



(Tentative) Course Syllabus
For
Economics Courses
Semester 2/2019

Course Outline

EE211 PRINCIPLES OF MICROECONOMICS

Course Description:

The principles of microeconomics regarding value, price, resource allocation, introduction to theories of consumption and production with an emphasis on factors determining demand and supply of goods and services, determination of prices and efficiency of resource allocation in perfectly and imperfectly competitive markets; Basic theories regarding factor market and introductory concepts of market failures.

Evaluation:

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| Quizzes | 10 % |
| Midterm Exam | 40 % |
| Final Exam | 50 % |

Academic Honesty:

You are expected to be honest in all of your academic work. Copying is plagiarism and will be treated as an honor code violation. Potential sanctions include failure in the course and suspension from the university.

Exercises and Quizzes:

To stimulate active learning, we plan to give an exercise twice a month. An exercise will be given once a topic is complete and test on the topic will be held on the following week. Information concerning exercises and quizzes is as below

| Topic | Released Date of Exercises | Dates and Time on Quizzes |
|---|----------------------------|---------------------------|
| Demand, Supply, and Equilibrium | | |
| Elasticity and Its Application Consumers, Producer Surplus, and the Efficiency of Markets | | |
| Applications on Demand, Supply, and Government Policies | | |
| The Theory of Consumer Choice | | |
| Production and Cost | | |

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| in the Short-Run | | |
| Production and Cost in the Long-Run | | |
| Market Structures | | |

Recommended Texts:

Frank, R.H. *Microeconomics and Behavior*. 8th ed. McGraw-Hill, 2010.

Krugman, P. and Robin Wells, *Microeconomics*. 2nd ed. Worth Publishers, 2008. (Hereafter, KW)

Lipsey, R.G., C.T.S. Ragan, and P.A. Storer. *Economics*, 13th ed. Pearson Addison Wesley, 2008.

Mankiw, N.G. *Principle of Microeconomics*, 5th ed. Thompson South-Western, 2009.

Note: The list is provided in alphabetical order; it does not indicate which one is preferred.

Supplementary Reading (for fun):

Frank, Robert. *The Economic Naturalist: In Search of Explanations for Everyday Enigmas* (Paperback). Basic Books (April 7, 2008). More information about his nice writings, visit <http://www.robert-h-frank.com/links.html>

Harcourt, Tim, *The Airport Economist*, Crows Nest: Allen & Unwin, 2008.

(URL: <http://www.theairporeconomist.com/>)

Harford, Tim. *The Undercover Economist: Exposing Why the Rich Are Rich, the Poor Are Poor--and Why You Can Never Buy a Decent Used Car!* Random House Trade Paperbacks (January 30, 2007).

Levitt D. [Steven](#) and [Stephen J. Dubner](#). *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*, William Morrow; Revised & Expand, Roughcut edition, 2006.

Marshall Jevons, *Murder at the Margin*, New Jersey: Princeton University Press, 1978, 1993.

The Fatal Equilibrium, New York: Balantine Books, 1985.

A Deadly Indifference, New Jersey: Princeton University Press, 1995.

[Wheelan](#), Charles. *Naked Economics: Undressing the Dismal Science*. W. W. Norton & Company (September 2003)

Movies:

“A Beautiful Mind” Universal Studios, 2001.

“Norma Rae” Trimark, 1979, video released 2001.

“Speed” Twentieth-Century Fox, 1994.

“The Rainmaker”, Paramount 1997

“Erin Brockovich” Universal, 2000.

“Hero” Miramax, 2004.

“Day After Tomorrow”, Fox 2004.

Some Useful Links

Student Resources for Frank’s text:

http://highered.mcgraw-hill.com/sites/0073375942/student_view0/index.html

Student Resources for KW’s text:

<http://bcs.worthpublishers.com/krugmanwellsmicro2/default.asp?s=&n=&i=&v=&o=&ns=0&uid=0&rau=0>

Student Resources for Lipsey et al.’s text:

http://wps.aw.com/aw_lipseyrast_economics_13/76/19534/5000899.cw/index.html

Student Resources for Mankiw’s text:

http://websites.swlearning.com/cgi-wadsworth/course_products_wp.pl?fid=M20b&product_isbn_issn=9780324589986&discipline_number=414

Nobel Prize in Economic Sciences: http://nobelprize.org/nobel_prizes/economics/shortfacts.html

Robert H. Frank: <http://www.robert-h-frank.com/>

Econ Ph.D. Net: <http://www.econphd.net/>

Hal R. Varian: <http://people.ischool.berkeley.edu/~hal/>

The Official Paul Krugman Web Page: <http://web.mit.edu/krugman/www/>

The Undercover Economist: <http://timharford.com>

The Airport Economist : <http://www.theairporeconomist.com>

The Economist Magazine: <http://www.economist.com>

Study Plan:

1. What is Economics All About?

(Self Review)

- 1.1.1) What is Economics?
- 1.1.2) The Basic Economic Problems
- 1.1.3) Production Possibility Curve (PPC)
- 1.1.4) Assumptions
- 1.1.5) An Illustration of Scarcity, Choice and Opportunity Costs Using the PPC
- 1.1.6) Economic Growth and Changes in the PPC
- 1.1.7) Exchange and Gains from Trade, Explained by the PPC
- 1.1.8) Tools used in Microeconomics
- 1.1.9) Equilibrium Analysis
- 1.1.10) Comparative Static Analysis
- 1.1.11) Constrained Optimization
- 1.1.12) Methodology of Studying Economics
- 1.1.13) Economics as a Science
- 1.1.14) How Theories are Developed
- 1.1.15) Positive Vs. Normative Statements

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|---|
| Read: Frank, ch. 1; KW, chs. 1-2; Lipsey, chs. 1-2; Mankiw, chs. 1-2 |
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2. Demand, Supply, and Equilibrium (3 hours)

Aug 9, 11

- **What Gives with the Price of Rice?**
- **IS Support a Good Thing?**

- 2.1.1) Market: Meaning and Components
- 2.1.2) Demand: Buyers' Behavior
- 2.1.3) Meaning
- 2.1.4) Law of Demand
- 2.1.5) Individual and Market Demands
- 2.1.6) The Distinction of "*Change in Quantity Demanded*" and "*Change in Demand*"
- 2.1.7) The Determinants of Demand
- 2.1.8) Supply: Sellers' Behavior
- 2.1.9) Meaning
- 2.1.10) Law of Supply
- 2.1.11) Firm and Market Supplies
- 2.1.12) The Distinction of "*Change in Quantity Supplied*" and "*Change in Supply*"
- 2.1.13) The Determinants of Supply
- 2.1.14) Market Equilibrium: When Demand and Supply Meet
- 2.1.15) Meaning and How to Determine the Equilibrium
- 2.1.16) Shocking the Equilibrium and Adjustments
 - a) When demand curve shifts

- b) When supply curve shifts
- c) When both demand and supply curve simultaneously shift

Read: Mankiw, ch. 4; Lipsey, ch. 3; KW, ch. 3; Frank, chs. 2 and 4

3. Elasticity and Its Applications (3 hours)

Aug 16, 18

- 3.1.1) Elasticity of Demand: Meaning, Measurement and Determinants
- 3.1.2) Price Elasticity of Demand
- 3.1.3) Income Elasticity of Demand
- 3.1.4) Cross Price Elasticity of Demand
- 3.1.5) Elasticity of Supply: Meaning, Measurement and Determinants

Read: Mankiw, ch. 5; Lipsey, ch. 4; KW, ch. 6; Frank, chs. 2 and 4

4. Consumers, Producers, and the Efficiency of Markets (3 hours)

Aug 23, 25

- 4.1.1) Consumer Surplus
- 4.1.2) Willingness to Pay (WTP)
- 4.1.3) Using the Demand Curve to Measure Consumer Surplus
- 4.1.4) How a Lower Price Raises Consumer Surplus
- 4.1.5) What Does Consumer Surplus Measure?
- 4.1.6) Producer Surplus
- 4.1.7) Cost and the Willingness to Sell
- 4.1.8) Using the Supply Curve to Measure Producer Surplus
- 4.1.9) How a Higher Price Raises Producer Surplus
- 4.1.10) What Does Producer Surplus Measure
- 4.1.11) Market Efficiency

Read: Mankiw, ch. 7; Lipsey, chs. 6 and 12; KW, ch. 4; Frank, chs. 2 and 4

5. Applications on Demand, Supply, and Government Policies (6 hours)

Aug 30; Sep 1, 6, 8

- 5.1.1) Price Controls
- 5.1.2) Ceiling Price
- 5.1.3) Floor Price
- 5.1.4) Effects of Taxation
- 5.1.5) A Unit Tax on Producers

