

Note on assignment extensions

If you request an extension for your final assignment, there is no guarantee that you will receive your assignment back before the final examination.

Assessment criteria for Assessment Item 1

- i) Use DADA acronym in structuring your answers to all questions. (Definitions, Assumptions, Diagrams and original Analysis.) Read the notes on how to answer questions, write essays and analyse case studies in economics.
- ii) Concepts and key terms must be **defined** accurately and completely.
- iii) The **assumptions** upon which the analysis is based must be stated at the outset.
- iv) **Diagrams** must be drawn properly, correctly labelled and the relations they depict explained.
- v) Answers must be complete, addressing the specific tasks nominated in the questions.
- vi) **Critical Analysis** overall should be provided by relating economic theory to real-life economic examples of the “**Be Warned: Pollute and Pay the Price**” in the case study.
- vii) Sources must be acknowledged in-text and a list of references provided.
- viii) Where a question has more than one part, so too should the answer. Ensure complete coverage.
- ix) Students should refer to more than two textbooks and other on-line resources, articles, news items related to the questions and the case study.
- x) Please do not depend just on the set textbook for writing the assignment.
- xi) Photocopied and scanned graphs and tables will not be accepted. Please try to hand draw the graphs. This way you will learn and retain.
- xii) Plagiarism is a real concern, therefore, please remember to reference in-text and also provide a Reference list.
- xiii) You must work on the assignment questions progressively each week—which will prevent you from asking for extensions. So please follow a weekly study schedule.
- xiv) Remember an extension is not a gift, it is a burden.

Assessment Item 1 Part A - Short Answer Questions

Due date: 21 August ,Wednesday of Week 7

ASSESSMENT

Part A: Weighting: 20 % (2 marks for in-text referencing, presentation, clarity of explanation and evidence of reference list marks and 18 marks for the answer)

Length: Approximately 1200 words (Approx. 300 words each question, excluding graphs, tables and reference list)

It is a progressive assignment based on the first 6 modules covering chapters 1-8.

Please attempt each question on a weekly basis which will prevent you from asking for extensions.

1

Objectives

This assessment item relates to course learning outcomes 1 - 5 as listed in the course profile.

Question 1:

Refer to Chapters 1 & 2

(a) What is the opportunity cost to an employed person of the following? Explain.

- (i) Working two hours fewer each week. (1/2 mark)
- (ii) Holding \$1000 in \$100 notes for a year. (1/2 mark)
- (iii) Consuming a glass of wine costing \$10. (1/2 mark)

(b) On separate demand and supply diagrams for bread, sketch the effects of the following: (Draw graphs in each case and state your assumptions)

- (i) A rise in the price of wheat. (1 mark)
- (ii) A rise in the price of butter and margarine. (1 mark)
- (iii) A rise in the price of rice, pasta and potatoes. (1 mark)

4.5 marks

Question 2:

Refer to Chapters 3 & 4

(a) Which are likely to have the highest cross-elasticity of demand: Two brands of coffee or coffee and tea? Explain. (1.5 mark)

(b) The following are some costs incurred by a leather shoe manufacturer. Decide whether each one is a fixed cost or a variable cost or has some element of both. Explain.

- (i) The cost of leather. (1 mark)
- (ii) Electricity for heating and lighting. (1 mark)
- (iii) Basic minimum wages agreed with the union. (1 mark)

4.5 marks

Question 3:

Refer to Chapters 5 & 6

- (a) From the information given below in the table, construct a table like Table 5.2, on page 100 in your set text book. Use your table to draw diagrams like Figures 5.4 and 5.6 in your textbook. Use these two diagrams to show the profit-maximising output and the level of maximum profit. Confirm your findings by reference to the table you have constructed. **(2.5 marks)**

Quantity (Q)	0	1	2	3	4	5	6	7
Price (P)	12	11	10	9	8	7	6	5
Total Cost (TC)	2	6	9	12	16	21	28	38

- (b) Under what circumstances would you expect a monopoly to change the following, explain?
 (i) A higher price. **(1 mark)**
 (ii) A lower price than if the industry was operating under perfect competition. **(1 mark)**

4.5 marks**Question 4:**

Refer to Chapters 7 & 8

- (a) Describe the method of price discrimination that an airline industry uses. Give an example and draw graph. **(1 mark for graph and 1.5 for explanation = 2.5 marks)**
- (b) The table below gives the costs and benefits of an imaginary firm operating under perfect competition whose activities create a certain amount of pollution. Study the table and answer the following questions. (It is assumed that the costs of this pollution to society can be accurately measured.)

Output (units)	Price per unit \$ (MSB)	Marginal cost to the firm \$ (MC)	Marginal external pollution costs \$ (MEC)	Marginal social costs \$ (MSC=MC+MEC)
1	100	30	20	50
2	100	30	22	52
3	100	35	25	60
4	100	45	30	75
5	100	60	40	100
6	100	78	55	133
7	100	100	77	177
8	100	130	110	240

- (i) What is the profit-maximising level of output for this firm? **(1/2 mark)**
 (ii) What is the socially efficient level of output? **(1/2 mark)**
 (iii) Why might the marginal pollution costs increase in the way illustrated in this example? **(1 mark)**

4.5 marks

ECON 11026: Part-A -Assignment Marking Sheet

Student Name: _____ Student/Number: _____

Question No	ECON11026 Part A	Marks Out of	Total Marks	
Q1	A (i)	0.5		
	A (ii)	0.5		
	A (iii)	0.5		
	B (i)	1		
	B (ii)	1		
	B (iii)	1		
Q2	A	1.5		
	B (i)	1		
	B (ii)	1		
	B (iii)	1		
	Q3	A	2.5	
		B (i)	1	
B (ii)		1		
Q4	A	2.5		
	B (i)	0.5		
	B (ii)	0.5		
	B (iii)	1		
Referencing		1		
Presentation		1		
Total marks Part A	Total marks out of 20	20		

Additional Markers Comments:

Markers Name: _____ Date: _____

Assessment Item 1- Part B - Case Study

Due date: Wednesday of Week 7

ASSESSMENT

Weighting: 20 % weighting (3 marks for in-text referencing, presentation, clarity of explanation and evidence of reference list)

Length: Approximately 2000 words
Case Study is based on chapter 8.

