paper. Are you trying to do anything more than provide a blow by blow account of what the author(s) say? Think of a film review. It is possible to simply relate the plot of a particular film. To do this you only have to watch the film and try to remember exactly what happens. But you could also try to analyse what the film is trying to say to its audience. Look at the example below (page 32). Four 13 year old kids discuss the animated film *Antz*. See if you can distinguish between those who merely summarise the plot and those who delve more deeply. Remember, if a thirteen-year-old can do this, so can you with the proper thought and effort.
Start by asking yourself, 'Why did the author(s) bother to write this paper?' 'What does the author(s) want you to believe is so?' Only then are you able to notice the way in which the author(s) try to convince you of some point or points. The idea is to first determine the structure of the author(s) argument.

Students should keep in mind that a critical analysis of an article is not a summary. This paper should be your own analysis. Students are strongly advised not to make use of any critical comments previously published on the particular article or make use of other articles on the topic. These comments are not useful for the purpose of the seminar paper. However if you insist on including such remarks, please remember that all such references should of course be properly cited. Failure to do so is plagiarism and will be dealt with severely. At a minimum you will receive a zero for the seminar paper and can be asked to explain your actions to the University Disciplinary Committee. (Also properly cite ideas and quotes from the article itself.) Students should be careful when using such references and preferably not use them at all. Make sure you have carefully thought about the article first. Otherwise, published commentaries are as likely to confuse as to clarify the issues. Why should these commentaries be correct just because they are published? Remember, this is not a research paper. I don't want to know what other people have said. The emphasis should be on your own analysis.

Most importantly: if you quote or summarise from the actual article itself, please provide a full citation including the relevant page number. Failure to do so is again simply plagiarism and the standard penalties apply.
The scale of the ant to both worlds was amazing.

The love interest seemed to readily appeal to the girls in the audience and, I must admit, the fact that Z the worker finally got Princess Bala was OK.

But it was the computer animation which captured the moment. For instance, in both worlds water was necessary to the story and the realism of the water, be it a drop or a huge torrent, was amazing.

MATHEW HERMAN, 13

ANTZ is a movie about a courageous ant who is a worker ant in the colony, and is sick of being told what to do. As he fights for individuality and freedom of speech, he gets into a lot of trouble.

Z falls in love with Princess Bala. He swaps places with his soldier friend, Weaver, to march past the royal family, hoping Princess Bala will notice him, but he ends up in a battle against the termites. He is the only survivor.

When it is discovered that Princess Bala danced with Z at the bar, Z and Princess Bala end up outside the colony, having near-death experiences with inquisitive people with a magnifying glass, bubble gum under a shoe and much more. When they return to the colony, they find out that the evil General Mandible plots to destroy the colony, but Z and princess Bala save the day. ANTZ has a great storyline, and the computer animation is very clever.

FIONA SIMMONDS, 13

I really liked ANTZ because it was a cartoon movie aimed at all ages.

I think parents, teenagers and younger kids will all really enjoy it.

It was hilariously funny and it had very entertaining characters.

It was exciting because you didn’t know what was coming next.

The story line was very clever and not predictable at all.

I won’t give away what happened – but it was a very good ending, just the one I wanted.

I think it might be a hit.

Sylvester Stallone was excellent in his part as the soldier ant. Most of the other voices of characters were also well chosen.

The only criticism I would have is that it didn’t go for very long, but I would still see it again.

Whoever made this movie knew what they were doing.

Get out and see it as soon as possible!

JOEL BUDD

ANTZ is a movie about an ant: Z-4195, or Z for short, (played by Woody Allen) who’s fed up with his horrible existence.

One night at the workers’ club he talks to a friend about hating his life. An old ant who overhears tells him about a wonderful place called Insectopia.

From then on he can’t stop thinking about it. This sets the scene for Z to embark on a series of adventures that sees him meet a princess, change identities and fight a war.

This is a great movie that was thoroughly enjoyed by my younger sister and myself – but it would suit all age groups.

It has many parallels with life such as the basic struggle with the drudgery of a boring job and dealing with the stress of daily life.

JESSIE CARPENTER, 13
Besides a very brief and concise explanation of the paper, each student should also think about the following questions:

- What basic problem is the author(s) addressing? This may not simply be the issue explicitly announced in the article's introduction.
- How does he, she or they go about demonstrating and explicating the problem at issue? Here you need to examine how the argument is constructed, including the type and structure of the economic models used.
- What is the relative success or failure of the author(s) in achieving his, her or their objective? Discuss any problems, weak points, or issues avoided. To do this it is essential to fully understand the point of the article as well as how the author(s) structure the argument to convey the desired point.
- What consequence, if any, does it have for future economic research? Analyse the issues the article raises which can be investigated by future researchers?
- What consequence, if any, does it have for government policy? Does it indicate anything about possible legislation or regulations? Does it indicate any limitations to government policy?

These points are not to be responded to directly as separate topics or necessarily in the order given. Nor does each issue deserve equal amounts of consideration. In other words if you have a little section for each of these questions which you address explicitly you are going about the task in a less than useful way. These questions should allow you to think about the assigned seminar paper. They should only help to organise your thoughts. The seminar paper should be an essay which coherently discusses these and other issues relating to the article which you are analysing. Avoid stating merely personal reactions. (This article gave me a headache. I think the author is an incipient sociopath.) The articles are written for a professional rather than a popular readership. They assume that you know something about economics. Also, the articles are to some degree classic presentations of a particular contractual issue. They are not necessarily dated because they were published a number of decades ago.