- 5.1.6) A Unit Tax on Consumers
- 5.2) Effects of Subsidy Given to Producers
- 5.3) Applications on International Trade
 - 5.3.1) Import Tariffs
 - 5.3.2) Quotas
 - 5.3.3) Subsidies

Read: Mankiw, ch. 6; Frank, chs. 2 and 4; KW, chs. 5 and 7; Lipsey, ch. 5

6. The Theory of Consumer Choice (9 hours) *Sep, 13, 15, 20, 22; Oct 4, 6*

- **Why Do You Like What You Like?**
- **How much of What You Like Should You Buy?**
- **Does It Pay to Raise Prices?**

- 6.1.1) Utility Theory (or Cardinal Approach)
- 6.1.2) The Meaning of Utility
- 6.1.3) Law of Diminishing Marginal Utility
- 6.1.4) Relationship between Total Utility and Marginal Utility
- 6.1.5) Consumers' Equilibrium (or Rational Spending Rule) and Equilibrium Change in
- 6.1.6) Indifference Curves Theory (or Ordinal Approach)
- 6.1.7) What a Consumer Wants
 - a) The Meaning of Indifference Curve
 - b) Properties of Indifference Curve
 - c) Slope of Indifference Curve and Marginal Rate of Substitution (MRS)
- 6.1.8) What the Consumer Can Afford
 - a) Budget Line: Meaning, Slope, and Change in Budget Line
- 6.1.9) How the Consumer Optimally Chooses
 - a) Consumer Equilibrium and Change in Equilibrium
- 6.2) Derivation of an Individual Demand Curve Using Indifference Curves and Budget Lines
- 6.3) How a Consumer Responds to Change in Price: Substitution and Income Effects (Hicksian Approach)
- 6.4) Applications
 - 6.4.1) In Cash Vs. In Kind
 - 6.4.2) Vouchers Vs. Subsidy
 - 6.4.3) Work Vs. Leisure
 - 6.4.4) Consume Today Vs. Consume Tomorrow

Read: Frank, chs. 3-4; KW, chs. 10-11; Lipsey, ch. 6 (& appendix); Mankiw, ch. 21

7. Production and Cost in the Short-Run (4½ hours) *Oct, 11, 13, 18*

- **Can They Make It Better and Cheaper?**

- 7.1) Firm and the Objectives of Production
- 7.2) Production Functions
- 7.3) Distinction between Short-run and Long-run
- 7.4) Production Function in the Short-run
 - 7.4.1) Total Product (TP), Average Product (AP), Marginal Product (MP)
 - 7.4.2) Relationship of TP, AP, and MP
 - 7.4.3) Law of Diminishing Returns
 - 7.4.4) Stage of Production
- 7.5) The Meaning of Costs
 - 7.5.1) Economic and Accounting Costs
 - 7.5.2) Sunk Costs
 - 7.5.3) Private and Social Costs
- 7.6) Relationship between Costs and Production
- 7.7) Short-run Costs of Production: TFC, TVC, TC, AFC, AVC, ATC, MC, and their relationship

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| <p>Read: Frank, chs. 9-10; KW, ch. 12; Lipsey, ch. 7; Mankiw, ch. 13</p> |
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8. Production in the Long-Run (3 lectures)

Oct 20, 25, 27

- 8.1) Isoquant
- 8.2) Isocost
- 8.3) Least Cost Combination
- 8.4) Expansion Path
- 8.5) The Meaning of Returns to Scale
- 8.6) Long-run Costs of Production: LTC, LAC, LMC
- 8.7) Relationship between Expansion Path and LTC
- 8.8) Relationship between Long-run and Short-run Costs
- 8.9) Economies and Diseconomies of Scale
- 8.10) Economies of Scope
- 8.11) Learning by Doing

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| <p>Read: Frank, chs. 9-10; KW, ch. 12; Lipsey, ch.</p> |
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COURSE OUTLINE

EE 212 PRINCIPLES OF MACROECONOMICS

Number of credits: 3 credits

Office Hours: By appointment

Course Description:

Indicators, goals and problems in macroeconomics. Determination of national income, theories of aggregate consumption and aggregate investment, accelerator principle, money market, theory of demand for and supply of money, the joint equilibrium model of product and money markets (IS-LM model), balance of payments, and fiscal and monetary policies as means to stabilize an economy, as well as applications of macroeconomic theory to analyze Thai economic conditions.

Evaluation:

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| Midterm exam (Thursday, February 28, 2013, 9.30 a.m. - 11.00 a.m.) | 40% |
| Final exam (Tuesday, May 7, 2013, 1.30 p.m. – 4.30 p.m.) | 60% |

Main Text:

Lipsey, R.G., Courant, C.T.S., and Ragan, P.A. (2008), *Economics* (13th ed.): Pearson Addison-Wesley

Recommended Texts:

Case, Karl E. and Ray C. Fair (2009), *Principles of Macroeconomics* (9th ed.): Prentice Hall.

Froyen, Richard T. (2009), *Macroeconomics, Theories and Policies* (9th ed.): Prentice Hall.

Mankiw, N.G., *Principles of Macroeconomics* (2009): South-Western Cengage Learning

Course Outline:

1. Introduction to Macroeconomics (3 hours)

- 1.1 Meanings, objectives, and macroeconomic policy
- 1.2 Basic concepts
 - 1.2.1 Stock vs flow variables
 - 1.2.2 Real vs nominal variables
- 1.3 Macroeconomic objectors and indicators
 - 1.3.1 Output/Input
 - 1.3.2 Employment/Unemployment
 - 1.3.3 Price level/Inflation
 - 1.3.4 Interest rate
 - 1.3.5 Exchange rate

Read: Case & Fair, ch. 5, 7; LCR, ch. 21

2. National Income and National Product (6 hours)

- 2.1 Introduction
- 2.2 Circular flow of production and expenditure
- 2.3 Meaning and significance of national income accounting
- 2.4 Distinction between GNP and GDP
- 2.5 Measurement of GDP
 - 2.5.1 Expenditure approach
 - 2.5.2 Income approach
 - 2.5.3 Product approach
- 2.6 Applications of GNP in economic analysis
 - 2.6.1 Distinction between Money and Real GNP
 - 2.6.2 GNP per capita
 - 2.6.3 Some remarks on the applications

Read: Case & Fair, ch. 6; LCR, ch.3, 22

3. National Income and Equilibrium Determination (7.5 hours)

- 3.1 Introduction
- 3.2 Composition of desired aggregate expenditure (DAE)
 - 3.2.1 Desired aggregate consumption expenditure and consumption theories
 - 3.2.1.1 Absolute income hypothesis
 - 3.2.1.2 Permanent income hypothesis
 - 3.2.1.3 Life cycle hypothesis
 - 3.2.2 Desired aggregate investment expenditure

- 3.2.2.1 Determination of aggregate investment
- 3.2.2.2 Business fixed investment
- 3.2.2.3 MEC and MEI
- 3.2.2.4 The accelerator principle
- 3.2.3 Desired aggregate government expenditure
- 3.2.4 Desired aggregate net exports
- 3.3 Equilibrium national income
 - 3.3.1 Definition
 - 3.3.2 Determination of equilibrium national income
 - 3.3.2.1 $Y = DAE$ approach
 - 3.3.2.2 Leakage = Injection approach
 - 3.3.2.3 Adjustment to equilibrium
- 3.4 Changes in equilibrium national income and the multipliers
 - 3.4.1 Constant price level
 - 3.4.2 Price level varies
- 3.5 Paradox of Thrift
- 3.6 Inflationary and deflationary gap

Read: Case & Fair, ch. 8; LCR, ch. 23-24

4. The AD-AS Model and Inflation (7.5 hours)

- 4.1 Introduction
- 4.2 The derivation of aggregate demand (AD)
- 4.3 Aggregate supply
 - 4.3.1 Short-run AS
 - 4.3.1.1 Classical school
 - 4.3.1.2 Keynes
 - 4.3.1.3 Non-Keynes and Non-Classics
 - 4.3.2 Long-run AS
- 4.4 Determination of equilibrium, change in equilibrium, and multipliers
- 4.5 The equilibrium price level and inflation
 - 4.5.1 Definition
 - 4.5.2 Causes of inflation
 - 4.5.2.1 Demand-pull inflation
 - 4.5.2.2 Cost-push inflation

