

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

### 36 School of Economics

<b>EC500</b>		<b>Microeconomics</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn and Spring	I	30 (15)	80% Exam, 20% Coursework	Garcia-Alonso Dr M D C

#### **Contact Hours**

40 lectures, 18 seminars

#### **Pre-requisites**

EC304 Principles of Economics, EC305/EC306 Mathematics, EC309 Statistics for Economics and Business (or Management Science), or equivalent

#### **Method of Assessment**

20% coursework, consisting of four class tests (4% each) and seminar participation (4%); 80% end of year examination of three hours duration

#### **Synopsis**

This is the core microeconomics module taken by all students following Economics degrees. It builds on the material covered in the Stage 1 Economics modules. The titles of many of the topics covered will be familiar, but the topics are dealt with in greater depth than in first year.

Microeconomics is concerned with the behaviour of individual economic agents such as consumers, firms and governments. It provides the foundations for understanding all types of economics, including macroeconomics, so is relevant for all other Economics modules you take.

The module is carefully designed to give (alternative and/or complementary) readings, and provide a set of different types of questions and problems for seminars to test and extend your understanding of the material as well as to improve your key skills such as communication, problem solving, team work, and learning how to study efficiently.

#### **Learning Outcomes**

By the end of the module, you will be able to

- understand the relevance of microeconomics to the real world.
- understand, analyse and evaluate contemporary market systems.
- appreciate that you learnt and developed a variety of different skills, such as essay writing and communication and analytical skills, and acquired problem-solving experience. These skills are essential not only to the study of Economics, but also, in the longer term, to a successful career.

#### **Preliminary Reading**

H Varian Intermediate Microeconomics, A Modern Approach (8th ed), Norton, 2010

W Morgan, M Katz and H Rosen Microeconomics (2nd ed), McGraw Hill, 2009

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC502		Macroeconomics				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn and Spring	I	30 (15)	80% Exam, 20% Coursework	Satchithanathan Dr M

### Contact Hours

40 lectures, 18 seminars

### Pre-requisites

EC304 Principles of Economics (or equivalent), EC305/EC306 Mathematics, EC309 Statistics for Economics and Business, or equivalent

### Method of Assessment

20% coursework, consisting of two class tests; 80% written examination of 3 hours duration

### Synopsis

Macroeconomics today is a different subject than it was just a few decades ago. Old controversies have been resolved and new ones have arisen. This module builds on the first year teaching of macroeconomics to provide an intermediate course, which takes full account of the policy issues and controversies in the world macroeconomy.

Autumn Term begins by looking at the basic methodology of macroeconomic models. We then examine, in greater detail than at Stage 1, how the macroeconomic theories of aggregate demand and aggregate supply are derived. This involves studying the markets on which these theories are based. It is important to be aware that there are many theories of aggregate demand and supply. This term we use the IS-LM model, with which you should be familiar from Stage 1, to derive a theory of aggregate demand in both open and closed economies. We also examine the labour market to derive a theory of aggregate supply and study the relationship between inflation and unemployment.

Spring Term starts with studying the long-run, that is, what determines the standard of living of countries in the long term, as opposed to short-run economic fluctuations. We then study microeconomic fundamentals of macroeconomics to understand in-depth the determinants of consumption, investment, and labour supply decisions. We then use these and the ideas developed last term to extensively examine macroeconomic demand management policies (fiscal and monetary) and their shortcomings. We finally study the role of the financial system in the macroeconomy and the causes behind the recent crisis starting in 2008.

### Learning Outcomes

By the end of the academic year, you are expected to:

- be able to understand, analyse and critically assess the current macroeconomic problems widely addressed in the media such as unemployment, inflation, macroeconomic policy and exchange rate volatility
- be able to form your own economic view on current macroeconomic problems
- understand the interrelationships between different macroeconomic policies
- build a solid economic background which will enable you to start a career as a macroeconomist
- be able to present macroeconomic analysis both verbally and in written form
- be able to construct and write answers to macroeconomic analytical questions
- be able to undertake further study in the different areas of macroeconomics such as international finance, monetary economics and growth theory.

### Preliminary Reading

M Burda and C Wyplosz *Macroeconomics* (4th or 5th ed), Oxford University Press

Burda and Wyplosz online resources site <http://www.oup.com/uk/orc/bin/9780199264964/>

G Chamberlin and L Yuey, *Macroeconomics*, Thomson, 2006

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC511</b>		<b>Quantitative Economics</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn and Spring	I	30 (15)	80% Exam, 20% Coursework	

### Contact Hours

40 lectures, 20 seminars

### Pre-requisites

EC302/EC304 Economics, EC305/EC306 Mathematics, EC309 Statistics for Economics and Business, or equivalent

### Method of Assessment

20% coursework, consisting of two class tests; 80% written examination of 3 hours duration

### Synopsis

The quantitative estimation and evaluation of economic models is an essential feature of the study and application of economics. An alternative title for this module is (applied) 'econometrics' where 'metric' in econometric denotes measurement. Most textbooks provide a useful definition of what is meant by econometrics. Andrew Oswald has described 'economics' as 'the art of looking for patterns in data'. Joshua Angrist and Jörn-Steffen Pischke have described econometrics as 'the art of investigating causal relationships of interest'. We provide an intuitive treatment of some elements of basic econometric theory in conjunction with the practical application of the methods to economic issues, in particular we emphasise the measurement and interpretation of empirical results. Hence we choose the title Quantitative Economics, even though other techniques are often taught under such a heading; for instance, linear programming and input-output analysis. This also differentiates this module from the final year modules, EC542 and EC543 Econometrics I and II, which explore econometric techniques in greater theoretical and empirical depth.

The aim of the module is to familiarise you with the techniques economists use to measure economic relationships in order to test hypotheses, forecast, or assess the impact of economic policy. This is a very challenging field of applied economics. We do this in a practical way so that you gain experience in using suitable computer software to investigate empirical relationships studied throughout the module. Learning to use computer software provides a basic training in information technology (IT) skills which are becoming increasingly important to employers seeking suitable, skilled employees.

### Learning Outcomes

By the end of the module you should:

- appreciate the different types of models, data and data sources in economics
- understand the concept of an estimator, particularly the least squares estimator
- be familiar with the important role of the random error, and the assumptions needed to ensure the best linear unbiased properties of the least squares estimator
- be able to carry out different forms of specification testing, using t and f-tests
- be able to apply tests of model adequacy, particularly tests of the basic assumptions and understand the consequences of failure of each assumption, for example, autocorrelation and heteroscedasticity
- understand different types of dynamic empirical model and their important role in the analysis of time series econometrics
- be able to carry out practical work on relevant empirical topics, using econometric software
- improve your ability to interpret empirical results in the economics literature
- write reports on computer based, applied economics applications.

