

Economics and Government

Economics 104

Section: D100

Term: 2010 Spring

Instructor: V. Golovetsky

Discussion Topics:

Many people think (for good reasons) that a government would not do a good job making ice-cream. Many people think (again, for good reasons) that private businesses would not do a good job providing national defence. There are also people that hold (some for good reasons, again) the opposite views on both subjects, and a government is usually quite involved in making ice-cream (primarily in form of regulations) and private businesses are often quite involved in warfare (including contracts to carry out combat missions). An economist faced with a seemingly colossal task of understanding government is inclined to simplify (strip away unnecessary details) and split the problem into smaller, more manageable ones. We will do just that in this course. We will simplify introduce some basic yet very powerful models and theories that address the business of the government. And we will split it up consider some methodologically distinct approaches, and consider several distinct subjects of the governments involvement in our lives.

The tentative list of topics includes:

- The essential facts about government
 - How markets work and why government can only make it worse
 - How markets do not work and why government may make it better
 - Budget, deficits, inflation, unemployment in news and in an Economics classroom
 - Growth and/or inequality
 - Trade
 - Immigration
 - Health care, social insurance, pensions
 - How its all really about human propensity to lie transaction costs and institutions

Grading:

- Homework 10%
- Midterm 30%
- Tutorial participation 10%
- Final 50%

Required Texts:

1. ECON104 Reader, compiled by Krishna Pendakur

Economics and Government

2. Harford, Tim, 2007, The Undercover Economist, Anchores Canada

Recommended Texts:

Materials/Supplies:

Prerequisite/Corequisite: None. Breadth-Social Sciences.

Notes: ** NO TUTORIALS DURING THE FIRST WEEK OF CLASSES **

Students requiring accommodations as a result of a disability must contact the Centre for Students with Disabilities at 778-782-3112 or csdo@sfu.ca

All students are expected to read and understand SFUs policies with regard to academic dishonesty (S 10.02 and S 10.03). These policies are available at the following web addresses: <http://www.sfu.ca/policies/files/Students/S10.02.pdf> and <http://www.sfu.ca/policies/files/Students/S10.03.pdf>

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