Think before you write. Remember you will need to read the article several times before you start to understand it. To repeat, first figure out what the key point is that the author(s) want you to end up believing. Once you figure this out it is then much
easier to analyse the way in which the author(s) makes that desired point. Remember, you must first thoroughly understand the paper before you can properly evaluate the argument made in it. I fully realise that a critical reading is very hard to do. Don’t give up even if you are initially frustrated. **Discuss the paper with another student.** (Seminar leaders will not be open to questions concerning individual seminar readings. Nor will they read a draft of your paper prior to the seminar.) Do not copy someone else's paper (including that of another student). Cheating of any kind will be unlikely to be of assistance to you. Those who cheat tend to do poorly on the exam question that is based on your understanding of the seminar articles. Your deception will become apparent in your poor performance in the exam. Moreover, such deceitful behaviour is plagiarism and is liable to all the penalties associated with that dubious practise.

**TERM PAPER**

Writing a term paper is perhaps the most exasperating, but at the same time the most rewarding experience you will have during this course. The object is to give you an idea of what is involved in a simple piece of applied economic research. This will not require original research on your part but will demand an ability to consider the existing state of knowledge on a given topic, to present it concisely and lucidly, as well as drawing your own conclusions based on that knowledge. Similar work might be done were you to prepare a position paper for some government agency or business division. It should therefore provide a useful basis for making policy decisions.

Before you hand in your research paper be sure you ask yourself the following question, ‘If I were handed this paper, would I find it at all useful or would I simply toss it immediately into the bin?’ The more honest you can be with yourself, the more you will get out of doing the research paper and the better will be your result.

Start work as **EARLY** as possible. You have probably already waited too long. The end of March is a good time to start looking for relevant material. (Don’t start any later, earlier would be better.) As you read this very sentence time is slipping irretrievably away. Papers done the week before the assignment is due are very likely to be complete rubbish. Markers are trained to sniff out and savage any such feeble attempts. Remember the first rule of research: books and journal articles are never
where you want them to be when you need them. Do not depend only on the resources of the Macquarie Library. You may need to resort to other university libraries or the State Library on Macquarie Street. Please consult reference librarians for assistance whenever necessary. Don’t be shy. Their job is to help you. However, if they tell you to start with any other search engine except econlit database, tell them that they don’t know what they are talking about and should be deeply ashamed for misleading you.

For the truly clueless, Macquarie University library does run a mini-course which enables anyone (even the most hopeless novice) to access relevant information efficiently. Bewildered students and those with a pronounced phobia to research and to libraries should sign up for this course immediately. Going into the library can actually help. Students unaware of where the library is located should consult a map. Life cannot always be lived entirely through the net. No one should feel justified in complaining that there is any shortage of references available. However, you must learn how to locate them. Also be aware that the reference you need may be missing, unavailable or just downright difficult to find. Allow yourself sufficient time to find all necessary resources. This is a crucial generic skill which will be of great use to you even when you later become an elderly grey bunny.

There is absolutely no material placed in the reserve section of the library or in ERIC for you to simply fetch. Fetching and researching are not the same activity. Consult any pet pooh for further clarification. Providing students with all research material ready to hand would undermine one of the major reasons for writing such a paper in the first place. Part of the research aspect of this assessment is finding related materials and deciding what might be useful in writing your paper.

SUGGESTIONS

The place to start is with econlit. You can access this database by clicking on the library home page. Then click on databases and finally the database list. Scroll down until you find econlit and, yes, click on that. Do the widest searches possible using different combinations of keywords. Search using both broad and narrow key words. Use your imagination. If done correctly, this should provide you with a number of articles from recognised economics journals. You will then have to track down the articles that you want. Do not start with any other search engine if you want a successful research paper. Please ignore and publicly scoff at any Macquarie librarian who suggests otherwise. I can usually tell simply by glancing at your reference section, which students have made use of econlit and which students have opted for some other less productive route.

Once you have found some recent journal articles or working papers look at the references used in those articles. This will allow you to successfully daisy chain your way backwards.

Wiggling around the web, where there are a number of appropriate web-sites, offers often valuable information as well as total nonsense. Many of these web sites can be
accessed through the home page of the Department of Economics (through the Division of Economic and Financial Studies home page http://www.efs.mq.edu.au/). Click on Links. Listed are a number of useful web sites. These allow you to access other university libraries, to find out what books and journals they carry. You can also gain access to working papers, statistics and a number of other interesting possibilities. There are also a number of other specific economic search engines. The most useful may be Resources for Economists on the Internet (RFE) - http://www.aeaweb.org/RFE/index.html Another is Inomics http://www.inomics.com/ These are just two among many. These two sites will then provide you with links to other sites.

Be careful not to overdose on the Internet. Material found will vary widely in quality. This is another way of saying that much of what you find will be inappropriate garbage as far as your research paper goes. Traditional methods are still probably the most rewarding at this time. The Internet is however an excellent way to continue your research once you have located your core economic articles on econlit.

Students who only start thinking about the assignment a few weeks prior to its due date should seriously consider joining the Macquarie University Russian Roulette Club. If you wish to take foolish risks, that is your prerogative. However, do not expect anyone to insure you against the consequences of making such peculiar decisions.

**Length** Papers will be no longer than 2100 WORDS MAXIMUM (excluding any footnotes, references, or bibliography). This is usually no more than seven pages, which isn’t a whole bunch. Any additional bright thoughts and bon mots extending beyond this word limit will simply be ignored and possibly fed to the office echidnas. Two Points will also be deducted for your effrontery in thinking that the marker would not notice. Remember, all staff have attended a famous Swiss clinic where they have been taught how to count without removing their shoes. If your paper is substantially below this limit, you are either brilliant or hopeless.

