



## Course Outline

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Economics  
School of Business & Economics  
ECON 3650 - **3.00** - Academic  
Government and Business

## Rationale

Update Curricunet to reflect standard course outlines established by the School.

## Calendar Description

Students utilize neoclassical and institutional economic theory to examine government intervention in the economy. Topics include competition and economic efficiency; market failure; institutional theory; private sector governance structures; the role of the state; public sector governance structures, including competition policy, price and entry regulation, prevention of anti-competitive practices, and public enterprise and ownership; and government failure.

## Credits/Hours

**Course Has Variable Hours:** No

**Credits:** 3.00

**Lecture Hours:** 3.00

**Seminar Hours:** 0

**Lab Hours:** 0

**Other Hours:** 0

*Clarify:*

**Total Hours:** 3.00

**Delivery Methods:** (Face to Face)

**Impact on Courses/Programs/Departments:** No change

**Repeat Types:** A - Once for credit (default)

**Grading Methods:** (S - Academic, Career Tech, UPrep)

## Educational Objectives/Outcomes

1. Identify the causes of market failure.
2. Describe the basics of institutional economic theory.
3. Explain the differences between economic theory and facts and personal beliefs about regulation.
4. Apply basic neoclassical and institutional economic theory to explain why and when one might support or oppose a particular regulatory intervention.
5. Discuss roles played by both facts and beliefs in the success or failure of regulatory policy.

## Prerequisites

ECON 1900-Principles of Microeconomics  
ECON 1950-Principles of Macroeconomics or  
POLI 1110-The Government and Politics of Canada

## Co-Requisites

## Recommended Requisites

## Exclusion Requisites

Students may not receive credit for both ECON 3650 and POLI 3650.

## Texts/Materials

### Textbooks

1. **Required** James A. Brander. *Government Policy Toward Business*, 4th ed. Toronto: Wiley & Sons, 2006
2. **Required** John Groenewegen. *Institutional Economics- An Introduction* London, England: Palgrave Macmillan, 2010

## Student Evaluation

The Course grade is based on the following course evaluations.

Projects (40.00%) Midterm(s) (30.00%) Final exam (30.00%)

**Please note that when taken for an Arts degree, this course is an upper level, writing intensive course. As a result, more weight is placed on projects.**

## Course Topics

1. Introduction
  - Economic actors and institutions Fundamental
    - economic concepts
    - Economic institutions
  - Canada – a small open economy
2. Markets and Economic Efficiency
  - Competition and economic efficiency – structure and performance
    - WWPC and economic efficiency
  - Imperfect competition - other market structures
    - Monopolies
    - Other forms of market failure
3. Institutional Theory
  - Theoretical framework – OIE versus NIE
  - Static approaches to institutions
  - Dynamics of institutions
4. Private Governance Structures

- Markets
- Firms

#### 5. Role of the State

- Normative analysis and fairness
- Governments
  - Positive analysis
  - Rules of the game
  - Status quo

Rent seeking

#### 6. Government Policy Towards Business – Public Governance Structure

- State intervention in the public interest
- Competition policy and anti-competitive practices
- Regulation of seriously imperfect competition Price
  - and entry regulation
  - Major areas of private sector regulation
  - Public enterprise and public ownership

Macroeconomic policy - jobs

#### 7. Government Failure

## **Methods for Prior Learning Assessment and Recognition**

As per TRU Policy

### **Last Action Taken**

Implement by Submission Preview Subcommittee Chair Peggy McKimmon

Current Date: 27-Oct-20