Read: Case & Fair, ch. 13; Froyen, ch. 9, LCR, ch. 25-26, 30

5. Fiscal Policy at work (4.5 hours)

- 5.1 Meaning, objectives and tools of fiscal policy
- 5.2 Effects of fiscal policy on equilibrium national income
 - 5.2.1 The government spending multiplier
 - 5.2.2 The tax multiplier
 - 5.2.3 The balanced-budget multiplier
- 5.3 Fiscal policy and its effectiveness in solving macroeconomics problems

Read: Case & Fair, ch. 9; LCR, ch. 26

6. The Money Market and Monetary Policy (6 hours)

- 6.1 Introduction
- 6.2 Demand for money
 - 6.2.1 Transaction demand for money
 - 6.2.2 Precautionary demand for money
 - 6.2.3 Speculative demand for money
- 6.3 Supply of money
 - 6.3.1 The banking system and money creation
 - 6.3.2 Money multiplier and the size of money supply (including introduction of monetary base)
- 6.4 Equilibrium in money market
- 6.5 Monetary policy
 - 6.5.1 The role of the central bank
 - 6.5.2 Controlling the quantity of money

Read: Case & Fair, ch. 10-11; LCR, ch. 27-29, Froyen p.335-339

7. Policy effectiveness (3 hours)

- 7.1 Monetary policy and its effectiveness in solving macroeconomics problems
- 7.2 Fiscal policy and its effectiveness in solving macroeconomics problems

Read: Handouts

8. International Economics (6 hours)

- 8.1 International Trade
- 8.2 The Balance of Payment
- 8.3 The market for foreign exchanges
 - 8.3.1 Demand for foreign exchanges

- 8.3.2 Supply of foreign exchanges
- 8.3.3 Equilibrium exchange rate
- 8.4 The effects of exchange rates on the economy

Read: Case & Fair, ch. 21; LCR, ch. 35-37

9. Introduction to the general equilibrium model (IS-LM model) (1.5 hours)

- 9.1 The derivation of IS schedule
- 9.2 The derivation of LM schedule
- 9.3 The IS-LM combined

Read: Froyen, ch. 7

EE 311 Microeconomics Theory

Number of credits: 4 credits

Course Description:

Study the intermediate level of mainstream microeconomic theory, including consumer theory, producer theory, and market structure. The last part will be on market failure. These topics are useful for further study in junior and senior years.

Prerequisites: EE211 (or EE213) and MA216 (or MA211)

Textbooks:

1. Pindyck Robert S. and Daneil E. Rubinfeld, Microeconomics.7th ed. Pearson Education,Inc., 2009
2. Perloff J. M., Microeconomics, 4th ed., Addison-Wesley, 2007.

Teaching Plan:

Class Schedule

| Topics | Pindyck Chapter | Dates |
|--|-----------------|-------|
| 1.Introduction | 1 | |
| 2.Consumer Theory: Indifference Curve | 3 | |
| 3.Consumer Theory; Applications | 4 | |
| 4.Consumer Theory; Uncertainty | 5 | |
| 5. Cost and Production | 6-7 | |
| 6. Market: Perfect Competition | 8-9 | |
| 7. Market: Monopoly | 10-11 | |
| Midterm Exam | 1-11 | |
| 8. Market: Monopolistic Competition | 12 | |
| 9. Market: Oligopoly | 12 | |
| No Class | | |
| 10. Game Theory | 13 | |
| 11. General Equilibrium | 16 | |
| No Class | | |

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| 12 Market Failure: Asymmetric Information | 17 | |
| 13. Market Failure: Externalities | 18 | |
| 14. Market Failure : Public Goods | 18 | |
| Final Exam | 12-18 | |

Note: * Holiday (Make-up classes will be announced later)

Course Outline

EE 312 Macroeconomics Theory

Number of credits: 4 credits

Course Description:

Analysis of joint equilibrium in product market, money market, and foreign exchange market (the IS-LM-BP model) as well as changes in equilibrium. The relationship between the product market and the labor market. The model of aggregate demand and aggregate supply in closed and open economies. Inflation, unemployment, and the Phillips curve. Real Business Cycle model and New Keynesian economics. Economic stabilization policies and Growth theory. Applications of macroeconomic theory to analyze economic situations.

Prerequisites: a) EE211 and EE212 or b) EE213 and EE214

Course Objective:

To provide students with an understanding of macroeconomics theory and the factors affecting the short-run and long-run performance of the economy as well as an analysis of stabilization policies and economic growth.

Main Textbooks:

1. Froyen, R. T., **Macroeconomics: Theories and Policies**, 9th edition, Prentice-Hall Inc., New Jersey, 2009.
2. Mankiw, N.G., **Macroeconomics**, 7th edition, Worth Publishers, 2010.

Other references for further reading:

1. Andrew B. Abel, Ben S. Bernanke, and Dean Croushore, **Macroeconomics**, 6th edition, Pearson International, 2008
2. Olivier Blanchard, **Macroeconomics**, 5th edition, Pearson International Edition, 2009.
3. Rudiger Dornbusch, Stanley Fischer, and Richard Startz, **Macroeconomics**, 10th edition, Mcgraw-Hill International, 2008.
4. Stephen Williamson, **Macroeconomics**, 3rd edition, Pearson International, 2008.

Course Schedule:

| Number of Lecture Hours | Lecture Topic / Activities |
|-------------------------|--|
| 2 hours | 1. Introduction: Macroeconomic Analysis 1.1 Subject matter of macroeconomics 1.2 Macroeconomic variables and measurement 1.3 Analytical framework and schools of thoughts (Froyen, Chapter 1, 2) |
| 10 hours | 2. Joint equilibrium in the product and money market 2.1 Analysis of product and money market (IS-LM model) 2.2 Policy effects in the IS-LM Framework 2.3 Relative effectiveness of Fiscal and Monetary Policy (Froyen, Chapter 5, 6, 7) |
| 12 hours | 3. The Model of Aggregate Supply and Aggregate Demand 3.1 The Labor Market and Aggregate Supply (AS) 3.1.1 The Classical Model 3.1.2 The Keynesian Model 3.2 The Aggregate Demand (AD) 3.2.1 The Classical Model 3.2.2 The Keynesian Model 3.3 Keynesian vs. Classical Economics (Froyen, Chapter 3, 4, 8) |
| Number of Lecture Hours | Lecture Topic / Activities |
| 8 hours | 4. Inflation, Unemployment and the Phillips Curve 4.1 The Monetarist View 4.2 The Natural Rate Theory 4.3 Monetarist and Keynesian Views of the Unemployment and Inflation Trade-off (Froyen, Chapter 9, 10) |
| 4 hours | 5. New Classical Economics 5.1 Rational Expectation 5.2 Policy Implications under Rational Expectation (Froyen, Chapter 11) |
| 4 hours | 6. Real Business Cycle Model and New Keynesian Economics 6.1 Real Business Cycle Model 6.2 New Keynesian Economics (Froyen, Chapter 12, 13) |
| 12 hours | 7. Open Economy Macroeconomics 7.1 Components in Balance of Payments 7.2 Foreign exchange market and exchange rate systems 7.3 Derivation of Balance of Payments Curve (BP) 7.4 Internal-External Joint Equilibrium (IS-LM-BP model) 7.5 Monetary and Fiscal Policy in an Open Economy 7.6 AD and AS in an Open Economy |

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| | (Froyen, Chapter 14, 15) |
| 4 hrs | 8. Macroeconomic goals and policies 8.1 Monetary Policy 8.1.1 Money and interest rates 8.1.2 Competing Strategies 8.1.3 Recent strategy: inflation targeting 8.2 Fiscal Policy (Froyen, Chapter 16, 17, 18) |
| 10 hrs | 9. Economic growth 9.1 Capital Accumulation and the Golden Rule Level of Capital 9.2 Population growth 9.3 Technological Progress and Productivity 9.4 Policies to promote economic growth 9.5 Endogenous growth theory (Froyen, Chapter 19, 20; Mankiw, Chapter 7, 8) |

Course Outline

EE 320 Introductory Mathematical Economics

Number of credits: 3 credits

Course Descriptions:

Study of mathematical concepts and tools such as functions, matrices and higher-order derivatives in cases of single and multiple independent variables. Emphasis is on the application of optimization, both with and without constraints, and introductory integral, for understanding relationships of various economic variables and concepts, such as the relationship of aggregate, average and marginal functions. Other topic covered analyses of elasticities, market equilibrium, impacts of taxation and input-output models.

Prerequisites: EE 211, EE 212 and MA 216

Students may take EE421 as a compulsory course in substitution of EE320 (Credit will not be awarded to students who are taking or have taken EE 421).