### Preliminary Reading

D Gujarati and D Porter, Basic Econometrics (5th ed), McGraw-Hill, 2009

A Studenmund, Using Econometrics (6th ed), Pearson International, 2010

Jeffrey M Wooldridge, Introductory Econometrics: A Modern Approach (5th and 4th eds), Cengage Learning, South Western, 2013/2009.

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC531</b>		<b>Policy Analysis</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	I	15 (7.5)	100% Coursework	Collier Dr W

### Contact Hours

12 lectures, 8 seminars and 3 workshops

### Pre-requisites

EC302/EC304 Economics; EC305/EC306 Mathematics Mode A or B; EC309 Statistics for Economics and Business

### Method of Assessment

100% coursework consisting of a reflective writing assignment of 1,000 words (20%), a class test (40%) and an extended essay (40%)

### Synopsis

This module applies economic theory and statistical methods to the understanding and critical assessment of economic policy. It is designed for students who have completed Stage 1 Economics. For students studying for an economics degree, the module complements the core second year modules by focusing on the policy application of economic concepts and provides an introduction to material studied in greater depth in third year 'specialist' modules. For other students, it provides the opportunity to consider an economist's perspective on important policy issues. A key aspect of this module is the relationship of economics to current and ongoing policy problems.

The module introduces you to a variety of contemporary, mainly microeconomic, policy issues. Alongside formal lectures, it also consists of several workshops, which provide opportunities to develop and demonstrate your problem solving and analytical skills. They also give guidance and support for identifying sources in the literature, data relevant to economic research, analysis of data and the presentation of results orally, as well as in writing. This focus provides opportunities to develop a range of highly transferable skills and lay the foundations to the independent learning skills you require for many of the modules in Stage 3.

### Learning Outcomes

On successful completion of this module you will:

- understand the concepts and frameworks used by economists to appraise policy
- have a better understanding of the issues confronted in the design of policy
- be more critical of policy debates conducted in the media, by politicians, policy bodies, think tanks and interest groups.
- be practised in developing logical, coherent arguments both verbally and in writing
- be practised in conducting evaluations of actual economic policies
- have a better understanding of government intervention in modern economies including its motivation, targeting and consequences
- have developed economic and independent learning skills.

### Preliminary Reading

N Barr, *The Economics of the Welfare State* (5th ed), Oxford University Press, 2012

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC532 Environmental Economics, Institutions and Policy</b>						
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	I	15 (7.5)	80% Exam, 20% Coursework	Fraser Prof I

### Contact Hours

20 lectures, 10 seminars

### Pre-requisites

EC302/EC304 Economics; EC305/EC306 Mathematics Mode A or B; EC309 Statistics for Economics and Business

### Method of Assessment

20% coursework, consisting of one class test (10%) and one 1,500 word essay (10%); 80% written examination

### Synopsis

This module introduces you to environmental economics and economics generally. A key objective of the module is to help you develop an ability to apply economic thinking to environmental problems. The module considers various aspects of environmental economics including why pollution occurs and how policy can be designed and implemented to deal with it, how to place economic value on the environment and how to understand sustainable development in microeconomic terms.

The module is divided into three parts. In Part A we examine the relationship between the economy and the environment. In Part B we consider how environmental policy can be designed, implemented and evaluated in relation to environmental pollution. In Part C we examine issues of environmental valuation, which is a rapidly growing area of research in environmental economics. The emphasis in all parts of the course is to understand the links between theory and practice.

### Learning Outcomes

By the end of this module you should

- understand the main economic principles that underpin environmental economics
- be able to understand and to evaluate environmental policy instruments using economics
- be able to produce, interpret and explain values placed on the environment by economists
- understand the meaning of sustainable development from an economic perspective.

### Preliminary Reading

No specific textbook is recommended but good environmental texts include:

T Tietenberg and L Lewis, Environmental and Natural Resource Economics (8th ed), Pearson International Edition, 2009

C D Kolstad, Intermediate Environmental Economics (2nd ed), Oxford University Press, 2011

N Hanley, J F Shogren and B White, Introduction to Environmental Economics (2nd ed), Oxford University Press, 2013

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC533		The Public Sector				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	I	15 (7.5)	80% Exam, 20% Coursework	Heady Prof C

### Contact Hours

20 lectures, 10 seminars

### Pre-requisites

EC302/EC304 Economics; EC305/EC306 Mathematics Mode A or B; EC309 Statistics for Economics and Business

### Method of Assessment

20% coursework, consisting of one class test and one 1,500 word essay; 80% written examination

### Synopsis

The public sector consists of government (central and local) and government-owned enterprises. It represents a large share of the economy in most developed countries, in some cases exceeding 50% of GDP. The understanding of the role and behaviour of this sector of the economy is, therefore, important in understanding how modern economies function.

The aim of the module is to introduce you to public economics and how it informs and shapes policy decisions related to taxation and government expenditure. The main topic areas are as follows: the size and composition of government expenditure in the UK and other major economies; the efficiency arguments for public expenditures; the distributional arguments for public expenditures: the equitable provision of basic goods and essential services (education, healthcare); the allocation of expenditure responsibilities across levels of government (central, regional, local); the financing of government expenditures in the UK and other major economies: taxes, user fees, property income; the pattern of taxation in the UK and other major economies; the efficiency effects of taxation; the distributional effects of taxation; the trade-off between redistribution and efficiency and the concept of optimal taxation.

### Learning Outcomes

The module will enable you to:

- understand the key arguments for public expenditure in terms of improving economic efficiency
- understand the key arguments for public expenditure in terms of providing a more equitable distribution of resources
- understand how taxation affects economic efficiency
- understand how taxation affects the distribution of resources
- develop knowledge of and critically analyse the size, composition and structure of government expenditures in the UK and other major economies
- develop knowledge of and critically analyse the pattern of the various methods of taxation in the UK and other major economies
- understand the impact of the government's taxes and expenditures on labour supply, investment and growth
- understand the trade-off between redistribution and efficiency.

### Preliminary Reading

J Stiglitz, *Economics of the Public Sector* (3rd ed), Norton, 2000

M P Devereux, *The Economics of Tax Policy*, Oxford University Press, 1996

J A Mirrlees et al, *Dimensions of Tax Design*, Oxford University Press for the Institute of Fiscal Studies, 2010, chapters also available at: [www.ifs.org.uk/mirrleesReview/dimensions](http://www.ifs.org.uk/mirrleesReview/dimensions)

J A Mirrlees et al, *Tax by Design*, Oxford University Press for the Institute of Fiscal Studies, 2011, chapters also available at: [www.ifs.org.uk/mirrleesReview/design](http://www.ifs.org.uk/mirrleesReview/design)

A useful additional text is: J Hendriks and G Myles, *Intermediate Public Economics* (2nd ed), MIT Press, 2013

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC534	Financial Analysis					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	I	15 (7.5)	80% Exam, 20% Coursework	
2	Canterbury	Spring	I	15 (7.5)	80% Exam, 20% Coursework	Chadha Prof J

### Contact Hours

20 lectures, 6 seminars

### Pre-requisites

EC302/EC304 Economics; EC305/EC306 Mathematics Mode A or B; EC309 Statistics for Economics and Business

### Method of Assessment

20% coursework, consisting of one essay; 80% written examination

### Synopsis

The module asks what determines the set of equilibrium prices required to provide an appropriate level of savings in an economy to finance the expected level of expected activity. It tries to link models of money, banking and finance into one generic, or foundation, view. Specifically, we shall move towards an understanding of how financial and economic innovation have moved hand in glove over many centuries and how it seems to be that when finance fails, so does the modern market economy. Some of the questions we consider are:

How can we analyse the appearance of money in an economy?

