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## **ECONOMICS 288**

**Lecturer: Lindi Boltman**

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Internal moderator: Prof Pierre de Villiers

### **1. MODULE OUTCOMES FOR THE YEAR**

After the successful completion of this module students would have achieved the following Learning Outcomes (LOs):

LO1- contextualise contemporary issues through a basic economic framework.

LO2- calculate/solve and interpret basic economic indicators/statistics.

LO3- engage, reason and work with peers on relevant economic issues/phenomena.

LO4- write concisely about economic issues.

### **2. COURSE OUTLINE TERM 2**

#### **Term 2 – Economic agents and the rules of the game**

Unit 4 introduces social interactions and show how undesirable economic outcomes or conflicting interests can be solved by using social preferences and norms such as fairness. After completing the second term you will be able to describe a Pareto criterion and how real-world social interactions have undesirable economic outcomes (unit 5). The firm is introduced in its internal structure of owners, managers, and employees in order to explain the business organisation, principal agents and their interactions under incomplete contracts (unit 6). The firm and its external interaction in an economic system is described to illustrate how supply to its customers occurs (unit 7). Buying and selling interactions in markets is modelled under competitive equilibrium. Price-setting and price-taking firms in a market show how models of perfect competition are a rarity and why (unit 8).

<a href="#">UNIT 4 – Social interactions</a>	
<p>After studying this unit, you should at least be able to:</p> <ul style="list-style-type: none"> <li>contextualise how choices are made using Game theory as a social interaction (matrix, sequential or repeated) (LO1)</li> <li>explain how social preferences and norms can lead to different outcomes in a game setting (LO2)</li> <li>distinguish between socially optimal outcomes and fairness (LO3)</li> </ul>	<p>Read: Units 4.1- 4.5 Unit 4.10</p>
<a href="#">UNIT 5 – Property and power: Mutual gains and conflict</a>	
<p>After studying this unit, you should at least be able to:</p> <ul style="list-style-type: none"> <li>contextualise and describe institutions and power (LO1)</li> <li>evaluate institutions and outcomes: Pareto criterion and fairness (LO3)</li> </ul>	<p>Read: Units 5.1- 5.3</p>
<a href="#">UNIT 6 – The firm: Owners, managers, and employees</a>	
<p>After studying this unit, you should at least be able to:</p> <ul style="list-style-type: none"> <li>identify a firm with its organisation of ownership and control (LO1)</li> <li>determine employment rents by counting the cost of job loss (LO2)</li> <li>Contextualise principle and agents and the interactions under incomplete contracts (LO1)</li> </ul>	<p>Read: Units 6.1- 6.5 Unit 6.10</p>
<a href="#">UNITS 7 and 8 – The firm, its customers, supply and demand</a>	
<p>After studying this unit, you should at least be able to:</p> <ul style="list-style-type: none"> <li>define economies of scale of a firm (LO1)</li> <li>determine cost functions of a firm’s production incentives (LO2)</li> <li>identifying a firm’s process of setting the price to maximise profit (LO3)</li> <li>write about why government tax policy is informed by elasticity of demand (LO4)</li> <li>evaluate price-setting firms and market power effects on the need for competition policy (LO3)</li> <li>distinguish between price-taking and price setting firms (LO1)</li> </ul>	<p>Read: Units 7.1-7.3 Units 7.4-7.6 Units 7.7-7.10 Units 8.1-8.5 Units 8.8-8.10</p>

### 3. IMPORTANT) ASSESSMENT INFORMATION

#### 3.1 Further Assessments (summative and/or formative)

Electronic Lab attendance (every Wednesday at 16:00) is compulsory. Submissions and/or quizzes are to be completed in the class. The further assessment contributes 10% towards your final mark each semester (in total 20% for the year).

6 April	<b>Activity 7</b>
13 April	<b>Activity 8</b>
20 April	<b>Activity 9</b>
4 May	<b>Activity 10</b>
11 May	<b>Activity 11</b>
18 May	<b>Activity 12</b>

### 3.2 Tutorials

Formative Tutorial attendance is advised. The start date and format of tutorials under ARTLA will be announced in class and will be available on SUNLearn.

### 3.3 Summative Assessments: Semester 1

<p><b><u>Assessment 2 Semester 1 (A2S1)</u></b></p> <p>Test</p> <p><b>11 June 14:00</b></p> <p>20%</p>
<p><b><u>FAS</u></b></p> <p>Semester 1 weekly computer lab/online assignments/quizzes</p> <p>10%</p>

## 4. GENERAL COURSE INFORMATION

It is imperative that you consult the separate General Information document (available on SUNLearn) regarding the prescribed text, goals of this course and specific information on administrative issues, assessments, etc. This document simply outlines the second term's work coverage.