Main Textbooks:

Chiang, A. C. and Wainwright, K. (2005) *Fundamental Methods of Mathematical Economics*, 4th edition, McGraw-Hill, Inc., Singapore. (CW)

Lecture Notes: Lecture notes by Dr. Anin Aroonruengsawat

Other Recommended Books:

Dowling, E. T. (2001) *Schaum's Outline of Theory and Problem of Introduction to Mathematical Economics*, 3rd edition, The McGraw-Hill Companies, Inc.

Holden, K. and Pearson, A.W. (1992) *Introductory Mathematics for Economics and Business* Second edition, The Macmillan Press Ltd.

Sydsaeter K. and P. Hammond. (2006) *Essential Mathematics for Economic Analysis*, 2nd edition, Prentice Hall.

Course Schedule:

| Number of lecture(s) | Topics | |
|----------------------|---|------------------------------------|
| 1 | 1. Introduction - Importance and Needs to use mathematics in economics. - The Nature of theory, economic model and mathematics. | CW. Ch. 1 |
| 1 | 2. Mathematics and Economic Relations - Relations and functions - Types of functions | CW. Ch.2 |
| 3 | 3. Static and Comparative Static Equilibrium Analysis - Linear models in economics - Simultaneous system of equations - Linear equation and graph - Breakeven analysis - Individual and market demand - Individual and market supply - Partial market equilibrium - Excise tax and market equilibrium - Elasticity concept - Simple macroeconomic model - IS-LM model | CW. Ch. 3 Lecture note 1 |
| 4 | 4. Basic Matrix Algebra and Applications - Terminology (Type of matrix) - Matrix operations (Add, Subtract, multiply) | CW. Ch. 4, 5 Lecture note |

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| | <ul style="list-style-type: none"> - Representation of system of equation by matrix notation - Matrix inversion by determinants - Determinant and singularity of matrix - Cramer's rule - Matrix applications in <ul style="list-style-type: none"> - Partial market equilibrium - Excise tax and market equilibrium - Simple macroeconomic model - IS-LM model | 2 |
| Number of lecture(s) | Topics | |
| 4 | <p>5. Nonlinear Model and Differential Calculus in Economic Theory</p> <ul style="list-style-type: none"> - Quadratic theory - Other nonlinear functions - Slope and derivatives of a function - Rule of differentiation - Non differentiable functions - Convexity and Concavity - Maxima, minima and inflection point - Examples in Economics <ul style="list-style-type: none"> - Derivative and marginality - Relations among the total, the average and the marginal functions | <p>CW. Ch. 6, 7, 8, 9</p> <p>Lecture note</p> <p style="text-align: center;">4</p> |

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| | - Elasticity, total revenue and marginal revenue | |
| 5 | 6. Derivatives of More-Than-One Independent Variable Function <ul style="list-style-type: none"> - First order partial derivatives - Second order partial derivatives - Differential - Total differential - Total derivatives - Implicit function and its derivative - Examples in economics <ul style="list-style-type: none"> - Partial market equilibrium - Multipliers in macro models - Utility function - Production function - Etc. | CW. Ch. 7, 8 Lecture note 5 |
| 3 | 7. Optimization without Constraints : One Independent Variable Case <ul style="list-style-type: none"> - Maximize profits <ul style="list-style-type: none"> - competitive market case - Monopoly case - Effects of taxes <ul style="list-style-type: none"> - Lump-sum tax - Profit tax - Excise tax - Maximization of tax revenue | CW. Ch. 9 Lecture note 6 |

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|-----------------------------|---|---------------------------------|
| 3 | 8. Optimization without Constraint : More-Than-One Independent Variable Cases <ul style="list-style-type: none"> - Conditions for maximum or minimum - Third degree price discrimination - Multiplant-firm - Multiproduct-firm | CW. Ch. 11 Lecture note 7 |
| Number of lecture(s) | Topics | |
| 3 | 9. Optimization under Equality Constraint <ul style="list-style-type: none"> - Lagrange multiplier - Conditions for optimization - Maximize output level subject to cost constraint - Minimize cost subject to output constraint - Minimize utility subject to fixed budget | CW. Ch. 12 Lecture note 8 |
| 3 | 10. Integration and Its Application <ul style="list-style-type: none"> - Terminology in Integration - Rules of Integration - Definite Integration - Applications: <ul style="list-style-type: none"> - Total revenue function from marginal revenue function - Total cost function from marginal cost function - Profit function from MR-MC - Utility function from marginal utility function - Consumption and saving functions from marginal | CW. Ch. 14 Lecture note 9 |

| | | |
|--|--|--|
| | <p>propensity functions</p> <ul style="list-style-type: none">- Capital formation and investment functions- Consumer surplus, producer surplus and total surplus- First degree price discrimination- Differential equation (if time allows) | |
|--|--|--|

Course Outline

EE 325 Introductory Econometrics

Number of credits: 3 credits

Course Description:

Application of statistical and economic theories in analyzing economic data, with emphases on parameter estimation techniques and applications of simple and multiple regression models to economic analyses. Use of computer application in practice is also covered.

Prerequisites: EE211, EE212, MA216 (or MA211), and ST216 (or ST211).
(Credits will not be awarded to students who are taking or have completed EE 425)

Course Objectives:

To provide a good start and understanding on applying econometric tools for economic analysis.

Textbooks:

***Gujarati, D.N. (2009) *Basic Econometrics*. 5th ed. Singapore, McGraw-Hill. (G)

Wooldridge, J.M. (2006) *Introductory Econometrics: A Modern Approach*. 3rd ed. Thomson South-Western. (W)

*** **Main Textbook**

Teaching Plan:

Tentative Course Outline

1. **The Nature of Econometrics and Economic Data** (1.5 hours)
 - What is Econometrics?
 - Methodology of Econometrics
 - The Structure of Economic Data

Reference: G: intro & ch. 1; W: ch. 1

2. A Review of Some Statistical Concepts (7.5 hours)

- Summation and Product Operators
- Sample Space, Sample Points, and Events
- Probability and Random Variables
- Probability Density Function (PDF)
- Some Important Theoretical Probability Distributions
- Statistical Inference: Estimation
- Statistical Inference: Hypothesis Testing

Reference: G: Appendix A; W: Appendix A, B, and C

3. The Simple Regression Model (9 hours)

- Two-Variable Regression Analysis
 - Concept of Population Regression Function (PRF) & The Sample Regression Function (SRF)
 - Method of Ordinary Least Squares
 - The Classical Linear Regression Model: The Assumptions Underlying the Method of Least Squares
 - Precision or Standard Errors of Least-Squares Estimates
 - The Coefficient of Determination

Reference: G: Ch. 1-3; W: Ch.2

- Two-Variable Regression: Interval Estimation and Hypothesis Testing
 - Classical Normal Linear Regression Model (CNLRM)
 - Interval Estimation and Hypothesis Testing

Reference: G: Ch. 4&5; W: Ch.3&4

4. Multiple Regression Analysis (13.5 hours)

- Multiple Regression Analysis

Reference: G: Ch. 7; W: Ch.3

- Multiple Regression Analysis: The Problem of Inference

Reference: G: Ch. 8; W: Ch.4 &6

- Extensions of the Two-Variable Linear Regression Model
 - Regression through the origin
 - Scaling and units of measurement
 - Functional Forms of Regression Models

Reference: G: Ch. 6; W: Ch. 6

5. Dummy Variable (1.5 hour)

Reference: G: Ch. 9; W: Ch. 7

6. Relaxing the Assumptions of the Classical Model (10.5 hour)

- Multicollinearity
- Heteroscedasticity
- Autocorrelation

Reference: ch 10 – 12; W: Ch 3, 4, 8 & 12

Note: The mid-term and final exams are closed books and closed notes. Midterm and final exam dates are not changed due to the official schedule from BE program. Only physical condition with approval medical document is allowed for postponing the exam.

Quizzes: There will be 6 random equally weighted quizzes. The lowest quizzes score will be dropped. There are no make-up quizzes.

Homework Assignments: There will be equally weighted homework assignments. Late homework will be graded based on 50% of full credit. More than two-day late homework will not be accepted.

Academic Honesty:

You are expected to be honest in all of your academic work. Copying is plagiarism and will be treated as an honor code violation. Potential sanctions include failure in the course and suspension from the university.

Course Outline

EE401 POLITICAL ECONOMY

Number of credits: 3 credits

Prerequisites: a) EE210 or b) EE211 and EE212 or
c) EE213 and EE214 or d) by lecturer's consent

I. Course Description

Study classical political economy of Adam Smith on the economic impact of self-interest, competition and market efficiency. Study Malthus's population theory and its economic implications.