What is the link between money and finance?

What explains bank runs?

Why is it so difficult to explain exchange rates?

Can we explain the occurrence of financial crises?

This second-year optional module emphasises both historical experience and analytical techniques. The economic analysis of financial markets and instruments is the starting point for understanding financial markets. This module is a prerequisite for EC562 in Stage 3.

### Learning Outcomes

This module aims

- to ensure you understand basic financial concepts and characteristics of different asset types;
- to develop your analytical abilities with respect to finance and your understanding of the economic principles underlying financial decisions;
- to develop your practical knowledge and understanding of financial markets and instruments;
- to enable you to follow some of the current key debates taking place in financial markets.

### Preliminary Reading

Students should routinely read the latest journals from key policy making bodies, to relate financial developments back to class.

Weblinks:

<http://www.bis.org/publ/quarterly.htm>

<http://www.bankofengland.co.uk/publications/index.htm>

<http://www.ecb.int/pub/mb/html/index.en.html>

<http://www.ecb.int/pub/fsr/html/index.en.html>

<http://blogs.ft.com/wolfforum/>

<http://calibrecon.blogspot.com/>

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC540</b>		<b>Development Economics</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Thirwall Prof A

### Contact Hours

11 lectures and 8 seminars

### Pre-requisites

EC500 Microeconomics and EC502 Macroeconomics

### Method of Assessment

20% coursework consisting of one essay of 2,000 words (10%) and one class test (10%); 80% end-of-year written exam

### Synopsis

There is a wide range of views and approaches to the study of economic development spanning the whole of the political spectrum from the Marxist left to the libertarian right, and also a rich historical literature. To understand the module, some prior knowledge of economic theory and statistics is required, and a willingness to read widely. But the aim of the module is to teach the basic principles of economic development in order to answer such questions as:

Why are there divisions in the world economy between rich and poor countries?

How did these divisions arise and what forces perpetuate them?

How important are such factors as agriculture, industry, investment performance, population growth, domestic finance, international finance and trade in explaining the economic performance of nations?

What role does economics in general have to play in an understanding of why some countries are poor and others rich?

### Learning Outcomes

By the end of the module, you will be in a position to answer some of the most basic questions posed above. You will have been given the facts from journal articles and official publications (particularly from the World Bank) and you will have been taught the relevant economic theory to interpret and understand the facts from textbooks on economic development. Through essay writing, you will be able to write about issues in development economics in a sensible and intelligent way. You will be able to understand better the world around you and, through seminar presentations, to engage in lively debate on issues facing developing countries and the approaches to policy making. You will not only be more well-rounded economists, but you will also be fully trained to go on to further study if you wish, or to work with organisations concerned with developing countries including consultancy firms; many non-governmental organisations; international organisations, and government ministries.

### Preliminary Reading

G Meier and J Rauch (eds) *Leading Issues in Development Economics* (8th ed), Oxford UP, 2005

G Secondi (ed) *The Development Economics Reader*, Routledge, 2008

A P Thirlwall, *Economics and Development: Theory and Evidence* (9th ed), Macmillan, 2011

M P Torado and S Smith, *Economic Development* (11th ed), Pearson Education, 2011

D Perkins, S Radelet, D Lindauer and S Block, *Economics of Development* (7th ed), 2013



## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC541 Economics Dissertation</b>						
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn and Spring	H	30 (15)	60% Project, 40% Coursework	

### Contact Hours

6 lectures, 2 workshops, 2 or 3 supervisions, 1 presentation

### Pre-requisites

EC500 Microeconomics, EC502 Macroeconomics, EC511 Quantitative Economics

### Restrictions

EC564, EC565 cannot be taken with this module.

### Method of Assessment

100% coursework: 20% research outline and draft chapter, 20% presentation, 60% dissertation final submission

### Synopsis

This dissertation is a 30-credit module based on self-directed study, which allows you to develop a complete piece of work within the general field of economics, from the initial idea through to a final written report. It is unique amongst the modules you are taking towards your degree in Economics, both in the ways that you learn and in the ways that you are assessed. Your learning will be largely independent, but is supported by structured supervision from your dissertations supervisor.

### Learning Outcomes

In completing this module, you will:

- be able to frame and motivate a research question
- have improved your ability to retrieve information efficiently from library and web-based sources
- have learned to manage your time well so as to complete the various stages of the dissertation on time
- have improved your ability to analyse economic problems
- be able to carry out an in-depth investigation
- have deepened your knowledge of one particular area of economics
- have made a contribution towards knowledge about the topic you are investigating
- have developed skills necessary to make concise and clear verbal presentations to a small or medium-sized audience
- have learned how to write a report of medium length.

### Preliminary Reading

Patrick Dunleavy, *Studying for a Degree in the Humanities and Social Sciences*, Chapter 5

Sue Drew and Rose Bingham, *Student Skills*, Gower, 1996, Chapters 7 and 8

<b>EC542 Econometrics I: An Introduction to Modern Econometrics using Stata</b>						
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
2	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Nizalova Dr O

### Contact Hours

22 lectures/seminars and 6 computing classes

### Pre-requisites

EC511 Quantitative Economics (or equivalent)

### Method of Assessment

20% coursework consisting of two class tests worth 10% each; 80% end-of-year examination

### Synopsis

This is a 15-credit module in applied econometrics using Stata (the most popular general-purpose statistical software package used by empirical economists), for students who have followed Stage 1 modules in mathematics and statistics and who have taken the Stage 2 module in quantitative methods (EC511) or equivalent. What distinguishes this module is the adoption of the modern learning-by-doing approach to teaching econometrics, which emphasises the application of econometrics to real world problems. The focus is on understanding the theoretical aspects that are critical in applied work and the ability to correctly interpret empirical results.

### Learning Outcomes

By the end of the module you should be competent in the application of the mathematical and statistical tools used in econometrics and be able to:

- handle real data with confidence
- apply econometric methods of analysis to new circumstances
- understand the conditions under which particular estimators are appropriate
- apply the theoretical methods to numerical data
- write and present technical material lucidly.

