



BUSINESS SCHOOL  
Te Kura Pakihi

# COURSE OUTLINE

BSNS 113

Economic Principles and Policy

Semester One 2025

## Paper Description and Aims

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Have you ever stopped to wonder at how easy it is, given you have the cash (or credit), to go out and buy almost anything you want? How is it that such a wide range of goods and services are produced in roughly the right amounts often at surprisingly low cost, and then distributed to the people who want them? This paper builds an understanding of how, and how well, our market-oriented economy gets this done. We use a variety of simple yet revealing graphical models to study the mechanics of markets and the market system, and to evaluate the outcomes. We identify factors that can inhibit markets functioning, and evaluate public policies used to counter-act these inhibitors, both in individual markets and in the macro economy. In particular, we study issues around international trade, business strategy, competition policy, the environment, taxation, and cycles in exchange, interest, unemployment, inflation and growth rates.

There are no pre-requisites beyond those for University Entrance (basic literacy and numeracy). BSNS113 does not assume prior knowledge of Economics.

## Learning Outcomes

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This course gives you an introductory understanding of how our mixed market economy operates, and how to apply that understanding to help you make better business and personal decisions.

Specific learning outcomes include using economic models and reasoning to:

- improve personal and business decision making
- explain why there are gains from inter-personal, inter-regional and international trade
- explain and evaluate how a well-functioning market system allocates scarce resources
  - predict how consumers and businesses respond to changes in market conditions
  - evaluate the effects of constraints imposed on market prices or quantities, e.g. price controls, import quota, and excise taxes and import tariffs
- identify and describe conditions that can lead to “market failure” and analyse government policies that respond to
  - environmental degradation, i.e. externalities/tragedy of the commons
  - departures from rational behaviour (behavioural economics)
  - anti-competitive behaviour
- improve personal and business decision making
- discuss the influence of the market and public policy on the distribution of income
- examine market structure, economic actors decisions and impact on market outcomes
- describe and interpret key measures of macroeconomic performance discussed in business publications
- describe the business cycle and explain countercyclical monetary and fiscal policy (including what causes inflation and unemployment)

# Teaching Staff and Enquiries

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If you wish to change tutorial streams, there needs to be an appropriate justification for the request, please email Terry Kerr ([terrence.kerr@otago.ac.nz](mailto:terrence.kerr@otago.ac.nz)). All other administrative queries should also go to Terry unless stated otherwise in this course outline.

When emailing us the subject line must contain the paper code (BSNS113), your full name and your student ID. Please email from your university student email account to diminish the possibility of emails being directed to spam/junk folders.

For enquiries about course content (that is, what is covered in class) please contact the lecturer concerned (contact details are given below).

## Paper Coordinator and Lecturer

Name: Ronald Peeters  
Office: OBS601  
Email: [ronald.peeters@otago.ac.nz](mailto:ronald.peeters@otago.ac.nz)  
Office Hours: Mon 13-14; Tue 13-14; Thu 13-14  
Note: Ronald's office hours may change after the first 7 weeks of the semester.

## Lecturer

Name: Terry Kerr  
Office: OBS604  
Email: [terrence.kerr@otago.ac.nz](mailto:terrence.kerr@otago.ac.nz)  
Office Hours: TBA

# Course Delivery

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Lecture Day/Time:	Stream 1	Stream 2
	Monday 15:00 – 15:50	Tuesday 15:00 – 15:50
	Wednesday 14:00 – 14:50	Wednesday 15:00 – 15:50
	Thursday 11:00 – 11:50	Friday 12:00 – 12:50
Rooms:	See eVision	
Tutorial Times and Venues:	See eVision	

## Lectures

Lectures introduce key economic concepts and models, demonstrate how they work in theory and how they shed light on real-world, including New Zealand specific, situations. Readings from the textbook and other sources posted on Blackboard complement lectures and each other to build understanding of the material.

## Tutorials

Tutorials are interactive, collaborative sessions in which students work in smaller groups with their peers in a supportive environment to cement concepts presented at lectures. More specifically, tutorials provide the opportunity to work on a series of tasks designed to apply the concepts that have been introduced in lectures and the readings, and to stimulate your interest in the course as it applies to “everyday” issues. The key feature of tutorials, as opposed to lectures and individual study, is participation with all members of the tutorial group. **Make sure you download and attempt the questions on the tutorial worksheet before your tutorial.**

Tutorials begin in the **second** week of the semester. You will be allocated to a tutorial stream and this will be available in eVision. Tutorial times and locations will be posted on Blackboard during the first week of lectures. **If you wish to change tutorial group (Note there needs to be an appropriate justification for the request) please email Terry Kerr ([terrence.kerr@otago.ac.nz](mailto:terrence.kerr@otago.ac.nz)).**

Model answers to tutorial questions will **NOT** be provided under any circumstances, nor will tutorials be recorded.