**Date** The assignment is due at the beginning of Week 10 of lectures, MONDAY 16 MAY (Victoria Day is celebrated on Monday in Canada, a good way to remember this all important date). This is a firm date, not the starting point of a bargaining process. Do not hand assignments in prior to that date. They may become misplaced. (You can better use that time improving the paper.) Do not hand in the paper to a seminar leader, sympathetic staff member or your pet hamster. Assignments should be placed in the relevant labelled box located in the Reference Room *ERIC* (CSC 244) before 7 PM on that special Monday. I will be sure to collect all the papers at that time. A paper handed in the next morning (Tuesday 17 May) is not on time but a day late. Make sure you place your paper in the correct box. You alone are responsible for seeing that your paper does not go walkabout. Remember, using someone else to hand in your paper is fraught with danger.
At 7 PM, the box will be emptied. All papers received after that time will be considered as being received one day late. On Tuesday 17 May at 5:00 p.m., a list will be posted outside the door of the Tutor-in-Charge, the Hon. Craig Freedman [C5C 345], as well as on the door of the Lecturer-in-Charge (C5C 345). The exact same list will be posted on the bulletin board as well. A similar list will be displayed during lecture on Wednesday 18 May. Names of all those who have not submitted a paper will be on the list. Please make sure that you keep a copy of your paper. Make sure to check that your name is not listed. If it is, check with the Lecturer-in-Charge or with the Tutor-in-Charge as soon as possible. The truly paranoid may check with both. [You may also want to have a comforting chat with your mother and a nice cup of tea.] All papers will be returned during week 13 at the end of your assigned seminar. No assignment will be handed back prior to this date for whatever reason. Those students failing to attend the assigned seminar will have to wait till the following week (week 14) to claim their paper from their seminar leader. You must then arrange a time to pick up your paper from your seminar leader. Unclaimed papers will be posted in week 15 to The Heartbreak Hotel in Tierra del Fuego.

Penalties for late submission - three (3) points off for each day late. Assignments which are nine (9) or more days late will receive a grade of ZERO. This is a non-negotiable price.

NOTE: Any student failing to hand in an assignment before week 13 will receive a failure for the course. This requirement is also a non-negotiable

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**EXTENSIONS**

Students are advised to begin work on their assignments as soon as possible. Extensions will be given only under the most inconceivable circumstances. Do not even think about asking unless you have been seriously incapacitated FOR A LEAST ONE WEEK PRIOR TO THE DUE DATE. To be safe you should schedule your work as though you knew that something awful would happen to you immediately prior to the due date. All requests must be made before the magic hour on 16 May. Stories, no matter how dramatic, magical, or entertaining, are unlikely to find an audience after the fact. Don’t provide excuses, doctors’ certificates, or testimonials after 16 May. It would be remarkable if you are not able to at least phone prior to the due date, unless you have been held prisoner by aliens from alpha centauri.
REMEmBER TO MAKE BACK UP COPIES OF YOUR COMPUTER FILES ON SEPARATE DISKS. THIS PRACTISE WILL RESCUE YOU IF YOUR COMPUTER AND/OR PRINTER FAIL. IN THIS CASE ALL YOU NEED TO DO, IS TO USE AN ALTERNATIVE COMPUTER AND/OR PRINTER.

COMPUTERS HAVE BEEN PROGRAMMED SPECIFICALLY TO Cause YOU GRIEf. DO NOT TRuST THAT EVERYTHING WILL GO WELL AT THE LAST MINUTE. BE CAuTOuS AT ALL STAGES. EXCUSES THAT ARE THE EQUIVALENT OF ‘MY DOG TOuK A DUMP ON MY COMPUTER’ ARE NOT READILY ACCEPTABLE.

TOPICS

All students are fortunate to have a choice between two effervescent topics. Research on these topics is the sole responsibility of each student. However, there is sufficient material available on each topic. While students are encouraged to discuss the issues arising from these topics with each other, they are reminded that this is not a group project. A student’s paper should not bear an eerie resemblance to that of another student, living or dead. The photocopy school of research is not one that is internationally recognised (see plagiarism below).

① Pay for Performance - Do managers get what they deserve or what they want?

Managers, particularly corporate senior executives, are agents hired by owners to run their particular firms. Like any principal/agent contract, top executives gain certain property rights which in part provide incentives for these executives to carry out the objectives of the corporation’s owners.
Contractual incentives must be structured so as to minimise conflicts of interest between principal and agent. For these reasons, executive contracts over the last twenty years have largely switched from simple yearly compensation to more complex incentive packages. The logic behind doing so was to more closely assign the objectives of executives with those of corporate owners. By doing so, a more efficient sharing of risk could also result.