### Preliminary Reading

C F Baum, *Introduction to Modern Econometrics Using STATA*, STATA Press, 2006

J M Wooldridge, *Introductory Econometrics – A Modern Approach* (5th ed), South-Western, 2013 (International Student Edition)

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC543 Econometrics 2: Topics in Time Series						
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
2	Canterbury	Spring	H	15 (7.5)	60% Exam, 30% Project, 10% Coursework	Krolzig Prof H

### Contact Hours

14 lectures and 5 seminar classes, 4 computer practical classes, all of 90 minutes each

### Pre-requisites

EC511 Quantitative Economics and EC542 An Introduction to Modern Econometrics using Stata

### Method of Assessment

40% coursework consisting of an unseen test (10%), and an empirical project (30%); 60% end-of-year examination

### Synopsis

Empirical research in macroeconomics as well as in financial economics is largely based on time series, ie chronological sequences of observations, showing the development of quantities, goods and asset prices, and interest rates. The module offers an introduction to contemporary time-series econometrics, linking the theory to empirical studies of the macroeconomy. Topics include: stationary and non-stationary stochastic processes; linear autoregressive and moving average models; linear difference equations; autoregressive distributed lag models; cointegration and equilibrium correction; vector autoregressive models. These topics are illustrated with a range of theoretical and applied exercises, which are discussed in seminars and computer classes.

The module introduces you to the research methods used by macroeconomists in academia, government departments, think tanks and financial institutions. It also helps you to prepare for the quantitative requirements of a masters programme in economics.

### Learning Outcomes

On completion of the module, you will:

- understand the importance of the time series properties of economic data, and be able to test for unit roots;
- understand the analysis of dynamic econometric models including autoregressive distributed lag models;
- be able to formulate, estimate and interpret bivariate relationships between cointegrated series;
- appreciate the importance of the role of stationarity for the properties of classical least squares estimation;
- be able to specify, estimate and critically analyse vector autoregressive and vector equilibrium correction models;
- understand the notion of causality and its limitations;
- be able to determine the cointegration rank of a dynamic system;
- be able to read, appraise and understand modern journal articles in applied time series econometrics;
- be able to model economic relationships and solve econometric problems with software;
- be able to communicate econometric concepts and findings to your peers.

### Preliminary Reading

J D Hamilton, Time Series Analysis, Princeton University Press, 1994. Chapters 1-5, 7-8, 10-11, 15.

W Enders, Applied Economics Time Series (3rd ed), Wiley, 2009. Chapters 1-2, 4-6.

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC544	Economic Integration in the EU					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Davidova Prof S

### Contact Hours

11 lectures, 6 seminar classes

### Pre-requisites

EC500 Microeconomics and EC502 Macroeconomics (or equivalent)

### Method of Assessment

20% coursework consisting of one class test (10%) and one essay (10%), 80% end-of-year examination

### Synopsis

The European Union features strongly in all discussions of economic policy. Frequently economists are unable to provide a consistent analytical framework for the analysis of the various issues posed. In this module we explore the meaning and analysis of economic integration in the context of the EU. This provides a general introduction to the economic rationale for the existence of the EU, the working of some of its main policy areas, and a critique and assessment of the achievements to date. The module deals first with the origins of the EU, the theory of a Customs Union and Common Market and the questions of trade and convergence. Secondly, it deals with some specific policy areas, in particular labour market policies, common agricultural policy and regional policy. Thirdly, it covers the development, problems and relevance of monetary integration to the process of economic integration. At the end of this module you are expected to have some understanding of the basic theories underlying customs unions, of the process of growth and convergence of the EU and its main constituent economies, and of the rationale for, and coverage of, policy intervention at EU level.

This is a module in applied economics and the emphasis throughout is on the development of appropriate economic theories and their application in the specific context of the EU. It is not concerned with the detailed discussion of the Treaties or the implementation of policy measures. Decision making in the EU is introduced in order to understand the question of the exercise of economic power. The nature of the economic role of the European Union is such that this involves a broad coverage of both microeconomics and macroeconomics, often involving applied issues and applied analysis going beyond that covered in the main theory courses.

### Learning Outcomes

On completion of the module, you will:

- have an understanding of the underlying theory of economic integration
- have an understanding of the factors leading to increasing integration, including customs union theories, common market theories, the role of imperfect competition for industry restructuring, the optimum currency area and the EURO, and be able to make an assessment of the impacts of future changes
- have knowledge of trends in trade, migration, competition and relevant policies
- have improved learning and writing skills from assignments and improved communication skills from seminar discussion and debate
- have acquired analytical skills, enabling the identification of appropriate theoretical concepts to analyse the effects of economic integration.

### Preliminary Reading

Susan Senior Nello, *The European Union: Economics, Policies and History*, 2nd ed, 2009, McGraw Hill

R Baldwin and C Wyplosz, *The Economics of European Integration*, (4th ed), McGraw-Hill, 2012

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC545	Education, Skills and the Labour Market					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
2	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	
3	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	

### Contact Hours

11 lectures, 2 seminar classes, 9 computer terminal sessions

### Pre-requisites

EC500 Microeconomics, EC502 Macroeconomics

### Method of Assessment

20% coursework consisting of one computer-based class test, 80% end-of-year examination

### Synopsis

Unemployment has become one of the biggest economic challenges facing many countries, placing the labour market at the core of current economic debate. Understanding the labour market is a prerequisite for informed discussions of issues surrounding the unemployment problem as well as other important topics like discrimination and immigration.

The first part of the module follows a fairly conventional approach to the study of labour economics, and covers the supply and demand for labour. We incorporate policy-orientated material throughout – for example, we examine the incentive effects of taxation and unemployment benefits on labour supply, and discuss the effect of pay-roll taxes on labour demand. The second part of the module covers the process of wage determination and unemployment. We analyse the dynamic behaviour of unemployment from a flow perspective (the ins and outs of unemployment) and introduce the role of matching and search frictions to explain the presence of frictional unemployment. Frictional unemployment exists because, even if there are as many vacancies as unemployed workers, in a labour market with imperfect information workers and firms need to spend time to meet and create a new employment relationship. Finally, the module analyses the dramatic rise in unemployment in some OECD countries over the last economic crisis, focusing particularly on the role played by the labour market institutions.

During the module you attend computer sessions to learn how to solve the labour supply model and the labour market equilibrium with the Excel Solver. The basic function of applied sessions in these labs is to improve your analytical skills in a dynamic and interactive way. The Excel Solver is described as a user-friendly and flexible tool for economic optimisation.

### Learning Outcomes

By the end of the module, you should have an understanding of, and be able to discuss and debate:

- the conventional neoclassical labour supply and demand analysis
- the role of search and matching frictions explaining the labour market behaviour
- how these models can be used to understand particular features of the labour market
- the features of unemployment
- the role of labour market institutions in determining labour market outcomes
- the main differences in labour markets institutions across OECD countries.