## Course Calendar

The course calendar (in this outline) details scheduling information. This calendar may change as the course proceeds. Any changes will be announced at lectures and on Blackboard.

*Students are expected to prepare for and attend all lectures and tutorials **in person**.* If you have to miss a lecture you are expected to catch up on missed material. Lecture slides and readings in addition to those in the textbook will be posted on Blackboard. Additionally, lectures will be recorded and made available via Blackboard. Lecture recordings are being made available to assist with revision, and to help people catch up who miss a class through illness. The recordings should not be considered a substitute for attending lectures in person unless you are unwell. Unless stated otherwise, all aspects of the course are examinable.

## Expectations and Workload

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The University’s workload ‘rule of thumb’ for an 18 point Semester course is **10 hours per week**. Four of these hours are spent in lectures and a tutorial each week – leaving six hours per week for your own reading, study and revision, and working through the weekly quiz.

## Course Learning Resources

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GANS, KING, STONECASH, BYFORD, LIBICH AND MANKIW, 2018. *Principles of Economics: Asia Pacific Edition*, 7<sup>th</sup> edition. Melbourne: Cengage Learning.

You can access the material in the textbook in a variety of ways:

- Buy a new paperback copy from the University Bookshop for \$174.50.
- Buy an electronic copy of the textbook for \$79.95 from the publisher's website:  
<https://nz.cengage.com/c/principles-of-economics-asia-pacific-edition-44-7th-edition-7e-gans-gans-king-stonecash-byford-libich-mankiw/9780170382656/?filterBy=Student>
- Buy a second-hand copy of the 5<sup>th</sup>, 6<sup>th</sup> or 7<sup>th</sup> ed. on the 'informal' market, price negotiable.
- Borrow one of six copies on two-hour reserve in the Central Library.

## Blackboard

Blackboard <https://blackboard.otago.ac.nz/> provides you with access to course materials, class notices, and resources. Blackboard is used to email the whole class so it is important that you check your student email and Blackboard regularly.

## Student Emails

If you need to contact us, please use your **student email account** and write the paper code (BSNS113), your full name and your student ID in the **subject line**.

Check your student email and the *Blackboard* page regularly as we use your student email account if we need to contact you and we post important messages relevant to the whole class on Blackboard.

If you wish for your student emails to be forwarded to another email address, follow this link

[https://www.otago.ac.nz/\\_data/assets/pdf\\_file/0021/315381/2043-forwarding\\_studentmail\\_to\\_other\\_email\\_address.pdf](https://www.otago.ac.nz/_data/assets/pdf_file/0021/315381/2043-forwarding_studentmail_to_other_email_address.pdf)

## Assessment

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All material presented is examinable (except where stated otherwise) by weekly quizzes, the mid-semester test and the final examination. All important assessment information such as due dates and times, content, guidelines and so on will be discussed at lectures and, where appropriate, detailed on Blackboard. *Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.*

Your learning will be assessed in three ways:

Assessment	Weight	Plussage
Weekly quizzes	10%	No
Mid-semester test	30%	Yes
Final examination	60%	Not applicable

### *The weekly quizzes*

Every Monday at 9:00 o'clock in the morning, starting Monday 3 March, we will post a quiz on Blackboard. Each quiz will consist of 12 multiple choice questions, similar to what you can expect to see on the mid-semester test and final exam. The quiz will be available to work on for one week only

(that is, you need to complete it prior to 9:00 am the Monday after it is first posted), when the next quiz will appear.

You submit your answers to the quiz on Blackboard, which marks your quiz automatically and posts your result to Grade Centre. You are welcome, in fact encouraged, to work with other people on the quiz, but **you must submit your answers individually** before the next quiz appears at 9:00 am on the following Monday. There will be a total of 11 weekly quizzes.

Each of your **ten best** quizzes will count up to 1 mark (1%) toward your final course mark. So, you can miss one quiz without any loss. We will also count up to 10 correct answers out of a possible 12, so you can get two questions incorrect and still receive the full mark for the quiz. If you get fewer than 10 answers correct on any given quiz, you will receive the relevant percent of a mark for the quiz, e.g. if you get six correct you get a mark of 0.6 for that quiz.

Extensions will **NOT** be given for the weekly quiz. You have a full week to complete the quiz, and the quiz can be completed from anywhere there is internet access. The quiz is marked automatically at the due date and time.