In the last few years, many critics (as well as government agents) have questioned the efficacy of the prevailing incentive packages offered to senior executives. These critics argued that they have had perverse results. At least in some cases executives made choices which benefited them but worked against the interest of existing corporate owners. You will need to analysis the theory and basis for the prevailing compensation packages, evaluate their effectiveness and suggest possible improvements. To do so you will have to consider:

♦ Defining the role of senior executives. What are they employed to accomplish. What are their objectives as opposed to the objectives held by those who employ them.
♦ Look at the ways in which contracts for senior executives have changed over time? See if you can explain why they changed in the way in which they did.
♦ What was the theoretical framework behind adopting the types of incentive contracts that prevails in the current corporate environment?
♦ What factors determined the shape such incentive contracts actually took?
♦ What was the expected outcomes of such contracts? Upon what set of assumptions were such expectations based?
♦ To what extent did such contracts succeed and fail?
♦ Can you explain what factors determine failure or success and why?
♦ Can you suggest how executive compensation packages can be improved?
♦ Through what possible mechanisms can these improvements be made?
♦ What role can and should government policy play?
The preceding points are merely suggestions to help you to organise your essay. Students must decide which, if any, to use and/or emphasise. There is no one right balance or one right approach to writing this essay. Don’t simply address these points separately! Nor need you limit yourself exclusively to this set of contractual issues. However, all information and analysis must fit together. Read your own paper as if you were a government bureaucrat, a director of a corporation, or a large share holder in a company. For instance, would it be useful to a government official trying to draft a policy position or thinking about instituting regulatory laws? Could the compensation committee of a corporate board of directors find it useful? Decide what key insight you want to convey to your reader. Remember you should be using many of the approaches developed in this course. Also remember to approach the topic as an economist, not as a sociologist, political scientist, anthropologist, etc. Your reader is not necessarily a professional economist but rather some intelligent decision maker.

Students should provide a theoretical basis for the problem (using appropriate, not necessarily complex, economic models) as well as providing any available empirical evidence that supports and/or illustrates those models. (A model does not have to be mathematical, it can take the form of a discursive argument as well.) You should look at actual evidence in countries like Australia, US, UK (or other ones of your choosing), Japan, or a developing country which confirms your contentions. Appropriate sources are economic journals, books or edited volumes on the subject.

I would emphasise the use of articles from economic journals. This does not mean management, legal or accounting journals. These should be a mix of very recent papers plus earlier pieces as well. Don’t rely on one or two articles alone. That is never enough to provide you with a sufficient grasp on the subject. A minimum of 7 genuine economic journal articles will provide you with a clear perspective. More sources would, of course, improve your results. Textbooks are not appropriate and should never be used. The business press can be effectively used to illustrate a point. However, too much reliance should not be placed on such informal sources.

2. Contracting Out - Do governments always find the grass greener in the private sector?

In the last decade, governments world wide have increasingly resorted to the private sector for a wide variety of services. This divestment of production (though not responsibility) of services is known as contracting out. As one Australian politician once claimed, “Any service listed in the Yellow Pages can be successfully contracted out to the private sector...
by the government." That this policy has gained broad support from academic, public and private is undeniable. However, broad agreement is no guarantee that contracting out has been conducted in an optimum or even rational manner. The object of your research is to come to some evaluation of how governments have gone about the task of contracting out services to the private sector. To do so you will have to consider:

- Exactly what contracting out is. How and why do governments contract out?
- In what way and for what reasons has contracting out been used in the past?
- What is the economic basis for contracting out?
- How successful has contracting out been? What conditions are necessary for successful contracting out? How do you measure such success?
- Examine previous studies that have tried to evaluate contracting out empirically? How convincing have these studies been? Have they had any serious limitations?

- Under what conditions is contracting out unlikely to succeed? How common are such conditions?
- Look at the actual contracts themselves. How are successful bidders for contracts chosen? Do these policies ensure that the best bid usually wins?
- Look at the process of negotiating, implementing and enforcing any contracting out scheme. What are the problems present at each stage?
- Are there any inherent problems in government officials efficiently contracting out services? Are some services more amenable to contracting out than others?
- What could be done to improve the contracting out process?

The preceding points are merely suggestions to help you to organise your essay. Students must decide which, if any, to use and/or emphasise. There is no one right balance or one right approach to writing this essay. **Don't simply address these points as discrete and separable ideas!** All information and analysis must fit together. There should be a unifying theme or hook which holds your whole paper together. **Don't just chat about various unrelated topics!** It might help to focus on one specific area of the contracting out quandary to illustrate and clarify your points. Make sure you use the original economic framework you develop to explain the more applied parts of your paper. Read your own paper as if you were a government bureaucrat or executive looking for government contracts. Would your paper be useful? Think about what key insight you want to convey to your reader. Remember, your reader is not a professional economist but an intelligent decision maker.

Provide a theoretical basis for analysing the problem (using appropriate economic models). Also provide any available empirical evidence that supports and/or illustrates those models. (A model does not have to be mathematical, it can take the form of a discursive argument as well.) Look particularly at the
evidence available from specific countries like Australia, US, or any other useful example to support your contentions. Appropriate sources are economic journals, books, edited volumes and publications put out by government agencies or industry organisations. I would emphasise, the use of articles from economic journals is of primary concern. These should be a mix of very recent papers plus earlier pieces as well. Don’t rely on one or two articles alone. This is not enough to provide you with a sufficient grasp of the subject. A minimum of 7 genuine economic journal articles will provide you with a clear perspective. More sources would, of course, improve your results. Textbooks are extremely inappropriate. The business press can be used effectively to illustrate a point. However, too much reliance should not be put on such informal sources.

†Your term paper must demonstrate the type of economic analysis used in the course. Papers should not be ‘economics free’ zones.

General Remarks Pertaining to Both Written Assignments

Students need to remember that the same formatting care needs to be taken when completing the seminar paper as when finishing their research paper. The exact same deductions for deviations will be made in each case.