You will also be able to carry out practical work on relevant labour market topics, using spreadsheets (Excel Solver).

### Preliminary Reading

There is no single text book for the course, but these two books will be used several times:

Tito Boeri and Jan van Ours, *The Economics of Imperfect Labor Markets*, Princeton University Press, 2008  
George Borjas, *Labor Economics*, McGraw Hill, 2010.

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

### EC546 Games for Economics and Business

Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Piracha Dr M

#### Contact Hours

10 lectures and 6 seminars

#### Pre-requisites

EC500 Microeconomics

#### Method of Assessment

20% coursework consisting of two class tests (10% each), 80% end-of-year examination

#### Synopsis

The growing use of game theory by economists suggests that a professional economic education is incomplete without a firm understanding of this new tool. The module aims to introduce you to a topical and important research area of microeconomic analysis, to develop your skills in setting up and solving games that arise in business and economics, and to enable you to apply game theory to different areas of economics and business.

#### Learning Outcomes

The module will

- provide you with the ability to use game theory as a tool of economic analysis
- enable you to understand and appreciate the implications of informational problems that arise in everyday economic situations
- improve your problem-solving ability, as well as your ability to present, both verbally and in writing, economic arguments.

#### Preliminary Reading

P Dutta, *Strategies and Games: Theories and Practice*, MIT Press, 1999

A Dixit and S Skeath, *Games of Strategy* (2nd ed), W W Norton, 2004

R Gardner, *Games for Business and Economics*, Wiley, 1995

R Gibbons, *A Primer in Game Theory*, Harvester Wheatsheaf, 1992

H S Bierman and L Fernandez, *Game Theory with Economic Applications*, Addison-Wesley, 1995

### EC547 Industrial Economics

Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Cartwright Dr A

#### Contact Hours

11 lectures and 6 seminars

#### Pre-requisites

EC500 Microeconomics

#### Method of Assessment

20% coursework consisting of one class test (10%) and one essay (10%), 80% end-of-year examination

#### Synopsis

Industrial Economics studies why and how firms and industries behave and interact with each other. This is probably one of the most important and interesting areas in economics. Understanding firms' behaviour is relevant not only to the firms but also to the governments that design industrial policies in order to favour consumers without decreasing firms' efficiency.

During the module, we deal with issues that are present in everyday news: anti-competitive practices, the effect of market power on consumer welfare and the incentives for product innovation, and private and public effects of mergers. You have the chance to discuss and understand many of these topics in a deeper and more economically informed way.

This module has been designed for students who have already taken intermediate microeconomics. You are encouraged to apply economic analysis and techniques to understand the behaviour of firms and industries.

#### Learning Outcomes

By the end of this module you will be able to:

- explain how firms' decisions regarding price, advertising and R&D can be modelled and evaluate the impact of those decisions on the structure and performance of markets
- understand and apply the basic concepts of game theory to the analysis of firm's strategic behaviour
- identify the implications of the theory for the design and implementation of industrial policy and to critically evaluate the application of industrial policies in the UK and other countries
- follow analysis of economic problems, construct your own economic arguments and offer critical comments on the arguments of the others.

#### Preliminary Reading

Daniel Richards, George Norman, Lynne Pepall, *Industrial Organization: Contemporary Theory and Empirical Applications* (4th ed rev), Blackwell Publishing, 2008

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC548	International Finance					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Toledo-Ascencion Dr M

### Contact Hours

11 lectures, 6 seminar classes

### Pre-requisites

EC502 Macroeconomics

### Method of Assessment

20% coursework test, 80% end-of-year examination

### Synopsis

When we open a newspaper or an economics and business magazine, we often read topics related to monetary and financial relations between countries. A good deal of political debate is also focused on the various aspects that constitute international finance. However, these debates do not allow us to understand their theoretical underpinnings. This is what we are going to study in this module from a rigorous perspective. The first part of the module deals with some basic concepts of international macro such as the balance of payments and exchange rates, and arbitrage conditions. We then go on to analyse the impact of opening up the economy on the alternative macroeconomic policies available. In that part we also analyse the main factors that determine the exchange rates between currencies, and the power of the different models proposed. The third part of the module deals with 'hot topics' in international finance. We discuss the benefits and drawbacks of fixed and floating exchange rates, the concept of a speculative attack, how to understand current account imbalances from an inter-temporal perspective, and how world macroeconomic imbalances drove the 2008/09 international financial crisis and recent sovereign debt crisis in Europe.

The module has both a theoretical and an applied emphasis in order to insert the available theories into the real problems of the world economy. It does not analyse the detailed workings of international financial markets or questions related to firm financial management in international capital markets but students interested in these aspects can acquire basic foundations that are fundamental in understanding the context in which firms and governments work.

### Learning Outcomes

By the end of the module you will:

- have built upon previously taken intermediate macroeconomic courses and improved the ability to use macroeconomic analysis
- have an understanding of the basic theory of international macroeconomics and finance
- have a theoretically and empirically rooted understanding of the main debates and problems of open economy macro and policies, exchange rate determination, monetary integration and international financial relations
- be able to assess and rigorously examine the main debates on international financial problems arising in the newspapers and specialised magazines (critical thinking)
- have improved your learning skills, especially those concerned with the understanding and application of macroeconomic models to real life problems. This will also enhance your analytical, numeracy and problem solving skills through the working and application of the models taught
- have improved your writing skills from essay and exam writing and communication skills from seminar debates
- be able to undertake postgraduate (Masters) degrees with macroeconomic contents.

### Preliminary Reading

L Copeland, Exchange Rates and International Finance (5th ed), Prentice Hall, 2008

K Pilbeam, International Finance (4th ed), Palgrave Macmillan, 2013

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC549</b>		<b>International Trade</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Garcia-Alonso Dr M D C

### Contact Hours

11 lectures and 6 seminars

### Pre-requisites

EC500 Microeconomics, EC502 Macroeconomics

### Method of Assessment

20% coursework consisting of one essay (10%) and a timed essay (10%), 80% end-of-year examination

### Synopsis

The study of international trade has always been an especially lively and controversial area in economics. Yet there was never a time when the study of international trade was as important as today. The economies of the different countries are more dependent on each other than they have ever been before, meaning that, among other things, regional crises can spread throughout the world. Keeping up to date with this changing international environment and being able to understand the dynamics behind it is of key importance to firms and governments.

### Learning Outcomes

By the end of this module you will be able to

- understand the traditional and modern theories that explain the existence of inter-industry and intra-industry trade
- evaluate the relevance of the different instruments of trade policy
- follow, assess and critically evaluate the world trade negotiations
- critically evaluate theoretical and applied studies concerning international economic issues and policies
- follow analysis of economic problems, construct your own economic arguments and offer critical comments on the arguments of others
- present economic arguments and ideas in seminars and essays
- work in a group on economics seminar problems.