One of the reasons we count only the best 10 quiz marks is in recognition that you may have a good reason for missing the deadline for one quiz during the course. If you think you have a good reason (see items below with respect to missing the mid-semester test) for missing the deadline for more than one quiz, **please contact the course coordinator (Ronald)**.

### ***The mid-semester test***

The mid-semester test will be held on Monday 14 April at 7pm. Location will be communicated close to the date via Blackboard. The test covers all the material from the first seven weeks of lectures and the first six tutorials. It will consist of **30 multiple-choice questions** which you will have **60 minutes** to answer.

If the test clashes with another university test held the same evening we will make alternative arrangements for you to sit the test at another time (most likely at another time the same evening). **If you have a clash with another university test, please contact the course coordinator (Ronald) at least two weeks prior to the test.**

If you miss the test due to

1. Serious illness or injury,
2. Testing positive for Covid-19, on the day or in the 7 days before the test,
3. Bereavement of a significant other,
4. Serious psychological impairment,
5. Critical personal circumstances involving the health or wellbeing of a relative or close friends, or
6. Any other exceptional circumstances beyond your control (e.g. natural disaster, damage to significant property, impacts arising from being the victim of a crime, etc.),

then please contact the course coordinator (Ronald). You will be offered the option of sitting an alternative test at a time to be determined but likely in the week beginning 28 April. If you're unable

to sit the alternate test, either due to continuing impairment or the time does not suit, plussage will automatically apply.

If you have other reasons for missing the test, e.g., a sports practice or match, plussage automatically applies – it's your choice if you sit or skip the test.

### ***The final exam***

The final exam covers material from any part of the course, and consists of **60 multiple-choice questions**. The final exam is of **two hours** duration. The date and time of the exam will appear in your exam timetable in eVision later in the semester.

Past exams for BSNS113 are not available on either *Blackboard* or the Library's exam webpage. However, you get to see 12 multi-choice questions every week that are similar to the questions on the mid-semester test and final exam. There are additional multi-choice questions at the end of every chapter in the textbook.

Anyone who has enrolled in the paper can sit the final exam. That is, there is no "terms requirement" for BSNS113. However, we strongly recommend that you attend all lectures and tutorials and study for and sit the mid-semester test, i.e. to make full use of the resources available to you.

### ***Plussage***

Plussage means that your mid-semester test mark will count towards your final mark **only if** it exceeds (in percentage terms) your final exam mark. We calculate your final mark in two ways:

weekly quizzes (10%) + mid-semester test (30%) + final exam (60%)

weekly quizzes (10%) + final exam (90%)

Your final mark is the higher of the two. So, if your mid-semester test mark in percentage terms is lower than your final exam mark (*or if you were absent from the mid-semester test*) then your final exam mark contributes 90% to your final mark.

The aim of plussage is to enable students who perform poorly on an internal assessment to demonstrate improvement on the final exam. Your grade thereby better reflects what you know at the end of the paper.

The risk with plussage is that it can tempt you to skip the mid-semester test or not prepare for it seriously. We advise that you resist this temptation because:

- Studying for the test helps prepare you for the final exam and the material in the second half of the semester.
- The test provides feedback on how well you are coping with the course material.
- It is likely that studying for and sitting the mid-semester test will improve your final mark because many people do better on the test than on the final exam (in percentage terms).
- Your performance on the mid-semester test factors in to determine your eligibility for 'Special Consideration' should you be ill or otherwise impaired during the final exam.

**Your scores on quizzes and the mid-semester test will be posted on Blackboard's Grade Centre.** Make sure that you check occasionally to verify that internal assessments are getting recorded properly.

### Grading System

The grading scheme used at Otago is:

<b>A+</b>	90-100	<b>B+</b>	75-59	<b>C+</b>	60-64	<b>D</b>	40-49
<b>A</b>	85-89	<b>B</b>	70-74	<b>C</b>	55-59	<b>E</b>	<40
<b>A-</b>	80-84	<b>B-</b>	65-69	<b>C-</b>	50-54		

### Academic Integrity and Academic Misconduct (Plagiarism)

Students should ensure that all submitted work is their own. Plagiarism is a form of academic misconduct (cheating). It is defined as copying or paraphrasing another's work and presenting it as one's own. Any student found responsible for academic misconduct in any piece of work submitted for assessment shall be subject to the University's dishonest practice regulations, which may result in serious penalties, including forfeiture of marks for the piece of work submitted, a zero grade for the paper, or in extreme cases, exclusion from the University. The University of Otago reserves the right to use plagiarism detection tools.