PRESENTATION

All the people involved in teaching this course must mark a large number of papers. In order to provide your written work with the attention it deserves, we need to be able to mark your work as efficiently as possible. Only by standardising the presentation is this possible. We can then concentrate solely on the content and not be distracted by idiosyncratic presentation. If you deviate from this requested form, we will be obliged to charge you for our additional time. As you should know by now, every decision you make has an opportunity cost attached to it. Students in the past when faced with these modest requirements have stamped their feet and screamed that they were being treated as children. It takes a minimal amount of care to use the requested form. However, many people are not motivated to attend to a request unless the opportunity cost for violations is made as explicit as possible. Following are the relevant prices for deviations:

♦ Each assignment must have an official cover sheet (provided by the last two pages of this outline) as the first page of your effort. Do not construct your own. If you lose your own copy the Lecturer-in-Charge will be happy to provide you with a replacement. The cover sheet should be completed fully and accurately. This means not picking and choosing what you actually complete. It would be remarkable if despite attending a number of seminars you still did not know
who your seminar leader was, the time of the seminar and where it was held. This information is especially important when we sort out all the research assignments. **Remember to sign the plagiarism testimonial on the reverse side of the cover sheet.** Failure to use and accurately complete an official cover sheet for each assignment will result in an automatic deduction of two (2) points off your final mark.

♦ The word limit isn’t set simply so students can ignore it. Go over the word limit and you will lose (2) points off your final mark.

♦ Typed assignments are required. **Handwritten assignment, no matter how stunning your handwriting may be, will not be marked.**

♦ **PLEASE DOUBLE SPACE.** This means that there should be an empty line between each printed line. This course outline, for instance, is single spaced. Any work you hand in should be double spaced. All word processing programs will do this automatically if you simply use the correct setting. Those who choose to remain with dinosaur technology (the typewriter) will find that there is also a setting for double spacing using these machines. Some students seem to have a moral aversion to anything but single spacing (or the perversity of 1.5 spacing). Overcome this compulsion. It is true that with single spacing you can squeeze more words onto each page. But you also strain your poor marker’s eyes and make it difficult to write comments. Please do not deliberately antagonise your marker (your seminar leader or some paid mercenary) who must assess many assignments in a few weeks’ time. **FAILURE TO DOUBLE SPACE MEANS AN AUTOMATIC DEDUCTION OF TWO (2) POINTS OFF YOUR FINAL MARK.**

♦ Use a 12-point font, preferably **Times New Roman** if available. (It should be. All word processing programs seem to have this option in common. If you stubbornly refuse, you should be ready with a nifty story explaining you failure to do so.) You may find **Times New Roman** to be aesthetically degraded or consider some other option to be your lucky font, but again the idea is to standardise the format. There is no reason to have to use some other font and certainly no need for any other size. Failing to do so will instantly conjure up an automatic **one (1) point** deduction.

♦ Please number your pages. Every word processing program on the market will do this automatically for you. You shouldn’t resort to doing this by hand. Start with page one and number consecutively. An automatic **one (1) point** deduction for the use of invisible or hand drawn numbers. Markers want to be able to get an idea of the length of your work and to be able to refer to specific pages.

♦ Leave a left and right hand, as well as a top and bottom margin, of 2.5 cm. (not inches). This allows markers to make comments more easily, as well as easily judge the length of your effort. This can be done using almost any software package known to the human race.

♦ An abstract (or a synopsis of any sort) is entirely optional.
Students are expected to follow the standard referencing format employed in most current economic journals. Get a current copy of *The American Economic Review* and follow the format to cite sources. Check the table of contents in your Course Reader for further confirmation. NEVER USE FOOTNOTES TO CITE SOURCES. For those who were taking a quick nap let me repeat - NEVER, EVER USE FOOTNOTES TO CITE SOURCES. USE FOOTNOTES (OR ENDNOTES) ONLY FOR INFORMATION THAT DOES NOT BELONG IN THE BODY OF THE ASSIGNMENT. If you have a footnote or endnote that simply provides a reference you have made a mistake. Similarly, if abbreviations such as *ibid.* and *op.cit.* find their way into your work, you are, without the slightest doubt in the world, treading down the wrong path. Failure to use the required form will strip two (2) points off your final mark.

Any quotes or ideas which are not your own must be properly referenced. Within the text, direct quotes consisting of more than a few words should be placed in an indented paragraph as shown below. Notice that quotes of this type should always be single spaced:

> This is unavoidable since imagined demand curves, unlike the ordinary demand curves of economic analysis, can only be thought of with reference to a given starting point (Sweezy, 1953, p.409).

Direct quotes of only a few words can be embedded within the relevant paragraph by using quotation marks as shown below:

In Sweezy’s kinked demand curve model, “imagined demand curves” (Sweezy, 1953, p.409) rather than textbook demand curves are used.

Remember, if it is not your own idea (even if it is not a direct quote), you must provide the appropriate reference or you will be guilty of plagiarism. When in doubt err on the safe side and use an appropriate reference.

All citations should include a page number even if you are not directly quoting. It is quite impossible to find the relevant quote or idea unless an actual page number is included.

The last page of your assignment should include a list of your references arranged ALPHABETICALLY according to the author’s last (family) name. Students puzzled by the idea of alphabetical order should refer to a standard
dictionary or view an hour of *Sesame Street* in the morning. (Watching *Play
School* is an option rather than a requirement.) All references should be
complete (contain all the requisite information required). **One point will
disappear for violating the sanctity of the reference page.** Remember, each
reference must be complete including relevant page or pages. Partial
references will not be acceptable.

**Sample Reference Item:**
Sweezy, Paul (1953) “Demand Under Conditions of
Oligopoly,” in *AEA Readings in Price Theory, ed.s.*
and Unwin, pp.404-409.