### Preliminary Reading

P R Krugman and M Obstfeld, *International Economics, Theory and Policy* (7th ed), 2009, or 9th ed, 2012, Addison-Wesley

D R Appleyard, A J Field and S L Cobb, *International Economics*, McGraw-Hill, 2010

C Van Marrewijk, *International Trade and the World Economy*, Oxford University Press, 2002

B Sodersten and G Reed, *International Economics*, Palgrave Macmillan, 1994

<b>EC550</b>		<b>Monetary Economics</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Satchithanathan Dr M

### Contact Hours

13 lectures, 6 seminar classes

### Pre-requisites

EC502 Macroeconomics (or equivalent)

### Method of Assessment

20% coursework consisting of one class test, 80% end-of-year examination

### Synopsis

This final year optional module covers a variety of monetary issues from both a theoretical and a policy perspective. It starts with an introduction to the role of money in the economy, and theories of money supply and demand. A discussion of the IS/LM model gives a basic foundation for analysing how monetary policy affects the economy, and a first theoretical perspective on the neutrality of money – ie whether monetary policy has real effects on the macroeconomy, in either the short or long run. This is followed by a discussion of other theoretical perspectives on neutrality, and relevant evidence. If monetary policy does have real effects, how are these brought about and what are the implications for monetary transmission? The remainder of the module discusses current issues in monetary policy – the goals of monetary policy and how these are expressed in modern simple models of monetary policy, central bank independence and inflation targeting.

### Learning Outcomes

By the end of the module, students are expected:

- to understand the determinants of money demand and money supply
- to understand the ways in which monetary policy can affect the real economy
- to understand the issues involved in developing a modern, effective framework for conducting monetary policy; for instance the role of inflation targeting and central bank independence
- to be able to carry out research in monetary economics independently
- to have developed communication skills in seminars and class tests
- to be able to study monetary economics at postgraduate level.

### Preliminary Reading

Alan Blinder, *Central Banking in Theory and Practice*, The MIT Press, 1998

Frederic Mishkin, *The Economics of Money, Banking and Financial Markets* (9th or 10th ed), Addison-Wesley

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<b>EC553</b>		<b>Public Economics</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
3	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Cartwright Dr E

### **Contact Hours**

10 lectures, 6 seminars

### **Pre-requisites**

EC500 Microeconomics

### **Method of Assessment**

20% coursework consisting of a class test (10%) and an essay (10%), 80% end-of-year examination

### **Synopsis**

To understand and be able to evaluate the role played by government in the economy it is important to understand key elements of microeconomic analysis and then be able to apply this understanding to the practical evaluation of policy issues. Economic theory is typically a positive science with right and wrong answers but evaluating policy issues is a much more normative science where there are often no correct answers (just opinions). The module reflects these two sides of studying public economics.

### **Learning Outcomes**

By the end of the module you will be able to:

- elaborate on the economic arguments for and against government provision of goods
- discuss the problems associated with collective decision making
- apply economic theory in evaluating policy questions on issues such as health and education.

### **Preliminary Reading**

J Stiglitz, Economics of the Public Sector (3rd ed), Norton, 2000

J Cullis and P Jones, Public Finance and Public Choice, 2009

J Hindriks and G Myles, Intermediate Public Economics, 2006

N A Barr, The Economics of the Welfare State, Oxford UP, 2004



## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC562	Economics of Finance 1					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Chadha Prof J

### Contact Hours

11 lectures, 5 seminars

### Pre-requisites

EC500 Microeconomics, EC502 Macroeconomics, EC534 Financial Analysis

### Method of Assessment

20% coursework consisting of one class test (10%) and one 1500-word essay (10%), 80% end-of-year examination

### Synopsis

The economic analysis of financial markets and instruments is the starting point of financial economics and this module provides a concise overview of capital markets. Specifically, it focuses on the structure of each financial market (such as the trading volume and investors in it), recommended investment strategies for a specific type of investors and market conventions, and examines how the economics of uncertainty have been applied extensively in financial markets. We emphasise both practical knowledge and analytical techniques and several useful mathematical skills are explained.

The module first introduces key principles, such as discounting, diversification, no arbitrage and hedging, and then discusses each asset class, such as bonds, equities and their derivatives (instruments), emphasising the general idea behind them. Although different types of assets require different methods of valuations and risk control, the basic principles are common to all asset classes. The asset liability management (ALM) and other related topics are also presented.

### Learning Outcomes

By the end of the module, you will:

- have improved your analytical skills in using mathematics to analyse financial markets
- have developed your ability to solve financial problems and present your solutions orally and in written form
- have improved your ability to relate intuitive and mathematical explanations of financial analysis
- understand the different methods of risk control and valuation of different financial assets
- understand and be able to use the concepts of discounting, diversification and Capital Asset Pricing Model, asset/liability management, arbitrage and hedging and understand the different types of asset class
- have improved your internet literacy in collecting and processing information from the internet and other sources.

### Preliminary Reading

<http://www.bis.org/publ/quarterly.htm>

<http://www.bankofengland.co.uk/publications/index.htm>

<http://www.ecb.int/pub/mb/html/index.en.html>

<http://www.ecb.int/pub/fsr/html/index.en.html>

Financial press, eg the Financial Times and the Wall Street Journal

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EC563	Economics of Finance 2					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Shibayama Dr K

### Contact Hours

12 lectures, 6 seminars, 1 computer terminal session

### Pre-requisites

EC500 Microeconomics and EC502 Macroeconomics

### Method of Assessment

20% coursework (two class tests), 80% end-of-year examination

### Synopsis

The module develops your skills in asset pricing and your understanding of the theoretical basis of this subject. It stresses practical training in asset pricing.

The two main topics in the module are investors' utility maximisation and arbitrage theory in derivative pricing, which is mainly discussed in discrete time models. The most important goal is to give you the ability to apply the model to real data.

Although the module requires some mathematical techniques, its aim is to offer practical training, putting stress on the intuitions and heuristics behind theorems and formulae, rather than their rigorous derivations and semantic definitions. Moreover, you are not only expected to understand theories but also expected to master how to use them.

### Learning Outcomes

By the end of the module, you will:

- understand the investors optimisation and relevant concepts
- understand the theoretical basis of the risk-neutral probability measure
- be able to construct a proper tree model to find the fair price of a non-standard financial derivative, given the historical price data of its underlying asset
- be able to use the Black-Scholes-Merton model to calculate the delta hedge
- become more familiar with financial data and numerical computation
- develop your logical thinking and analytical skills through a deeper understanding of risk and return
- become more independent in the use of your problem-solving abilities.

