

**MINISTRY OF EDUCATION AND SCIENCE OF THE REPUBLIC
OF KAZAKHSTAN**

**SULEYMAN DEMIREL UNIVERSITY
FACULTY OF ECONOMICS**

**“CONFIRM”
Vice-rector on Academic Affairs**

**_____ Mr. Halit Yilmaz
“ ” _____ 2010**

**Educational Program: Baccalaureate
Specialty: 050506-Economics
Form of education: daytime**

SYLLABUS

**On the course POLITICAL ECONOMY
Specialty 050506 - Economics**

**Year: 3
Semester: 6
Number of credits: 3 (lectures - 2 hours, practical – 1 hour)
Instructor: Dr. Kenneth R. Szulczyk
Tel.: 229-7190
Office: #B126**

**ALMATY
2010**

Completed by: Instructor Dr. Szulczyk

The syllabus has been developed on the basis of the Typical and Working Programs of the course for students of Specialty 050506 - Economics

Agreed at the meeting of the Faculty of “Economics”

Minutes № __ of _____ 200____ .

Head of the Department _____ Dr. Mesut Yilmaz.

Approved by the Educational Methodical Committee of the Undergraduate Department

Minutes № __ of _____ 200____ .

Dean of the Faculty _____ Dr. Mesut Yilmaz.

Course: Political Economy

Code: ECO 310

Number of credits: 3

Instructor's name	Time and location		Contact
	Lectures	Practical	
Dr. Kenneth R. Szulczyk	Friday 10: 30 -12:20	Wed. 9:30-10:20	Tel: 229-7190 Cell: 8 7779735626

I. COURSE DESCRIPTION

This course explores the economics of government. The course begins by defining capitalism and its foundation, private property and private ownership of capital. Then the theories of Karl Marx and Vladimir Lenin illuminate several shortcomings of capitalism. Since few countries are communistic, we turn our focus to markets. Consequently, students learn why government enters and regulates markets and industries. In some cases, government may actually own and/or directly manage an industry. Furthermore, students learn the impact of taxes, subsidies, and regulations on markets. Finally, with globalization being a prevailing force, students learn the benefits of free trade and learn how and why government restricts free trade.

II .COURSE OBJECTIVES:

Upon successful completion of this course students will be able to:

1. Describe and define the *laissez faire* capitalism and contrast it with communism.
2. Understand why property rights are the foundation of capitalism.
3. Explain why government intervenes in markets and be able to define Parkinson's Law.
4. Describe and explain the characteristics of competitive markets and why the maximize society's welfare.
5. Explain the impact of price controls, taxes, and subsidies have on a market and why government uses them.
6. Understand how free trade increases aggregate world production and why government restricts free trade.

7. Outline the problems of monopolies and methods government can use to regulate them.
8. Identify the benefits and problems of public enterprises.

III. LEARNING OBJECTIVES:

Students will learn the following topics:

1. The Role of Government in a society with *laissez faire* capitalism.
2. How competitive markets function and determine changes in market prices and quantities if something changes in a market.
3. The ideas of Karl Marx and Lenin and problems with capitalism
4. Government regulations and Parkinson's Law
5. Competitive markets and social welfare
6. Government price ceilings, price floors, and black markets
7. The impact of taxes and subsidies on a market
8. Economics of free trade
9. Methods that government use to limit free trade
10. Export growth policy of Asian Tigers
11. Production cost functions
12. The regulation of monopolies
13. Problems with monopolies
14. Cost and benefits of public enterprises

IV. PRE-REQUISITS

Microeconomics

V. TEXTBOOKS

The textbook is available as Word and pdf files and will be made available to students.

Required Texts:

1. Balaam, David N. and Michael Veseth. *Introduction to International Political Economy* (Second Ed., 2001), Prentice Hall
2. Szulczyk, Kenneth R. 2010. *Economics of Government*. Ebook

Required Reading: Students are encouraged to surf the Internet for information relevant to classroom topics of discussion. These sites are particularly helpful:

1. <http://econpapers.repec.org/>
2. <http://www.oswego.edu/~economic/newbooks.htm>
3. <http://economics.about.com/>
4. www.wikipedia.org

VI. PROCEDURES AND REQUIREMENTS:

1. **Class Participation** -- Students should come to class well prepared, having read the assigned material. They are encouraged to ask questions, make comments, and participate in class discussions. Students who are late or absent are not properly participating in our class, regardless of how involved they may be when present.

2. **Attendance and Dishonesty** -- Students are required to attend classes on a regular basis. University policy will be followed when students miss their class appointments, or engage in any form of academic dishonesty. In both cases, students may be awarded a failing grade for their actions.