**DA B BLING WITH THE ELECTRONIC FROG POND**

For those students bold enough to dive into Bill Gates’
electronic hot tub, the following guidelines are provided:

**Author’s Family Name, Author’s Other Names. “Title of
Document.”**
Title of Complete Work (if applicable). Version of File Number, if
applicable. Document date or date of last revision (if different
from access date).
Protocol and address, access path or directories (date of
access).

**EXAMPLES:**

**WWW Sites (World Wide Web)**
Burka, Lauren P. “A Hypertext History of Multi-User Dimensions.”
1994).

**E-mail, Listserv, and Newslist Citations**
Bruckman, Amy S. “MOOSE Crossing Proposal.”
mediamoo@media.mit.edu (20 Dec. 1994).

Seabrook, Richard H. C. “Community and Progress.”
cybermind@jefferson.village.virginia.edu (22 Jan. 1994).


**Other formats exist for FTP, Telnet and Gopher Sites but these are not as likely
to be used by students. Interested students can contact the lecturer in charge.**

♦ Whenever possible, please avoid the point style presentation that is often used
in certain types of reports. Points are to be discussed, not simply listed.
♦ A minimum of one mark will be lost for all and any deviations from this
prescribed presentation form.
© PLAGIARISM

Plagiarism is a serious academic offence. Plagiarism occurs when a student uses words or ideas that are not his or hers without attribution to their original source. This includes not only published material but also the work of any fellow student. Any plagiarism, if detected, will result in a mark of zero for the essay or seminar paper as well as incurring the possibility of further academic sanctions. Suspect material will be randomly tested to see if the author is someone other than the alleged student. This can be done simply and rather quickly. Plagiarism is risky. It also signals a student's disdain for the entire educational process. You are potentially throwing away your reputation for a very transitory gain. Remember, if you do not pass the final exam, your result in the essay is meaningless. If a student has any question over citing sources that student should contact the lecturer-in-charge or Norma Khouri.

Evaluation of Written Assignments

All assignments will be judged as to:

♦ Presentation
♦ Research
♦ Content

Presentation includes following the prescribed format, using a recognisable and even grammatical form of English. Remember that a slovenly essay (or a hard to read one) will certainly not be enthusiastically read by your marker. Whether or not you are a native speaker of one of the many known variants of English, there is never any excuse for spelling errors, typos or incoherent thinking. For those with a shaky grasp of the mysteries involved in writing and expressing oneself clearly, there are mini courses given on campus that may help. Contact ‘English for Academic Purposes’ and see if some staff member can help you. Presentation also involves the way in which a student develops
the main idea of his or her assignment. This should be done clearly and precisely. Do not simply string together a series of loosely connected points. Only when you decide on the main point that you wish to convey to your readers will you be able to write a coherent essay.

Research means not only locating a variety of source materials, but making intelligent use of them. References are not meant simply as a bit of decorative art to be employed on your last page. Also, never use any source material you do not actually understand. **AVOID THE USE OF TEXT BOOKS.** These tend to be superficial. Articles from academic (economic) journals are the preferred source for your research. Make sure you use a wide range of such journal articles. Depending on one or two is simply unsatisfactory. You are trying to understand what the current debate may be on some given topic. One article will simply provide you with an overly biased outlook. The business press should be used for illustrative material rather than substantive concepts. **Failure to use a minimum of 7 articles from reputable economic journals will make it difficult to earn much more than a bare passing mark for your paper. This is a research paper and not an excuse to indulge your imagination.**

3 There is often a confusion when doing research between material listed in a bibliography as opposed to a reference list. A bibliography lists all the sources a researcher used. A reference list only includes those works referred to in the actual article or essay. Students are to use only a reference list at the end of their papers. These include only material explicitly cited in your paper. If it is not cited then don’t use it. Therefore the requirement to use seven journal articles is equivalent to asking that you cite at least seven journal articles in your paper which you then place in your reference list.
Avoid squid-like behaviour. Hiding, stealing or destroying research material will only hurt other people without helping you. Papers are not scaled relative to the performance of other students but are evaluated on their own merits. Making life difficult for other students will not improve your own outcome. It will more likely indicate definite socio-pathic proclivities on your part.

The first two items will affect the quality of your content. Remember to present a balanced view depicting what the major points of debate are. Only then can you start drawing reasonable conclusions.

BE SURE TO PROOF-READ ANY WRITTEN ASSIGNMENT CAREFULLY BEFORE YOU HAND IT IN. YOUR SEMINAR LEADER SHOULD NOT BE THE FIRST AND ONLY PERSON (INCLUDING YOURSELF) TO READ YOUR ASSIGNMENT. A COMPETENTLY WRITTEN PAPER WILL REQUIRE SEVERAL DRAFTS.

Remember, to pass the course you must pass the final exam. Consequently, any attempt to cheat on the written assignments can only end up hurting you. Good performance on the written assignments followed by poor performance on the exam will inflame my highly suspicious mind.
TEXT

Students should be delighted to know that there is a prescribed text which will form the basis for the entire course. (Remember the course reader supplies the applied material and thus is equally important.) It will be very difficult to fully appreciate the course without the benefit of the text. The text will be the major source for further and more extensive explanations of the provided lectures. The lectures will not try to summarise the text but rather the text will supply important backup information and theory for the lecture material. Lectures will highlight those parts of the text which are of major importance. The text supplements the lectures. The lectures are not intended to explain the text. Students are advised to read assignments before and after lectures.