Study Karl Marx's political economy on the exploitation of surplus value, capital accumulation, the reserve army of the unemployed, the impoverishment of the working class, the falling long-term profit rate tendency and the economic crisis. Also study Marxian development in the 20th century and the dependency theory.

The Austrian economic analysis of the market process. Introduction to the new political economy and its analysis of market failures and government failures; monopoly and rent-seeking and political economy of globalization.

II. Evaluation

| | |
|---------------------|-----------|
| Reading assignments | 10 points |
| One short essay | 30 points |
| Final examination | 60 points |

III. Course Readings

There is no single textbook to cover all material in this course.

Acemoglu, D. and J.A. Robinson. 2012. *Why Nations Fail*. London: Profile Books Ltd.

Brewer, A. 1995. *Marxist Theories of Imperialism*. 2nd edn., New York: Routledge & Kegan Paul.

De Soto, Hernando. 2003. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books.

- Diamond, J. 2011. *Collapse: How Societies Choose to Fail or Succeed*. London: Penguin Books.
- Heilbroner, R.L. and William Milberg. 2011. *The Making of Economic Society*. 13th edn., Prentice Hall.
- Heinrich, M. and A. Locascio. 2012. *An Introduction to the Three Volumes of Karl Marx's Capital*. London: Monthly Review Press.
- Mitchell, W.C. and R.T. Simmons. 1994. *Beyond Politics: Market, Welfare, and the Failure of Bureaucracy*. Boulder, Co: Westview Press.
- O'Rourke, P.J. 2007. *On the Wealth of Nations*. London: Atlantic Books.
- Stevens, J. B. 1993. *The Economics of Collective Choice*. Boulder, Co: Westview Press.
- Wolf, M. 2004. *Why Globalization Works*. New Haven: Yale University Press.
- Yergin, D. and J. Stanislaw, 2002. *The Commanding Heights: the Battle for the World Economy*. New York: Simon & Schuster.

IV. Lecture Outlines

1. Introduction to political economy
 - a. What is political economy?
 - b. The characteristics of capitalism
 - c. The main questions of political economy

2. Political economy before Adam Smith
 - a. Mercantilism
 - b. The PhysiocratsReading: Heilbroner and Milberg, 2011.

3. Political economy of free-market capitalism: Adam Smith
 - a. Theory of moral sentiments
 - b. Self interest and the division of labor
 - c. Theory of economic growth
 - d. Theory of value and price
 - e. Competition and the invisible hand
 - f. Public policiesReading: O'Rourke, 2007.

4. Capitalism and resource constraints
 - a. The Malthusian theory of population
 - b. Neo-Malthusianism and modern environmentalismReading: Diamond, 2011.

5. Political economy of Karl Marx and Socialism
 - a. The materialist conception of history

- b. Theory of surplus value and capital accumulation
 - c. The reserve army of the unemployed
 - d. The tendency of the average profit rate to fall
 - e. The failure of socialism as an economic system
- Reading: Heinrich, M. and A. Locascio. 2012.

6. Political economy of underdevelopment

- a. Finance Capital by Rudolf Hilferding
 - b. Imperialism by Lenin and Bukharin
 - c. Monopoly capital by the neo-Marxists
 - d. The dependency theory and the world system.
- Reading: Brewer 1995.

7. Post-war experience of government intervention

- a. Mixed economy in Europe
 - b. Regulatory capitalism in the US.
 - c. Socialism and import substitution in the Third World
 - d. The crisis of the 1970s and 1980s.
- Reading: Yergin and Stanislaw, Ch. 1-3, 5.

8. The New Political Economy: government failure

- a. The assumptions of welfare economics
 - b. Potential Pareto improvement or Kaldor-Hicks Efficiency
 - c. Failure of market and government intervention
 - d. Nature and causes of government failure
- Read: Stevens, Ch.2-3.

Mitchell and Simmons, Ch. 3, 4.

9. The New Political Economy: monopoly and rent-seeking

- a. Monopoly and causes
 - b. Intervention and monopoly by the state
 - c. Rent-seeking behavior and the capture model
 - d. Trade protectionism and the infant industry
- Reading: Mitchell and Simmons, Ch. 6, 8.

10. Globalization, democracy and sustained economic growth

- a. The second age of globalization
 - b. Property rights and economic institutions
 - c. Political institutions and economic growth
 - d. The Washington consensus and anti-globalization reactions
 - e. The Thai economy at a crossroad.
- Reading: Yergin and Stanislaw, Ch. 13.

Wolf, Ch. 3-6.

Acemoglu and Robinson. 2012.

De Soto, 2003.

Course Outline

EE 409 Seminar in Political Economy and Economic History

Number of credits: 3 credits (3-0-6)

Course Description: Seminar and research on specific topics in political economy and economic history under supervision and guidance of the lecturer.

Prerequisites: Completion at least two 400 level courses in the Political Economics and Economic History

Main Textbook:

The main textbook for the course will be,

Rosen, Harvey, and Gayer, Ted, *Public Finance*, 9th edition, 2010.

Mansfeld, Harvey; *Theories of Political Economy*, 1989

Additionally, students can supplement their reading with

Additionally, there will be supplemental reading throughout the semester, drawn from current literature, which will be used to illustrate the principles taught in class. While I will present the first two readings, subsequent readings will be identified by the students in consultation with me.

Other Recommended Books:

Gruber, J., *Public Finance and Public Policy*, Worth Publishers 2nd ed. 2007.

Olsen, Mancur, *The Logic of Collective Action*, 1965

Olsen, Mancur, *The Decline and Fall of Nations*, 1982

North, Douglass, *Structure and Change in Economic History*

Galbraith, John, Any of his books

Buchanan, James and Gordon Tullock, *The Calculus of Consent*

Other Readings:

(I will post links to some of these, or the articles, on my website) These readings may be referred to in class, I will announce before the class. For the Thai articles, I will be reading through a translation program, so be warned....

Teaching Plan and Class Schedule

| Date | Topic | Readings |
|-------------------------|---|---|
| January 15, 17 | Section I Broad Overview | |
| January 22, 24 | Section 2 Hayek | The Uses of Information in Society 1945 |
| January 29, 31 | Section 3 Marx | Chapter 10 from “History of Economic Thought” (provided in class) |
| February 5, 7 | Section 4 Fukuyama | The End of History and the Last Man 1989 |
| February 12, 14, 19, 21 | Section 5 Research Methodologies | |
| February 26, 28 | Section 6 Student Identified Readings | TBA |
| March 4 | Midterm Week | |
| March 12, 14 | Section 7 Student Summaries of Readings Due | |
| March 19, 21 | Section 8 Student Presentations Begin | |
| March 26, 28 | Section 9 Student Presentations Continue | |
| April 2, 4 | Section 10 Topic Discussions | |
| April 9, 11 | Section 11 Paper Outline Due, Discussions (separate for each student) | |
| April 16, 18 | Section 12 Paper Outline Due, Discussions (separate for each student) | |
| April 23, 25 | Section 13 | |
| April 30 | Section 14: Draft papers due | |
| May 1 | Final Review | |
| May 9 | Final Papers Due | |

Course Evaluation:

| Type of evaluation | Evaluation Method | Evaluation date |
|---------------------------|--------------------------|------------------------|
| Class Participation | 15% | |
| Class Discussion | 15% | |
| Final Paper | 70% | |

Course Syllabus

EE 390 Economics of Agricultural and Rural Development

Number of credits: 3 credits

Course Description:

Dynamics and forms of agricultural and rural development since post World War II up until now. Factors affecting the dynamics including the effects from macroeconomic policies, agricultural policies, policies on social welfare and populism. The role of market and global trade, potentials and limitation of communities and the formation of economic groups. The relationship between agriculture, rural area, environment and alternative development.