EC564	Applied Economics Project					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Project, 20% Coursework	

### Contact Hours

5 lectures, 8 computing workshops, 1 group presentation session

### Pre-requisites

EC511 Quantitative Economics

### Restrictions

EC541 cannot be taken with this module

### Method of Assessment

100% coursework, consisting of 20% group presentation and 80% final project paper

### Synopsis

The aim of this module is to provide a structured environment in which you can conduct your own empirical research. The module covers all stages of research, ie identification of a research question, collection of data, preliminary data description, final analysis and the interpretation and writing up of results. You should end up with a project that looks very like a research paper (or an undergraduate dissertation). This can be achieved within the timescale of a 15 credit module as you will be working together as a group for some tasks and will be given a workbook that clearly lays out what is expected at each stage of research.

### Learning Outcomes

On completing this module, you will:

- be able to use a software package to analyse data
- be able to present the results of your analysis in graphs and tables
- be able to interpret your statistical results in the context of econometric and economic theory
- have developed analytical, IT and numerical skills through using statistics applied to a specific economic topic
- have developed your critical thinking and analytical skills through a deeper understanding of the application of econometric methods
- become more independent in the use of your problem solving abilities
- have improved your IT, numerical and communication skills in presenting written reports on the interpretation of your statistical results
- have improved your group working skills
- have improved your oral presentational skills.

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<b>EC565</b>		<b>Extended Economics Essay</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Project, 20% Coursework	

### Contact Hours

6 lectures, 1 hour's individual supervision

### Pre-requisites

EC500 Microeconomics or EC502 Macroeconomics

### Restrictions

EC541 cannot be taken with this module

### Method of Assessment

100% coursework, consisting of 20% poster session, 80% final essay

### Synopsis

The module aims to provide an alternative to the EC541 dissertation option for students. In this module, rather than conducting an original piece of research, you are given a set of questions with readings. You can also construct your own question so long as it is approved. You choose a question and (with help from your supervisor) write a 5,000 word essay on this question. The material covered in these essays is typically broader than that explored in the dissertation option and there is no requirement to make any 'contribution to knowledge'. However, the essays still demand more independent work than required for coursework in other modules. You are expected to read round the question AND to assimilate concepts and ideas not covered in lectures.

### Learning Outcomes

On completion of this module, you will have

- improved your ability to analyse economic problems
- deepened your knowledge of one particular area of economics
- carried out an in-depth critical investigation of a topic
- completed a written critical review of the literature of one area of economics
- improved your ability to retrieve information efficiently from library and web-based sources
- learned to manage your time well so as to complete the various stages of the critical review on time
- learned how to write a report of medium length
- improved your graphic, oral and written communication skills.

<b>EC566</b>		<b>Macroeconomics for Business</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	I	15 (7.5)	80% Exam, 20% Coursework	Fraser Prof R

### Contact Hours

24 lectures, 11 seminars, 3 workshops

### Restrictions

Not available to students taking or who have taken EC500 Microeconomics or EC502 Macroeconomics

### Method of Assessment

20% coursework, consisting of one extended essay. 80% written examination

### Synopsis

The aim of the module is to develop your understanding of the principles of macroeconomics as they relate to business. We go on to see how these principles can help you to understand the current macroeconomic policy debate and they are applied to common macroeconomic situations you will meet in business.

Module topics include: the circular flow of the macroeconomy; inflation and unemployment definitions and causes; aggregate supply, aggregate demand and fiscal policy; money, the financial system, interest rates and monetary policy; international trade, the balance of payments and exchange rates.

### Learning Outcomes

By the end of the module, you will be able to:

- understand aggregate demand, aggregate supply and the operation of the macroeconomy, and how public policies affect the macroeconomy
- apply fundamental macroeconomic principles and manipulate simple economic diagrams of relevance to business
- read about, discuss and form an opinion regarding current macroeconomic policy.

### Preliminary Reading

R Lipsey and A Chrystal, Economics (12th ed), Oxford University Press, 2012

D King, Economics, Oxford University Press, 2012

W J Baumol and A S Blinder, Macroeconomics: Principles and Policy (12th ed), South-Western Cengage Learning, 2011

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC567 Economics of Gender, Children and the Family</b>						
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	

### Contact Hours

11 lectures, 12 seminars

### Pre-requisites

EC500 Microeconomics and EC305/EC306 Mathematics for Economics

### Method of Assessment

20% coursework (one 1500-word essay) and 80% end-of-year examination

### Synopsis

This is a 15 Credit Stage 3 optional module in applied labour and family economics. Its aim is to introduce you to a broad range of the methods and models applied by economists on family related issues. These issues include partnership formation and dissolution, intra-household allocation, education, investment in children, and inter-generational mobility, as well as work and pay from a family perspective. These phenomena are modelled as the outcomes of rational-choice processes, with hypotheses concerning these choices evaluated in the context of relevant empirical evidence. We focus on public policies influencing decisions within families such as fertility, labour supply and investment in human capital of children.

### Learning Outcomes

By the end of the module you should:

- understand the key concepts and frameworks used by economists to analyse family issues
- have a better understanding of the family issues confronted in the design of policy
- be more critical of policy debates conducted in the media and by politicians
- be practised in developing logical, coherent arguments both verbally and in writing
- be practised in conducting evaluations of actual family policies
- have a better understanding of government intervention in modern economies including its motivation, targeting and consequences
- have developed economic and independent learning skills
- be practised in reflective learning.

### Preliminary Reading

N Barr, *Economics of the Welfare State*, Oxford University Press, 2003

T Boeri, D Del Boca, and C Pissarides, *Women at Work*, Oxford University Press, 2005

D Checchi, *The Economics of Education: Human Capital, Family Background and Inequality*, Cambridge University Press, 2008

J Ermisch, *An Economic Analysis of the Family*, Princeton University Press, 2003

Y Weiss, 'The Formation and Dissolution of Families: Why Marry, Who Marries Whom, and What Happens Upon Marriage and Divorce?' in M Rosenzweig and O Stark (eds) *Handbook of Population and Family Economics*, Elsevier Press, 1997

G Becker, *A Treatise on the Family*, Princeton University Press, 1990

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC568	World Economics and Financial History: From the 19th Century to the Pre					
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	
2	Canterbury	Autumn	H	15 (7.5)	80% Exam, 20% Coursework	Klein Dr A (EC)

### Contact Hours

18 lectures, 2 seminars

### Pre-requisites

EC502 Macroeconomics and EC511 Quantitative Economics

### Method of Assessment

20% coursework (one essay of 3,000 words), 80% end-of-year examination

### Synopsis

The aim of the module is to introduce you to the evolution of the world economy from the 19th century to the present. This period experienced rapid growth of trade, saw a massive migration from Europe to the Americas and the rise, fall and rise again of globalisation. A knowledge of the history of the world economy in this period allows us to understand today's world economy better; enlightens our understanding of world income inequality, trade patterns and sources of growth; and teaches us important policy lessons from past recessions and recoveries.