Students are advised to inform themselves about University policies concerning dishonest practice and take up opportunities to improve their academic and information literacy. If necessary, seek advice from academic staff, or the Student Learning Centre. The guideline for students is available at this link: <http://www.otago.ac.nz/study/academicintegrity/index.html>

### Quality Assurance

At the Otago Business School we monitor the quality of student learning and your learning experience. Your assessed work may be used for assurance of learning processes, such as evaluating the level of achievement of learning outcomes, with the aim of improving the quality of our programmes. All material used for quality assurance purposes will be treated as confidential and the outcome will not affect your grades.



## Assessment of Learning

Learning Outcome	Weekly quizzes	Mid-semester test	Exam	Total
Apply economic reasoning to personal and business decisions.	✓	✓	✓	
Explain why there are gains from inter-personal, inter-regional and international trade	✓	✓	✓	
Explain and evaluate how a well-functioning market system allocates scarce resources				
predict how consumers and businesses respond to changes in market conditions	✓	✓	✓	
evaluate the effects of constraints imposed on market prices or quantities, e.g. price controls, import quota, and excise taxes and import tariffs	✓	✓	✓	
Identify and describe conditions that can lead to “market failure” and analyse government policies that respond to market failure				
environmental degradation i.e. externalities/tragedy of the commons	✓	✓	✓	
departures from rational behaviour (behavioural economics)	✓	✓	✓	
anti-competitive behaviour	✓		✓	
Discuss the influence of the market and public policy on the distribution of income	✓	✓	✓	
Describe and interpret key measures of macroeconomic performance discussed in business publications	✓		✓	
Describe the business cycle and explain countercyclical monetary and fiscal policy (including what causes inflation and unemployment).	✓		✓	
<b>Total</b>	10%	30%	60%	100%

# Course Calendar

Note: the topics in the table below are neatly organised into weeks, but some topics may take less than a week and others more; the table essentially shows the order in which topics will be covered. Lectures for Weeks 1-7 will be taken by Ronald Peeters and Weeks 8-13 will be taken by Terry Kerr.

Week Number	Week Commencing	Topic	Reading
1	Monday 24 February	<i>Intro to the course</i> Subject matter and methods of economic reasoning A simple but potent economic model: production possibilities	Ch. 1, 2 text Ch. 2 text
2	Monday 3 March	Gains from specialisation and trade <i>The supply demand model</i> Market demand	Ch. 3 text Ch. 4 text
3	Monday 10 March	Market supply The 'equilibrium' market price Why market prices change Responsiveness to price changes (elasticity)	Ch. 4 text Ch. 5 text
4	Monday 17 March	Elasticities contd. Market effects of price controls (e.g. min wage, max rent) Market effects of tax/subsidy <i>Evaluating constraints on prices and sales</i> Efficiency of competitive markets	Ch. 5 text Ch. 6 text Ch.7 text
5	Monday 24 March	Market and welfare analysis of: taxes and subsidies import tariffs and quota	Ch. 8 text Ch. 9 text
6	Monday 31 March	When markets don't work well Environmental externalities Public goods/commons tragedy	Ch. 10 text Ch. 11 text

7	Monday 7 April	<i>Behavioural economics</i> 'Irrational' behaviour Fairness and income inequality	Ch. 23 (part) Ch. 21 text
8	Monday 14 April (Note: there is no lecture on Thu 17 Apr, since Fri 18 Apr is Good Friday)	<i>The firm in a competitive market</i> How a business that produces a commodity should react to changes in market conditions	Ch. 13, 14 text
<b>Mid-semester break: Friday 18 March through Sunday 27 April inclusive</b>			
9	Monday 28 April	Monopoly Monopolistic competition	Ch. 15 text Ch. 16 text
10	Monday 5 May	Oligopoly strategy Competition policy	Ch. 17 text Ch. 18 text
11	Monday 12 May	Cycles in Gross domestic product (GDP) & Unemployment Fiscal Policy	Readings supplied via Blackboard
12	Monday 19 May	Cost of living Monetary Policy Exchange rates	Readings supplied via Blackboard
13	Monday 26 May	Catch-up and/or Revision	

# Student Learning Support and Information

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## Student Charter

<http://www.otago.ac.nz/about/otago0005275.html>

## Guidelines for Learning at Otago

<https://www.otago.ac.nz/hedc/otago616123.pdf>

## Student Learning Centre

Student Learning Development, which is part of the Higher Education Development Centre, provides learning support, free of charge, to ALL enrolled students. Their services include:

- a workshop programme designed to help students to improve their learning strategies and their generic skills;
- individual assistance with learning issues;
- on-line study skills advice;
- a student leadership programme;
- a student-led peer support programme for students of all ages and backgrounds;
- conversational English groups for students from a non-English speaking background .

