

# Junior Sophister 2020

## EC3161 ECONOMICS OF POLICY ISSUES

### Introduction

The marks for this module are divided between a group assignment (15%), an individual policy analysis paper (35%) and the final examination (50%). The details are as follows:

### Group Presentations (15%)

Students will be assigned randomly into groups of 4 to prepare a presentation on a policy issue assigned to them. In tutorials after reading week students will present their findings as a team. Due to the higher number of students taking the module this year, one or two groups of 7-9 students will instead be involved in an Irish election focused debate focused on economic issues in week 3. Students who participate in the debate are exempt for the group presentation.

### Group Policy Analysis Paper (35%)

This individual analysis paper accounts for 35 per cent. The essay is due at 5pm on April 10<sup>th</sup> (Week 33) and should be submitted online to [www.turnitin.com](http://www.turnitin.com). To log into turnitin you will require your email address and a password that will be provided in advance. The policy analysis paper will be between 2,000 and 3,000 words in total and should be single-spaced. Penalties will be applied for every day the assignment is late. Detailed advice on how to write a policy analysis paper will be provided during the module.

### Final Examination (50%)

This is a 90-minute exam and students are required to answer two question. Questions similar to the following will appear on the examination. One question from the A, B, C and D will feature on the exam. The supplemental examination will take the same format.

- A1 Discuss the outcome of political competition when voters consider one issue. How do the outcomes change when the number of issues increase, and expressive voting and absenteeism are considered?
- A2 Discuss the impact of moral hazard on social insurance contracts. Examine the role of public policy in overcoming the effects of moral hazard.
  
- B1 Within the context of alternative social welfare functions, discuss the fundamental choice between social equality and efficiency faced in the pursuit of social justice. Outline the nature of the leaky bucket of redistribution and the Laffer curve in your answer.
- B2
  - a) Outline the concepts of efficiency and social justice in the context of optimal taxation. Can both objectives be achieved simultaneously?
  - b) Discuss the impact of mobile factors of production on the optimal tax rate.
  
- C1 Discuss the attributes of the intergenerational social contract, the potential for voluntary provision for retirement and the challenges faced in moving to a fully funded pension system. Make reference to illustrative examples where possible.
- C2
  - a) Examine the role played by the median voter under a system of majority voting in deciding the level of public goods and redistribution in society.
  - b) Discuss how logrolling (coalitions) lead to alternative outcomes in pair-wise majority voting.
  
- D1 Discuss the attributes and consequences of the various forms of welfare entitlements. Do welfare entitlements achieve equal opportunity in practice?
- D2 Discuss the potential for the achievement of social justice in the absence of government and insurance markets. How might a donor's charitable intentions be exploited and how might they overcome such exploitation?

### Exam/Test Preparation Advice

Some students prefer to answer questions by relying on argument and discussion while others tend to focus on mechanically illustrating their point through models and algebra where possible. While excellent answers are possible following one or the other of these approaches, the highest marks will mostly likely go for answers that skillfully combine each approach.

High marks will be achieved by:

- Presenting clearly and explaining well the technical details through diagrams, algebra, including reference to assumptions.
- Enlightened discussion of relevant material that is precise, skillfully ties the material together, recognises alternative perspectives and makes reference to useful examples where possible.
- Each answer should have an introduction and a conclusion, and each paragraph should ideally have a specific theme, argument or purpose.
- Using all relevant material covered in class and in the core textbook to answer each question.

**Voluntary Essay Submission**

Students have the option to electronically submit a sample essay for review before Tuesday 24<sup>th</sup> March at 5pm. I will provide feedback on how the essay might be improved as soon as possible. Late submissions will not be accepted.