1

Objectives

This assessment item relates to course learning outcomes 1-5 as listed.

Case Study on Market Failure

Be Warned: Pollute and Pay the Price (by Catherine Hockley in - The Advertiser 29-September 2003)

Fines of up to \$300 and court penalties of \$30,000 could be imposed under new laws to stop water pollution which comes into force on Wednesday. People washing their cars on the street, dumping garden waste or hosing animal faeces into the gutter could be fined under a new water policy developed by the Environment Protection Authority (EPA) which becomes a law this week.

Strict obligations have been imposed on various industries, including abattoirs, piggeries and wineries, to prevent them from allowing pollutants to enter water courses. Environment Minister John Hill said under current laws the EPA could 'deal with the big polluters' but there has been no means of tackling householders or small businesses which polluted the stormwater system. Polluted stormwater entering rivers, lakes and the sea has been blamed for serious environmental damage, including killing fields of sea grasses along the metropolitan coastlines.

Tasks to be undertaken:

- Read Chapter 8 to get a good understanding of the theory of Market Failure and Government Policy.
- Read the case study provided above in the course profile on pollution of stormwater by humans.
- Make notes, which will help you to answer the questions by applying the theory to real life example of economics at work, from the relevant modules 1 to 6.
- Apply the DADA (Definitions, Assumption, Diagram and Analysis) while answering the economic questions. On campus students will be attempting some exercises in the workshop sessions. Off campus students should attempt weekly activities from the textbook boxed case studies. These exercises will help and guide you how to think like an economist. Look for theory and apply it to real life examples from "Case Studies Applications and Exploring economics at work" boxed cases from the set textbook.
- Make sure you include in-text references and provide a reference list. Consult with the Learning Skills Unit staff or Communication Learning Centre staff on your campus if you require assistance on essay writing and referencing.
- On a weekly basis, the focus of your task for this assignment in the next five weeks is to elicit and apply economic concepts to the problem discussed in the case. You need to "read between the lines" of the case study to grasp the important economic concepts of market failure and externalities being applied to this real-life economic issue.
- Conduct research (find related articles) relevant to the case of market failure and stormwater pollution. You will need this additional information to draw conclusions and justify your answers.

- In preparing your assignment, you need to ensure that you refer to the “*essay writing guide for students studying economics*” available on the Assessment section of the course website. It is important in economics that you interpret the question clearly, use diagrams in an essay and write like an economist.

Answer the following questions: Chapter reference refers to theory to be applied to this case.

Question 1: What is the significance of the observations made by the author Catherine Hockley in her article regarding market failure and pollution: ‘*Be Warned: Pollute and Pay the Price*’ about the stormwater pollution? Why does the author suggest that polluters should pay the price for polluting?

Question 2: Why do people allow pollutants to enter stormwater drains when they know they can cause serious environmental damage? Illustrate and explain this negative externality caused by stormwater pollution.

Question 3: Apply marginal-cost and marginal-benefit analysis to illustrate and explain how the system of fines and pollution taxes impact on the level of pollution.

Question 4: Would the most efficient pollution control regulatory system necessarily ensure that there would be zero pollution? Illustrate and explain your answer.

ECON11026 Part B-Assignment Marking Sheet

Student Name _____

S/N _____

Marking Criteria	Weight					
Overall presentation						
Structure and organisation of the paper	1					
Clarity of expression	1					
Evidence of wide reading and research (in-text and end-text referencing)	1					
Application of theory to practice	9 x 4		Q 1	Q 2	Q 3	Q 4
Define key terms, explain key issue and problem in the case	3					
Identify and explain assumptions	1					
Provide appropriately adapted graphical illustration/s with explanation	2					
Provide critical analysis of the question drawing theory from relevant chapter topics	3					
Provide synthesis/conclusions of the case, highlighting overarching economic issues	1					
<i>Add marks for each criterion then divide by 2.</i>	___/40					
Final mark for Assessment Item Part A	___/20					

Additional Comments:

Markers Signature

Date

Examination

Due date: During examination period at the end of term.

Weighting: 60%

Length: Duration 3 hours

Examination conditions

- The examination is **closed-book**. Closed-book means you are not permitted to take any materials into the examination room with you unless specified.
- You may take a non-programmable, no text retrieval, silent only calculator into the examination room in accordance with CQUniversity policy.
- You may take a non-electronic, concise, direct translation – only dictionary into the examination room in accordance with CQUniversity policy. Dictionary must not contain any notes or comments.
- Perusal time: 15 minutes.

View the University's policy on examination in the Assessment of Coursework Policy at:

<http://policy.cqu.edu.au>

View important examination information at:

<http://handbook.cqu.edu.au/Handbook/information.jsp?id=126>

The examination timetables will be made available later in the term on the timetabling website.

Further information on the examination will be available on your course website during the term and within your revision lecture.

NOTE: The examination information provided in this Course Profile also relates to Deferred Exams. No separate advice will be provided in the case of a deferred/supplementary exam.