Evaluation

| | |
|----------------------------------|-----------|
| Midterm exam | 30 points |
| Final exam | 30 points |
| Group project A (Debate) | 10 points |
| Group project B (Household data) | 10 points |
| Group project C (Policymaking) | 15 points |
| Excursion essay | 5 points |

Study plan

| Date | Topic | Remark |
|---------------------------|---|----------------------------|
| Fri, 17 th Jan | Course overview | |
| Wed, 22 nd Jan | Part 1: World of agricultural economics | |
| Fri, 24 th Jan | (cont.) | |
| Wed, 29 th Jan | (cont.) | |
| Fri, 31 st Jan | Part 2: Dynamics of global and Thai agricultural development | |
| Wed, 5 th Feb | (cont.) | |
| Fri, 7 th Feb | (cont.) | |
| Wed, 12 th Feb | Part 3: Political economy of agricultural public policy and international trades | |
| Wed, 19 th Feb | (cont.) | <i>Group project A (1)</i> |
| Fri, 21 st Feb | (cont.) | <i>Group project A (2)</i> |

| Date | Topic | Remark |
|--|--|---|
| Wed, 26 th Feb | Part 4: Political economy of food industrialization and modern marketing | <i>Group project A (3)</i> |
| Fri, 28 th Feb | (cont.) | <i>Group project A (4)</i> |
| Make-up (TBA) | (cont.) | <i>Group project A (5)</i> |
| Mid-term Exam (March 7, 2014; 09.30-11.00 AM) | | |
| Wed, 12 th Mar | Part 5: Rural development: concepts and dynamics in Thailand | |
| Fri, 14 th Mar | (cont.) | <i>Group project A (6)</i> |
| Wed, 19 th Mar | Part 6: Quantitative analysis of farmers, poverty, and rural migration <ul style="list-style-type: none"> • SPSS Workshop | Guest speaker Ajarn Tiraphap Fakthong (@Computer Lab) |
| Fri, 21 st Mar | (cont.) | |
| (Tentatively) Fieldtrip: Sun 30th - Mon 31st, March | | |
| Wed, 26 th Mar | <i>Presentation for Group project B</i> | |
| Fri, 28 th Mar | Part 7: Rural development initiatives <ul style="list-style-type: none"> • Microfinance | <i>Group project A (7)</i> |
| Wed, 2 nd Apr | • Community-based resource management | <i>Group project A (8)</i> |
| Thu, 4 th Apr | • Sustainable agriculture movement | <i>Group project A (9)</i> |
| Wed, 9 th Apr | • Innovative agriculture movement | <i>Group project A (10)</i> |
| Fri, 11 th Apr | Part 8: Rural governance, decentralization, and politics | <i>Group project A (11)</i> |
| Fri, 18 th Apr | (cont.) | <i>Group project A (12)</i> |
| Wed, 23 rd Apr | Part 9: Frameworks for community analysis <ul style="list-style-type: none"> • Institutional analysis and development framework • Sustainable livelihoods framework | Dr. Thorn Pitidol Guest speaker |
| Fri, 25 rd Apr | | |
| Wed, 30 th Apr | <i>Presentation for Group project C</i> | |
| Fri, 2 nd May | (cont.) | |
| Final Exam (May 16, 2014; 09.00-12.00 AM) | | |

Reading list

Major Reading:

Eicher, Carl K. and Staatz, John M. (edited). (1998). "International agricultural development, Third Edition". Baltimore (Md.) : Johns Hopkins university press, 1998.

"Handbooks of Agricultural Economics" Volume 1-4. North-holland.

Siamwalla, Ammar (2001). "The Evolving Roles of the State, Private, and Local Actors in Rural Asia"., Oxford University Press.

☺ Recommended Movies:

"Food Inc." (2008), by Robert Kenner.

“Our daily bread” (2005), by Nikolaus Geyrhalter.

↳ **Recommended Facebook Pages:**

“Thailand Agri-food Outlook”

“International Food Policy Research Institute (IFPRI)”

“Biothai”

“Food4change”

“Acfs” (The National Bureau of Agricultural Commodity and Food Standards: ACFS)

“AFET” (The Agricultural Futures Exchange of Thailand)

Course Outline

EE 412 Macroeconomic Analysis

Number of credits: 3 credits

Prerequisites: *EE 312 and EE320 (or EE421)*

The course is designed for undergraduate students who are ready to study advanced macroeconomic analysis. Topics include dynamic macroeconomic analysis, asset price theory, economic growth and related policy issues.

Course Description

Macroeconomic theory with an emphasis on utilizing mathematical tools to analyze various economic issues, such as general equilibrium and welfare in resources allocation in modern macroeconomics, and long term growth issues, analytical framework for growth and short term fluctuations in economy both theoretically and empirically, role of government in economy, basic concepts of social security, role of money in the economy and impact on business cycle, rational expectations, macroeconomic policy framework, problem of consistency and reliability in implementation of the macroeconomic policies, rigidities of the economic system, implications of macroeconomic policies in solving economic problems and modern modeling concepts for macroeconomic policy analysis.

Textbooks

Romer, David. *Advanced Macroeconomics*, McGraw-Hill, Singapore, 2000.

Mankiw, Gregory, N., *Macroeconomics*, Worth Publishers, New York, 2006.

Blanchard, Olivier, J., and Stanley Fischer, *Lectures on Macroeconomics*, (Fourth Printing) the MIT Press, Cambridge, 1990.

Sargent, Thomas J., *Dynamic Macroeconomic Theory*, Harvard University Press, Cambridge, 1987.

Supplementary Textbooks in Macroeconomics and Mathematics

Chiang, Alpha E., *Elements of Dynamic Optimization*. McGraw-Hill, Singapore, 1992

Duffie, Darrell. *Dynamic Asset Pricing Theory*, (Second Edition) Princeton University

Press, New Jersey, 1996

Milne, Frank. *Finance Theory and Asset Pricing*, (Second Edition) Oxford University Press, New York, 2003

1. Dynamic Macroeconomic Framework

- Introduction:
 - Static analysis
 - Dynamic analysis
- Solving a dynamic problem
 - Traditional method: system of simultaneous equations
 - Backward recursive method
- The Bellman's equations and time consistent optimal policies
- Applications:
 - Optimal consumption plan
 - Optimal growth

Readings:

- * Prescott, Edward C., (2006) "Nobel Lecture: The Transformation of Macroeconomic Policy and Research" *Journal of Political Economy*, 114 (2), 203-235.
- * Chapter 1 in Thomas Sargent's *Dynamic Macroeconomic Theory*
- * Chapter 1, 2, 5, 6 and 10 in Olivier Blanchard and Stanley Fischer's *Lectures on Macroeconomics*

2. Asset Price and Consumption

- Hall's random walk of theory of consumption
- The random walk theory of stock prices
- Lucas's model of asset prices
- Applications:

- The term structure of interest rate
- The value of a firm
- Government debt: the Ricardian Proposition

Readings:

- * Chapter 3 in Thomas Sargent's *Dynamic Macroeconomic Theory*
- Chapter 1-4 in Darrell Duffie's *Dynamic Asset Pricing Theory*
- * Cox, Ingersoll, and Ross (1985), "An Intertemporal General Equilibrium Model of Asset Prices" *Econometrica* 53, 363-384.
- * Lucas, Robert E., (1978) "Asset Prices in an Exchange Economy" *Econometrica*, 46(6): 1426-1445.
- Lucas, Robert E., (1980) "Equilibrium in a Pure Currency Economy" *Economic Inquiry*, 18(2): 203-220

3. Economic Growth

- Neoclassical Growth Model and the balanced growth path
- The Ramsey-Cass-Koopmans Model
- The phase diagram:
 - The saddle path
 - Competitive equilibrium and Pareto efficiency

Readings:

- * Chapter 2 and 3 in David Romer's *Advance Macroeconomics*
- * Chapter 1 in Barro and Martin's *Economic Growth*
- * Chapter 3 in Olivier Blanchard and Stanley Fischer's *Lectures on Macroeconomics*
- Lucas, Robert E., (1988), "On the Mechanics of Economic Development".
Journal of Monetary Economics

Course Requirements

- Homework 10%
- Midterm Examination 40%
- Final Examination 50%

Course Outline

EE 421 Mathematical Economics I

Number of credits 3 credits

Prerequisite: MA217 (or MA212) and have completed or currently taking EE311

Text: Jeffrey Baldani, et. al., *Mathematical Economics*, 2nd edition, Dryden 2004.

Lecture Notes: Thanet Makjamroen, *Lecture Notes for EE421 Mathematical Economics I*, May 2008.

References:

Gale [1960], *The Theory of Linear Economic Models*, McGraw-Hill.

Jehle [1991], *Advanced Microeconomics Theory*, Prentice-Hall.

Sundaram [1996], *A First Course in Optimization Theory*, Cambridge University Press.

Simon and Blume [1994], *Mathematics for Economics*, Norton.

Sydsaeter and Hammond [1995], *Mathematics for Economic Analysis*, Prentice-Hall.