REQUIRED TEXT


This text is available at the campus bookstore. Ask one of the friendly, smiling employees for help in locating this fun-filled compendium of economic insights. This edition of the book has been used for the last couple of years, so there should be some second hand copies available. The third edition has been revised and there are three additional chapters added. This makes the old second edition a very imperfect substitute. Students are not advised to rely on the second edition. The book is a paperback which will help students minimise their financial burden. Unfortunately, even given the current improving exchange rate of the Australian dollar against the British Pound, the nature of the academic publishing industry insures that it is not a cheap paperback. Despite bargaining with the publisher, I was only able to reduce the price from outrageously expensive to expensive. However, you should be able to sell the book next year in the second hand market. If you are serious about trying to pass this course, it makes sense to buy the text instead of depending on the library. If you think rationally, it is less than sacrificing a cheap cup of coffee each weekday. There is no pretense made that this is anywhere close to a perfect text. Some students will find the presentation not to be to their liking. However, this simply seems to be the best text available given the objectives of the course. I can't really suggest a viable alternative.

RECOMMENDED TEXT


This is an almost encyclopaedic presentation of the subject. It is useful to anyone with an interest in the subject and will be directly relevant to the last three lectures. This text can also be usefully used as a door stop and a lethal weapon. However, it is a hardbacked textbook from the US. This means that it is very expensive. You are more than welcome to purchase it if your budget allows. However it will also be in reserve in the library should you feel the need to consult this particular fount of wisdom. It is worth a look.
SEMINAR ARTICLES

Seminar One (Week 3 of lectures):

Seminar Two (Week 5 of lectures):

Seminar Three (Week 7 of lectures):

Seminar Four (Week 9 of lectures):

Seminar Five (Week 11 of lectures):

Seminar Six (Week 13 of lectures):

OTHER READING MATERIAL

Course reading material (the course workbook) is available at the Coop bookstore. There are very reasonably priced. Copies of these readers/workbooks (which include all seminar articles) will be placed in the ECONOMICS REFERENCE ROOM *ERIC* [C5C 244]. Seminar articles will not be placed in the Library on reserve. So either buy the reader from the Coop Bookstore or depend on *ERIC*, which is the more expensive option. Each week there is a reading package consisting of some relevant newspaper, magazine and journal articles. Students are urged to do as much of the required reading as possible and to keep up with the required work. Remember the entire reading packet can be purchased from the Coop Book Shop for a price that is less than it would cost to photocopy them yourself (even assuming the opportunity cost of your time is zero).

Each week’s packet will start with a set of study questions. These questions will be not unlike those that will appear in the final examination. Brief answer guidelines (not complete model answers) will be placed in the reference room during Week 7 (Weeks 1-6) and Week13 (Weeks 7-13). Students are advised to try to answer the questions each week if possible. These questions may be discussed with either the lecturer or seminar leader as you work your way through the reading packets. They should also form the focus of study groups and your electronic chat room.
COMPREHENSIVE FINAL EXAMINATION

To repeat, the final exam is two hours long. (I know I am repeating myself, but students are so fixated about exam matters. I know I have also repeated myself at other points of the outline, but I do so in the perhaps vain hope that these points will get through to the relevant students.) You will have to answer four questions. There will be some limited choice in answering the two questions in Part A. The two questions of Part B will be compulsory. Details of the final examination will be released during week 13. Knowing the structure of the exam will not assist you in studying or in passing the exam. Students will need an adequate grasp of the whole course to pass. Strategic studying will lead only to the servant's entrance of a fool's paradise. Keeping up with your work and not trying to cut corners is not only the best, but almost the only way to pass the final examination. The final exam will test your ability to resolve economic problems using economic analysis. Memorisation will not be of any assistance. The point is to try to understand rather than to imitate a beakless parrot. Questions will ask you to apply your understanding to solve small case studies rather than simply repeating what you can remember. I am not interested in testing your memory but rather in ascertaining what you actually understand. There is no obvious way of passing this course without actually doing it.

RITES OF PASSAGE

Econ 309 is a required course. Those who fail the course will want to know what options are then open to them. The answer is simple. They can wait until next year and take it again. The course is only offered once a year. No other course at this or any other university can be substituted for it. You can request in writing an explanation of why you failed the exam. The lecturer-in-charge will respond in writing. No personal interviews are possible. The time to do something is prior to the exam not after it. The lecturer-in-charge is willing to do what he can to assist you prior to exam time. All responsibility must lie however with the individual student. If indeed you need to graduate this year, make sure you put in sufficient effort to succeed. This not only means putting in the time, but using it wisely. Once the exam is over, there is very little that can be done by anyone (not even your mother). The appeal process will be scrupulously followed but it is unlikely to provide you with an effective loophole to overturn a carefully executed assessment process.
Students who are Repeating this Course

Failing this course should be a signal to those students in this non-enviable position. But like any signal, some students will not understand what the signal means. Some students assume that taking a course for the second or third time should be easy since they already know the course material. This is a mistake. If they understood the course material in the first place, they wouldn’t need to be repeating the course. Nor are there any students repeating this course that came close to passing. Only those who clearly and decisively failed the course will find that they need to take it once more. The way to respond to a failure is to work much harder the second time around and to make sure to follow scrupulously the suggestions provided in this course outline.

