

Module: Market Economics II	COMMON
<ul style="list-style-type: none"> ▶ Department: Economics ▶ Type: Common ▶ Credits: 10 ▶ Level 5 – Year 3 ▶ Pre-requisites: Market Economics 	<p style="text-align: right;">run by ESCOEX International Business School</p> <p style="text-align: right;">Lecturer: Paola Garcia</p>
Objectives	
<p>To provide the students with a knowledge of the workings of markets and their main problems with particular emphasis on public intervention policies and their effect on business.</p>	
Learning Outcomes	
<p>On successful completion of this module the student will be able to:</p> <ol style="list-style-type: none"> 1. Evaluate different market situations according to the level of welfare achieved. 2. Recognise the situations in which markets fail as resource distribution mechanisms as well as becoming familiar with the mechanisms available to the government to intervene in these situations. 3. Recognise the relationship between the public and private sector, the effects that the different forms of public intervention can have on business results and the optimum result which can be expected of the businessman in each case. 4. Recognise the basic principles of decision making and some tools for the analysis of projects and public policies. 	
Indicative Content	
<p>MARKETS AND SOCIAL WELFARE</p> <ol style="list-style-type: none"> 1. Markets and social welfare. Measurement of social welfare and social loss of efficiency. Optimality of competitive equilibrium. Efficiency and equity. 2. Market failures: (i) externalities. 3. Market failures (ii) public goods and common resources 4. Market failures (iii): imperfect competition. Market power. Regulation to promote competition. 5. Market failures (iv): 1) Incomplete Markets; 2) Unemployment, inflation and other economic shocks; 3) Imperfect information. 6. The decisions of the State. <p>PUBLIC MECHANISMS OF MARKET INTERVENTION</p> <ol style="list-style-type: none"> 7. Public mechanisms of market intervention (i): Taxes 8. Public mechanisms of market intervention (ii) Grants 9. Public mechanisms of market intervention (iii): The public regulation. 10. The role of elasticity in the effectiveness of policies and welfare. <p>DECISION MAKING. EVALUATION INSTRUMENTS.</p> <ol style="list-style-type: none"> 11. Socioeconomic evaluation of projects and policies. Introduction to Cost-Benefit Analysis (CBA). Criticisms of the CBA in development projects. <p>Public Policy Analysis. European Policy: Analysis Public policies for Canary Islands Analysis</p>	
Evaluation Criteria	

1 final exam worth 70%
1 individual written assignment worth 30%, minimum 3000 words

Methodology

A combination of theoretical and practical elements will be used to teach this subject. Throughout the year students will carry out exercises and case studies as well as analysing articles from the current press to stimulate class debates and pupil participation. The practical assessments will endeavour to assess the pupil's ability to handle information and will include the critical analysis of the recommended reading.

200 notional learning hours comprising 112 hours classroom-based and 88 hours tutor-directed student learning.

Basic skills

D1: Communication and presentation skills including audio, oral and written, using a range of methods

D3: Interactive and group skills including team projects and presentations; leadership, team building, influencing and project management skills together with skills of effective listening, negotiating, persuasion and presentation

D4: Problem solving skills including identifying, formulating and solving business problems; the ability to create, evaluate and assess a range of options, together with the capacity to apply ideas and knowledge to a range of situations

D6: The ability to plan and manage learning in terms of time, behaviour, motivation, self-starting, individual initiative and enterprise

Bibliography

Essential reading

- Harvey S. Rosen (2008): Hacienda Pública (7ª Ed.) Ed. Mc. Graw Hill.
- Stiglitz, J. (2000): La Economía del Sector Público. (3ª Ed.) Ed. Antoni Bosch.
- Francisco Mochon: Economía, Teoría y Política. 6ª edición. McGraw Hill
- Samuelson, Paul y Nordhaus, William (2003): Economía (17ª Ed). Mc Graw Hill.
- De Rus. Ginés (2004): Análisis Coste Beneficio (2ª Ed.) Ed. Ariel.

Recommended Reading:

- Begg, D.; Fisher, S.; Dornbusch, R. y Fernández, A. (2005): Economía (8ª Ed.) Mc Graw Hill.
- Krugman, Paul y Wells, Robin (2006): Introducción a la economía. Microeconomía. Editorial Reverté.
- Mankiw, Gregory (2007): Principios de Economía (4ª Ed.) Ed. Thomson.

Journals:

The Economist, Actualidad Económica. Diarios económicos: Especial Negocios de El País, Expansión, Cinco Días.

Web pages: www.worthpublishers.com/krugmanwellsmicro (página de recursos didácticos sobre economía), www.worldbank.org/ (Banco Mundial), www.bde.es/ (Banco de España), www.ecb.int/ecb/html/index.es.html (Banco Central Europeo), www.ine.es (Instituto Nacional de Estadística), www.gobiernodecanarias.org/istac (Instituto Canario de Estadísticas), www.cincodias.com (Diario económico Cinco Días), www.expansionyempleo.com (Diario económico Expansión), [//europa.eu.int/](http://europa.eu.int/) (portal de la Unión Europea)