Evaluation:

Midterm Exam 45%

Final Exam 55%

Topics:

Chapter 1 Introduction

1.1 Mathematical Economic Model

1.2 Use of Economic Model

1.3 An Example of Mathematical Models

Chapter 2 Calculus of Single Variable

- 2.1 Derivative
- 2.2 Examples of Derivatives in Economics
- 2.3 Derivatives and Increasing Functions
- 2.4 Second- and Higher-Order Derivatives
- 2.5 Optimization: Single Variable
 - 2.5.1 Necessary Conditions
 - 2.5.2 Sufficient Conditions
- 2.6 Concave and Convex Functions
- 2.7 Differentials

Chapter 3 Calculus of Single Variable: Applications

- 3.1 Labor Union
- 3.2 Profit Maximization in Perfect Competition
- 3.3 Profit Maximization of a Monopoly
- 3.4 Taxation on Monopoly
- 3.5 Profit Maximization of Duopoly (Cournot Model)
- 3.6 Balanced-Budget Multiplier

Chapter 4 Multivariate Calculus

- 4.1 Partial Derivatives
- 4.2 Second-Order Partial Derivatives and Cross Partial Derivatives
- 4.3 Total Differentials
- 4.4 Conventions of Matrix Notations for Derivatives of Functions of Several Variables
- 4.5 Chain Rules of Composite Functions of Several Variables
- 4.6 Directional Derivatives
 - 4.6.1 First-order Directional Derivatives
 - 4.6.2 Directional Derivatives and Optimization

4.6.3 Second-order Directional Derivatives

4.7 Mean-Value Theorem

4.8 Taylor's Polynomials and Taylor's Approximation in \mathbf{R}^n

4.9 Implicit Functions and Implicit Function Theorem

4.10 LevelSets, Tangents and Gradients

4.11 Homogeneity

Chapter 5 Multivariate Calculus: Applications

5.1 Balanced-Budget Multipliers in Closed Economy

5.1.1 Simple Keynesian Model

5.1.2 IS-LM Model

5.1.3 Aggregate Demand-Aggregate Supply Model

5.2 Monetary Policy Effectiveness

5.2.1 IS-LM Model

5.2.2 Mundell-Fleming Model with Flexible Exchange Rate

5.3 Tax Incidence in Supply-Demand Model

Chapter 6 Multivariable Optimization without Constraints

6.1 Definitions of Extreme Points

6.2 2-Variable Optimization

6.3 First-Order Necessary Condition

6.4 Second-Order Necessary Condition

6.5 Sufficient Conditions

6.6 Multivariable Optimization without Constraints

6.7 First-Order Necessary Condition

6.8 Second-Order Necessary Condition

6.9 Sufficient Conditions

6.10 Test of Definiteness of the Hessian

6.11 Concavity, Convexity and Optimization

6.12 Comparative Statics Analysis

Chapter 7 Multivariable Unconstrained Optimization: Applications

7.1 Competitive Firm Input Choices: Cobb-Douglas Technology

7.2 Competitive Firm Input Choices: General Production Technology

7.3 Multiplant Firm

7.4 Multi-Market Monopoly

7.5 Statistical Estimation: Linear Regression

Chapter 8 Constrained Optimization: Equality

8.1 The Lagrangian Method

8.2 Graphical Interpretation

8.3 Optimization with k Equality Constraints

8.4 Second-order Sufficient Conditions

8.4.1 Bordered Hessian for Single Equality Constraint

8.4.2 Bordered Hessian for k Equality Constraints

8.4.3 Test of Bordered Matrix

8.5 Comparative Static Analysis: Sensitivity Analysis

Chapter 9 Equality Constrained Optimization: Applications

9.1 Cost Minimization and Conditional Input Demand

9.1.1 Sufficient Conditions

9.1.2 comparative Static Analysis

9.2 Utility Maximization: Log Utility Function

9.3 Utility Maximization Subject to Budget and Time Constraints

9.3.1 Sufficient Conditions

9.3.2 Sensitivity analysis

9.4 Intertemporal Consumption

9.4.1 2-Period Case

9.4.2 n -Period Case

Chapter 10 Inequality Constraints Optimization

10.1 First-Order Sufficient Conditions: One Inequality Constraint

10.2 First-Order Sufficient Conditions: Several Inequality Constraints

10.3 First-Order Sufficient Conditions: Mixed Constraints

10.4 First-Order Sufficient Conditions: Minimization under Mixed Constraints

10.5 Second-Order Sufficient Conditions: Mixed Constraints

10.6 Second-Order Necessary Conditions

10.7 Comparative Static analysis: Sensitivity Analysis

10.8 Kuhn-Tucker Formulation

Chapter 11 Inequality Constrained Optimization: Applications

11.1 Utility Maximization with Two Goods

11.2 Two Goods Diet Problem: Linear Programming and its Duality

11.3 Sales Maximization

11.4 Intertemporal Consumption with Liquidity Constraint

Chapter 12 Sensitivity Analysis and Envelope Theorems

12.1 The Meaning of the Multipliers

12.2 The Meaning of Lagrange Multiplier: One Equality Constraint Case

12.3 The Meaning of Lagrange Multiplier: Several Equality Constraint Case

12.4 The Meaning of Lagrange Multiplier: Inequality Constraint Case

12.5 Envelope Theorems

12.6 Envelope theorem: Unconstrained Case

12.7 Envelope Theorem: Equality Constraints Case

12.8 Applications: Shephard's Lemma, Roy's Identity and Demand Function

12.9 Envelope Theorem: Inequality Constraints Case

Course Outline

EE426 Econometrics 2

Number of credits 3 credits

Course Description:

This course covers more advanced topics in econometrics for undergraduate level and focuses on both theoretical framework (basic concept) and empirical applications. The first parts introduce panel data models, and further discuss instrumental variables and two stage least squares. We then cover system of regressions and seemingly unrelated regression (SUR). This topic will also link to the topic of simultaneous equation system and its parameter estimation. Then, we turn our attention to exploring qualitative response models using maximum likelihood technique, and conclude by studying time series model.

Prerequisites: *EE425 and MA217 (or MA212)*

Course Objectives:

Since this course is more advanced econometrics, it requires the understanding of topics covered in EE425, a good command of calculus and matrix algebra. We will also review these skills when it is needed. Students will learn theory and data issue underlying each econometric method covered in this course, as well as how to apply these methods in empirical studies. To understand each topic and be able to analyze data, problem sets will cover both deriving simple theoretical results and using a standard software such as STATA.

Recommended Textbooks:

1. ** (W) - Wooldridge, J. M. *Introductory Econometrics: A Modern Approach*. 3rd ed. Thompson: South-Western, 2006.
2. (GP) - Gujarati, D.N., and D.C. Porter, *Basic Econometrics*. 5th ed., NY, McGraw-Hill, 2009.
3. (AP) - Angrist, J.D., and Pischke, J-S, *Mostly Harmless Econometrics: An Empiricist's Companion*, Princeton University Press, 2006.

- If there is any handout or additional reading, it will be posted on Moodle. Students are responsible to review the topic ahead of the class for more effective learning.

Teaching Plan:

| Date | Topic | Textbook/ Reading list | Problem Set Due Date |
|--|--|--|--------------------------------|
| Week 1 Jan 14 & 16 | <ul style="list-style-type: none"> - Review - Finite Sample Properties & Asymptotic Properties - General Approaches to Parameter Estimation - Hypothesis Testing | <ul style="list-style-type: none"> - Appendix C, (W) - Ch.3, (AP) | |
| Week 2 Jan 21 & 22 Week 3 Jan 28 & 30 | <p>Topic 1: Panel Data</p> <ul style="list-style-type: none"> - Data Introduction & Pooling Cross Section - Two-period Panel Data Analysis and Policy Analysis (Differences-in-differences) - Advanced Panel Data Methods <ul style="list-style-type: none"> • Fixed Effects Estimation • Random Effects Estimation - Other Applications of Panel Data Methods | <ul style="list-style-type: none"> - Ch.13, (W) - Ch 5.2, (AP) - Ch.14, (W) - Ch 5.1, (AP) | |
| Week 4-5 Feb 4 & 6 Feb 11 & 13 | <p>Topic 2: Instrumental Variables (IV) Estimation and Two Stage Least Squares</p> <ul style="list-style-type: none"> - Problem of Endogenous Variables - Basic IV Estimation - Two Stage Least Squares - IV Approach to Measurement Error - Testing for Endogeneity and Testing for Overidentifying Restrictions | <ul style="list-style-type: none"> - Ch. 15, (W) - Ch 4.1, (AP) | PS1 (Topic 1) Due Feb 6 |
| Week 6-7 Feb 18 & 20 Feb 25 Feb 27 | <p>Topic 3: System of Regressions & Seemingly Unrelated Regression (SUR)</p> <ul style="list-style-type: none"> - Matrix Algebra (Basic) - Estimating Systems of Equations by OLS and GLS (General Least Squares) - SUR Estimators and Feasible GLS - Review before Midterm Exam | Additional handouts | PS2 (Topic 2) Due Feb 18 |
| Week 8 Mar 4 & 6 | <p>Midterm Exam on March 4 No class on March 6</p> | | |
| Week 9-10 Mar 11 & 13 Mar 18 & 20 | <p>Topic 4: Simultaneous Equations Models</p> <ul style="list-style-type: none"> - The Nature of Simultaneous Equations Models - Identifying and Estimating a Structural Equation - Simultaneous Equations Models with Panel Data | <ul style="list-style-type: none"> Ch. 16, (W) Ch. 18, (GP) | |
| Week 11-13 Mar 25 & 27 | <p>Topic 5: Maximum Likelihood Estimation and Qualitative Response Models</p> | <ul style="list-style-type: none"> Ch. 17, (W) Ch. 15, (GP) | PS3 (Topic 3-4) |