They have several helpful study guides available via their website: <http://slc.otago.ac.nz/>.

## Library Support

The Library website <http://www.otago.ac.nz/library> provides access to resources and services, including group room bookings, library hours and locations, past exam papers, subject guides, article databases and more.

If you need assistance either check out the self-help guides <http://otago.libguides.com/selfhelp>, or ask Library staff at the ground floor service desks, or email [ask.library@otago.ac.nz](mailto:ask.library@otago.ac.nz).

## Pacific Student Support Facilitators

Malo e lelei

Falaviena Faiva works part-time in the Dean's Office at the Otago Business School, Division of Commerce. Falaviena is of Tongan descent and one of our two Pacific Student Support Facilitators. She is responsible for all **second-year** Pacific students within the division.

Falaviena is a University of Otago, Humanities and Commerce graduate and is currently completing a Postgraduate Commerce degree in International Business.

Deans Office, Otago Business School

Division of Commerce

Email: [viena.faiva@otago.ac.nz](mailto:viena.faiva@otago.ac.nz)

Cell Phone: 021 279 0914

Bula Vinaka

Jekope Ramala Maiono also works part time in the Dean's Office at the Otago Business School, Division of Commerce.

Jekope is of Fijian descent and our other Pacific Student Support Facilitator. He is responsible for all **first-year** Pacific students in the division.

Maiono is a University of Otago Commerce graduate, also studying a PHD degree in the Division of Humanities.

Deans Office, Otago Business School

Division of Commerce

Email: [jekope.maiono@otago.ac.nz](mailto:jekope.maiono@otago.ac.nz)

Cell Phone: 021 279 0871

### **Kaiāwhina Māori | Māori student support**

Ben is the Kaiāwhina Māori (Māori student support) for Te Kura Pākihi | Otago Business School. He is able to answer any questions you may have about studying here at the University of Otago. He can provide information about scholarships, campus services, pastoral and financial care. Ben is also here to support those students who are studying away from their whānau, hapū and iwi, to ensure they feel safe and supported. He has a passion for the development of Rangatahi and understands the struggles that can come with academic life.

Tel +64 27 513 6991

Email [ben.sommerville@otago.ac.nz](mailto:ben.sommerville@otago.ac.nz)

### **Disability Information and Support**

Students are encouraged to seek support if they are having difficulty with their studies due to disability, temporary or permanent impairment, injury or chronic illness. It is important to seek help early, through one of the contacts below:

Website: <http://www.otago.ac.nz/disabilities>

65 Albany St, West Lane, ISB, Student Services

Tel: +64 3 479 8235

Email: [disabilities@otago.ac.nz](mailto:disabilities@otago.ac.nz)

### **Reception Economics Department**

The Reception of the Department of Economics will only be open between 11.00am-12.00pm and 2.00pm-3.00pm daily, unless otherwise advised.

# Student Feedback

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We encourage your feedback. This can be in the form of contacting staff, participating in course evaluation surveys, and communicating with class representatives. Continual improvements will be made to this course based in part on student feedback.

## **Class Representatives**

The class (or student) representative system is an avenue for encouraging communication and consultation between staff and students. It provides you with a vehicle for communicating your views on the teaching and delivery of the paper and provides staff with an opportunity to communicate information and gain constructive feedback from students. It contributes to the development of a sense of community within a department and it adds a further dimension to the range of support services offered to students.

Volunteers for the role of class representatives will be called early in the semester. The OUSA invites all class representatives to a training session, conducted by OUSA, about what it means to be a class representative and some of the possible procedures for dealing with issues that arise. They also provide information on the services that OUSA offers and the role OUSA can play in solving problems that may occur. The OUSA provides support to class representatives during the semester. Departmental staff will also meet with class representatives during the semester to discuss general issues or matters they wish to have considered.

Your class representative's name and contact details will be posted on Blackboard early in the semester.

## **Concerns about the Course**

We hope you will feel comfortable coming to talk to us if you have a concern about the course. The Course Co-ordinator will be happy to discuss any concerns you may have. Alternatively, you can report your concerns to the Class Representative who will follow up with departmental staff. If, after making approaches via these channels, you do not feel that your concerns have been addressed, there are University channels that may aid resolution. For further advice or more information on these, contact the departmental administrator or head of department.

# Disclaimer

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While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.