Topics covered on the module include growth and trends pre-1913 and the interwar years; the gold standard; commodity and labour market integration; the Great Depression; and recovery from the Great Depression.

### Learning Outcomes

By the end of the module you will:

- be able to understand the evolution of the transatlantic economy over a period of 200 years
- be able to identify major economic forces of initial 19th century globalisation, de-globalisation and subsequent re-globalisation
- understand the causes of financial crisis, economic depression and recovery
- understand the policy implications of recovery process from economic downturn
- be able to analyse the forces driving long-run economic growth, product and labour market integration, and the effects of international monetary arrangements on the evolution of the transatlantic economy
- be able to interpret data in the context of economic theory and policy
- be practised in developing logical and coherent verbal and written arguments.

### Preliminary Reading

There is a comprehensive reading list in the module outline at [www.kent.ac.uk/economics/local/modules/index.html?tab=stage-3](http://www.kent.ac.uk/economics/local/modules/index.html?tab=stage-3)

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<b>EC569</b>		<b>Economic Growth</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Otsu Dr K

### Contact Hours

11 lectures, 6 seminars

### Pre-requisites

EC502 Macroeconomics and EC511 Quantitative Economics

### Method of Assessment

20% coursework consisting of one essay of 2,000 words and an in-class test, 80% end-of-year examination

### Synopsis

This module covers a variety of growth issues from both empirical and theoretical views. The first part of the course deals with basic concepts of economic growth, including how to measure growth and the core theories of economic growth. The second part deals with productivity; how to measure productivity and analyse different sources of productivity growth. The third part deals with economic fundamentals, including the relationship between government policies, income inequality, and growth.

The aim of the module is to teach the basic principles of economic growth in order to answer such questions as:

- what are the determinants of growth?
- how can we improve productivity?
- what kind of role does the government play on growth?
- why are there differences in the level of income among countries?

### Learning Outcomes

After completing this module you will be able to:

- manipulate a number of theoretical models to analyse economic growth
- understand and critically evaluate economic growth articles in academic journals
- present and debate growth issues in seminars
- form your own independent opinion on ongoing growth issues.

### Preliminary Reading

D Weil, Economic Growth (2nd ed), Pearson, 2009

C Jones and D Vollrath, Introduction to Economic Growth, W W Norton & Co, 2013

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

<b>EC570</b>		<b>Microeconomics of Development</b>				
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Wahhaj Dr Z

### Contact Hours

10 one-hour lectures, five one-hour seminars

### Pre-requisites

EC500 Microeconomics, EC511 Quantitative Methods

### Method of Assessment

20% coursework consisting of two assignments, 80% two-hour final examination

### Synopsis

In the last 30 to 35 years, the study of economic development has increasingly focused on the behaviour of individuals – their opportunities, constraints, and choices – to understand the causes and nature of poverty, and for formulating strategies for improving their economic well-being. This trend includes the increased application of microeconomic theories to understand phenomena related to underdevelopment, the collection and analysis of data at the individual level (as opposed to the regional or national level) and, most recently, the use of lab and field experiments to better understand individual behaviour.

The module introduces you to these trends, to show how the related microeconomic tools have contributed to a better understanding of the process of economic development. Some of these methods are now widely used by international development agencies – such as the World Bank and DfID – as well as academic researchers to critically assess development strategies and evaluate programmes aimed at improving the economic well-being of the poor in developing countries.

### Learning Outcomes

By the end of the course, you will

- understand how a variety of microeconomic concepts, such as market failure, and strategic decision-making, have been used to investigate causes of underdevelopment and guide development-related policies;
- understand how household surveys, natural experiments and various methods of programme evaluation can be used to test economic theories and guide economic policies;
- be able to construct coherent economic arguments by making reference to microeconomic theories and empirical evidence on individual decision-making;
- be able to assess critically different theories about the behaviour of poor individuals or households in developing countries using existing theories and evidence on individual decision-making;
- be able to discuss critically the effectiveness of various development-related policies – eg credit subsidies for poor households or conditional cash transfers – in the context of existing theories and evidence on individual decision-making;
- be able to solve simple microeconomic models that can shed light on phenomena related to underdevelopment;
- be able to analyse microeconomic data using simple statistical methods.

### Preliminary Reading

K Basu, K, Analytical Development Economics: The Less Developed Economy Revisited, MIT Press, 1997

D Ray, Development Economics, Princeton University Press, 1998

## 2014-15 Social Sciences Undergraduate Stage 2 & 3 Module Handbook

EC571	Agricultural, Food and Natural Resource			Economics		
Version	Campus	Term(s)	Level	Credit (ECTS)	Assessment	Convenor
1	Canterbury	Spring	H	15 (7.5)	80% Exam, 20% Coursework	Fraser Prof I

### Contact Hours

10 two-hour lectures, 9 seminars

### Pre-requisites

EC500 Microeconomics; or EC313 Microeconomics for Business and EC532 Environmental Economics, Institutions and Policy

### Method of Assessment

20% coursework consisting of a 1,500 word technical questions assignment (10%) and a 2,000 word essay (10%); 80% end of year examination

### Synopsis

The module introduces you to the study of agriculture, food and resource economics using microeconomics, and provides an overview of microeconomic theories that have been developed and used to understand important resource management issues. It draws on current debates and topics in agricultural and food production, organisation of supply chains, public policy issues and resource pricing.

Topics include: agricultural production theory, agricultural policy: CAP Pillars I and II, supply co-ordination in the food chain, commodity price volatility, food and health, forestry economics, fisheries economics, productivity and resource degradation.

### Learning Outcomes

By the end of the module, you will be able to:

- Understand how a variety of microeconomic concepts, such as profit maximisation, asymmetric information, risk and uncertainty, and market failure have been used to investigate various aspects of agricultural, food and natural resource economics;
- Understand how various types of data sources (eg, household surveys, national statistics) can be used to test economic theories and guide economic policies;
- Construct coherent economic arguments by making reference to microeconomic theories and empirical evidence on individual decision-making and business strategy;
- Assess different theories about the behaviour of households, farmers, manufacturers and government in this sector of the economy using existing theories and evidence on individual decision making;
- Discuss the effectiveness of various agricultural, food and resource related policies – eg CAP, commodity price volatility, contractual arrangements – in the context of existing theories and evidence on decision making;
- Solve simple microeconomic models that can shed light on phenomena related to agriculture, food and natural resources;
- Analyse microeconomic data using statistical methods and software (eg, Microsoft Excel).

### Preliminary Reading

A Barkley and PW Barkley, Principles of Agricultural Economics, Routledge, 2013.

JM Conrad, Resource Economics (2nd ed), 2010.

J Williams, Competition and Efficiency in International Food Supply Chains Improving Food Security, Routledge, 2013.