3. **Written assignments**-- All papers must be typed, double spaced with a one inch margin, and 12 point New Times Roman font. I expect correct spelling and proper grammar. Type your name, class, section number, and date in the title page also indicate the assignment in the title. You must cite your research sources according to MLA or APA guidelines. Be careful not to plagiarize. If you are unfamiliar with citing sources and plagiarism, read about them on the internet, at the library, or ask me.

Essay:

This assignment is compulsory and must be submitted in the 14 week. It is graded for 15 marks. You are required to write a course essay on any of the topics listed discussed in class. Each paper must be 4 pages in length. You are required to cite a minimum of 5 references from reputable sources journals, Internet, books etc.

I strongly recommend you choose a topic that could be expanded into your senior thesis.

4. **Examinations** – There will be two mid-term exams and one final exam during the semester. The test questions will be short answer essay. Sample questions are posted on my website at: www.ken-szulczyk.com.

5. **Late assignments** -- Late assignments will not be accepted. A zero will be recorded when cases, assignments, presentations, projects, or examinations are not completed at the regularly scheduled time.

VII EVALUATION

The course grade will be based upon the following criteria:

Assignment type	Week	Marks
Participation: [Participation = Attendance + Questions + Comments + Suggestions + Etc] Home work/ Quizzes etc...	1-7	7.5 %
Midterm 1	7th week	15%
Participation: [Participation = Attendance + Questions + Comments + Suggestions + Etc] Home work/ Quizzes etc...	8-14	7.5%
Midterm 2	14th week	15%
Essay	16th week	15%
Final Exam	16th week	40%
TOTAL		100%

Essay: This assignment is compulsory and must be submitted in the 16th week.

Note: Students who fail to submit the course work on time will receive ‘F’ grade in the ECO course.

VIII COURSE SCHEDULE AND READING ASSIGNMENTS:

The course schedule and assignments are listed below. This is your road map to the course, so please read it carefully.

Weeks	Topics of Lectures (2 hours per week)	Self study/ (3 hours per week)	Form of Control	Text:
1	Marx, Lenin, and the Structuralist Perspective	Exercise 4 at end of chapter		Read Chapter 4 in Balaam
2	Economics Systems and the Role of Government	Exercises 3, 6, 8, 9, and 10 in Chapter 1		Read Chapter 1 in Szulczyk
3	Government Regulations and Parkinson's Law	Exercises 2, 3, and 6 in Chapter 2		Read Chapter 2 in Szulczyk
4	Review – Demand, Supply, and the Market Process – Part I	Exercises 3, 6, and 7 in Chapter 3	Quiz - 5 points	Read Chapter 3 in Szulczyk
5	Review – Demand, Supply, and the Market Process – Part II	Exercises 10, 13, and 15 in Chapter 3		
6	Government Price Controls and Black Markets	Exercises 2, 5, 8, and 9 in Chapter 4	Homework - 2.5 points	Read Chapter 4 in Szulczyk
7	Midterm Exam I		15 points	
8	Government Tariffs, Quotas, and Other Trade Restriction – Part I	Exercises 2,3 5,and 6, 7, and 11 in Chapter 5		Read Chapter 5 in Szulczyk
9	Government Tariffs, Quotas, and Other Trade Restriction – Part II	Exercises 7, 9, and 11 in Chapter 5		
10	Review – Production Cost Functions	Exercises 2, 4, 5, and 8 in Chapter 6	Quiz - 5 points	Read Chapter 6 in Szulczyk
11	Competitive Markets	Exercises 1, 3, 6, and 9 in Chapter 7	Homework 2.5 points	Read Chapter 7 in Szulczyk

12	Regulating Monopolies	Exercises 1, 5,6, and 9 in Chapter 8		Read Chapter 8 in Szulczyk
13	Public Enterprises	Exercises 1, 4, and 5 in Chapter 9		Read Chapter 9 in Szulczyk
14	Review; Essay is due		15 Points	
15	Midterm Exam II		15 Points	
	Final Exam		40 Points	
Total			100 points	

IX. References:

1) Vermeylen, Koen. 2009. *The Neoclassical Growth Model and Ricardian Equivalence*. Bookboon.com

2) Andolfatto, David. 2005. *Macroeconomic Theory and Policy*. Simon Fraser University.

Gwartney, James D. Gwartney, Richard L. Stroup, Russell S. Sobel, and David Macpherson. 2005. *Economics: Private & Public Choice*, South-Western College Pub, 11th Edition