STUDENT CHECKLIST

It is in your own interest, and hence it is your own responsibility, to ensure that:

✔ you are recorded by the University as correctly enrolled in all relevant subjects.
✔ you have successfully completed all prerequisite subjects. Any work done in subjects for which prerequisites have not been fulfilled will (unless an exemption has been granted) be disregarded, and no credit given nor grade awarded.
✔ you organise your affairs so as to take account of examination and other assessment dates where these are known. Be aware that your final examination may fall at any time during the session’s examination period. No early examinations are possible.
✔ you inform the University of any change of address or phone number in a timely fashion.
✔ you make a copy of all work submitted for assessment, and keep returned marked assignments and essays.
WARNING

Any item in this outline is liable to change due to unforeseen circumstances. Though this is unlikely to happen, students are held entirely responsible for noting any such changes. If and when necessary, these will be announced at the beginning of the weekly lecture and posted on the 309 Happy Talk Chat Room and Web Site. The course outline and these announcements are the only true source of course requirements.

Rumour, myth and gossip will not be acknowledged as authoritative sources. There is no secret or inside information available. The person sitting next to you knows even less than you do.

Remember: Students are responsible for all the information contained in this handout. There are more urban myths about this course than seems possible. Do not fall prey to these. Actions which ignore the requirements or recommendations of this course outline are taken at the student’s own risk.
## LECTURE SCHEDULE

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Date</th>
<th>Required Readings</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE</td>
<td>02 March</td>
<td>Ricketts - Chapter 1 Reading Packet 1*</td>
<td>Theory of the firm</td>
</tr>
<tr>
<td>TWO</td>
<td>09 March</td>
<td>Ricketts - Chapter 2 Reading Packet 2</td>
<td>Transaction Costs</td>
</tr>
<tr>
<td>THREE</td>
<td>16 March</td>
<td>Ricketts - Chapter 3 Reading Packet 3</td>
<td>Entrepreneurs</td>
</tr>
<tr>
<td>FOUR</td>
<td>23 March</td>
<td>Ricketts - Chapter 4 Reading Packet 4</td>
<td>Property Rights</td>
</tr>
<tr>
<td>FIVE</td>
<td>30 March</td>
<td>Ricketts - Chapter 5 Reading Packet 5</td>
<td>Principal and Agent Problem</td>
</tr>
<tr>
<td>SIX</td>
<td>06 April</td>
<td>Ricketts - Chapter 5 Reading Packet 6</td>
<td>Principal and Agent Problem</td>
</tr>
<tr>
<td>SEVENo</td>
<td>13 April</td>
<td>Ricketts - Chapter 6 Reading Packet 7</td>
<td>Hierarchies</td>
</tr>
<tr>
<td>EIGHT</td>
<td>04 May</td>
<td>Ricketts - Chapter 7 Reading Packet 8</td>
<td>Integration</td>
</tr>
<tr>
<td>Meeting</td>
<td>Date</td>
<td>Required Readings</td>
<td>Topic</td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
<td>------------------------------------</td>
<td>----------------------------</td>
</tr>
</tbody>
</table>
| NINE      | 11 May  | Ricketts - Chapter 8  
Chapter 9 
Reading Packet 9 | Corporate Governance        |
| TEN       | 18 May  | Ricketts - Chapter 10  
Chapter 11 
Reading Packet 10 | Corporate Governance        |
| ELEVEN    | 25 May  | Ricketts - Chapter 13  
Reading Packet 11 | Contractual Role of Government |
| TWELVE    | 01 June | Ricketts - Chapter 14  
Reading Packet 12 | Privatisation Policy        |
| THIRTEEN  | 08 June | Ricketts - Chapter 15  
Reading Packet 13 | Regulation and Competition Policy |

Packets refer to appropriately marked articles and clippings that are available in the Econ Reference Room "ERIC" (C5C 244).

There will be a very skimpy two week (low carb) Easter/Spring break. What makes this Easter break special is it will not actually include Easter. Lectures will resume with meeting number eight on 04 May. We then have to survive an additional six particularly gruelling weeks of lectures. During these two sun-filled weeks an intense course of meditation would be profitable. Also, don't forget that your insightful, well-written essays can be advantageously brought forward during this period of peace and tranquillity. Remember, shoving stale chocolate Easter eggs in your ears, or anywhere else, may sound like fun, but it can be dangerous to your health.
Index

Flummoxed by the excessive length of this course outline? Can't find the bit that you need without rereading large, dreary sections of it? Use this handy index to zero in on needed information. Think of an index as a pre-Internet search engine.

Appeals
Process
Definition 23-24
Procedure 24-28

Where to buy 10-11
Responsibilities and Warnings 3; 52-53

Seminars
Allocation 14-15
Articles 50
Attendance 15-17
Preparation 15-17
Switching 14-15

Seminar Paper
Cover Sheet 59-60
Due Date 29
Evaluation 46-48
Format 30-31
Length 29
Plagiarism 46
Presentation 42-45

Student Checklist 52

Students Repeating Course 52

Term (Research) Paper
Cover Sheet 57-58
Date 36
Evaluation 46-48
Extensions 37-38
Length 36
Plagiarism 46
Presentation 42-45
Resources 34-36
Topics 38-42

Textbook
Name 49
Use 49-50
Where to buy 49

Assessment
Components 18
Final exam 18-20; 51
Dictionaries 20
Passing final exam 23

Consideration Cases
Definition 21
Supplementary Exams 21-23

Course Summary 4

Course Website
Location 10
Use 9-10

Group Study 7-9; 12

Lectures
Attendance 17
Lecturer-in-charge 5-6
Notes 13;17-18
Overhead Slides 13
Preparation 6-9
Schedule 54-55
Taping 124
Time and Venue 5

Passing the Course 8-9; 48

Reading Packet
Composition 10-11
How to use 10-11
Number of copies 11
Study Questions 12; 50
COVER SHEET - TERM PAPER
ECON 309 INDUSTRIAL ORGANISATION

Due Date: Monday 16 May 2005 7 PM

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