| | | | |
|---|---|-----------------------------------|--------------------------------|
| Apr 1 Apr 3 & 8 Apr 10 | <ul style="list-style-type: none"> - Basic Concept of Maximum Likelihood Estimation - Binary Response Model <ul style="list-style-type: none"> • Linear Probability Model (LPM) • Logit Model • Probit Model - Multiple Response Model <ul style="list-style-type: none"> • Multinomial Logit Model • Ordered Probit/Logit Model - Other Limited Dependent Variable Models <ul style="list-style-type: none"> • Tobit Model • Censored and Truncated Regression Models • Selection Bias and Sample Selection Corrections | | Due Mar 27 |
| Week 14-16 Apr 15: Songkran Holiday Apr 17 & 22 Apr 24 & 29 May 1 | <p>Topic 6: Time Series Topics</p> <ul style="list-style-type: none"> - Basic Regression Analysis with Time Series Data - Infinite Distributed Lag Models - Testing for Unit Roots - Spurious Regression - Cointegration and Error Correction Models <p>Review before Final Exam</p> | Ch. 10-11, 18 (W) Ch. 21, (GP) | PS4 (Topic 5) Due Apr 17 |
| May 6 | Final Exam | | |

Grading:

| | |
|-------------------|---------------|
| 4 problem sets | 20% (5% each) |
| Paper replication | 10% |
| Midterm exam | 30% |
| Final exam | 40% |

*Problem sets are due at the end of the class on the due date. Late problem set submission counts as 50% of your actual marks. Besides answering questions completely, students have to submit STATA code used in each problem set. Discussion on the problem set in a group is allowed, but hand-in assignment has to be written individually without copying. Problem set solutions will be posted on Moodle after each problem set deadline. Further information on paper replication will be updated in class.

Course Outline

EE 431 Economics of Financial Markets and Institutions

Number of credits: 3 credits

Course Description:

Money and capital markets at the micro level; Financial assets; financial risks and financial risks bearing; Theory of equilibrium pricing of financial assets; the CAPM and APT models; Interest rate structure; bond and equity instruments; Financial derivatives; Asymmetric information in financial market; The study of financial institutions with the emphases on theories regarding the roles and functions of commercial banks; Risk management of financial institutions; Monitoring and controlling of financial institutions; The deposit insurance system and financial institution business from the perspective of industrial economics.

Prerequisites: EE311

Course Objectives:

The objective of this course is to provide the students a better understanding of financial assets and the role of financial institutions in the financial markets with asymmetric information.

Required Text:

1. Frederic Mishkin, The Economics of Money, Banking and Financial Markets 9th Edition (Pearson, 2009).
2. Peter D Spencer, The Structure and Regulation of Financial Market (Oxford University Press, 2000)
3. Copeland, Thomas E. and J. Fred Weston, Financial Theory and Corporate Policy, 4th edition, (Addison-Wesley, 2005).

Handouts or other related materials: (if any) will be uploaded on BE moodle at least two days before each lecture. It is the responsibility of the student to print the handouts or other related materials themselves.

Topics:

| Part I : Economic Analysis of Asset Prices | |
|--|--------------------|
| Topics | Textbook |
| Topic 1. Financial assets and the overview of financial market (1 time) | FM2009, Ch. 1-3 |
| Topic 2. Debt Market and Structure of interest rates (9 times) | FM2009, Ch.4-6 |
| Topic 3. Mean-Variance Analysis (3 times) | Copeland2005,Ch.5 |
| Topic 4: Capital asset pricing model (CAPM) and Arbitrage Pricing Theory (APT) (4 times) | Copeland2005, Ch.6 |
| Part II : Financial Institution, Financial Market and Asymmetric Information | |
| Topics | Textbook |
| Topic 5. Financial institutions (2 times) | FM2009, Ch.9 -11 |
| Topic 6. Theory of financial intermediation (4 times) | PS2000, Ch.8 |
| Topic 7. Convexity, excessive risk, and bank regulation (3 times) | PS2000, Ch.9 |
| Topic 8. Bank runs, systemic risk and deposit insurance (5 times) | PS2000, Ch.10 |

The above criteria can be considered as an approximate guideline. However, there is no permanent letter grade for any exam. The criteria may be adjusted depending on overall performance of the students. The lecturer reserves the right to modify the grading criteria.

A student cannot ask a special letter grade other than the grade assigned. Otherwise, the rights of other students are violated and a student has no right to ask for such a violation.

Other Policies:

Any changes to the course outline (if any) **will be announced in the class or uploaded on BE moodle.**

It is the responsibility of the students to obtain any information announced in the class or the BE moodle. Ignorance of such information due to absence of class/absence of visiting the BE moodle is not a valid defense.

If a student has any question about the lecture, please do not hesitate to consult the lecturer during office hours. The lecturer would be pleased to assist. All students are welcome during the office hours. If you are not convenient to meet at the lecturer's office hours, please make an appointment in advance via email. Please allow enough time (at least 2 working days) for the lecturer to confirm the

appointment. The student also should confirm such an appointment by emailing back. Please kindly use your official student's email account to contact with the lecturer.

Course Outline

EE432 Monetary Theory and Policy

Number of credits: 3 credits

Course Description:

This course aims to explore both the theoretical and practical aspects of monetary economics to provide an insight into real-life monetary policy-making. The first and second parts of the course review theoretical frameworks pertaining money, monetary policy and exchange rate to serve as a solid background for subsequent parts. The part on monetary theory then ties together related theoretical background on the formulation of monetary policy, which has evolved through several decades of development in macroeconomic theories. What then follows is a theoretical exposition of the role of credit and banking.

Having laid out a firm theoretical background, the course will then turn to actual policy-making of monetary policy. Monetary policy implementation in Thailand along with exchange rate policy will be thoroughly discussed. The course will also look into financial crises to draw some lessons from policy-making aspects, which will include a review of unconventional monetary policy as crisis response measures and a practical example of the fiscal and monetary interaction.

Prerequisite: EE312

Course Outline:

Part I Money and Related Theories

The theory of money demand

Money supply and money creation process

Money and inflation (IS/LM framework)

Part II Basics on Monetary Policy and Exchange Rate

The conduct of monetary policy

Transmission mechanism of monetary policy

Exchange rate and international financial system

Models of exchange rate crises

Part III Monetary Theory

The history of monetary theory

Rule vs discretion and the problem of inflationary bias

Theoretical solutions to inflationary bias problem

Understanding the New Keynesian framework

Why rule is still superior to discretion under the New Keynesian Framework

Part IV Credit and Banking

Credit, money and aggregate demand

Banks, allocation and risk-sharing

Part V Practical Aspects of Monetary Policy

Monetary Policy in Thailand

Evidence of Transmission Mechanism: the case of Thailand

Understanding monetary operations

Exchange rate policy under inflation targeting and the inconsistent trinity

Part VI Understanding Financial Crises and Unconventional Monetary Policy

The Asian financial crises of 1997-99

Credit crunch and financial disintermediation

The subprime crisis and unconventional monetary policy

The euro sovereign debt crisis: fiscal and monetary interaction

Recommend Readings:

Mishkin, F.S. 2012. The Economics of Money, Banking, and Financial Markets. PEARSON
Addison Wesley.

Walsh, C.E. 2010. Monetary Theory and Policy MIT Press.



B.E. International Program

Faculty of Economics, Thammasat University



EE 435 Introductory Financial Econometrics

Number of credits: 3 credits

Course Description:

The estimation methods of financial econometrics models, such as least square method and maximum likelihood, with the emphasis on time-series model including univariate time-series model, high frequency time-series model, multivariate time-series model; financial forecasting; The regression estimation of variables with long run relationship and short run dynamics; The application of model to analyze financial economics issues.

Prerequisites: EE325 (or EE425) and EE431

Course Objectives:

This course aims to apply econometric methodology with the economic and financial theory in explaining empirical data, and introduce a more advanced econometrics methodology beyond basic econometrics, especially time series econometrics. The objective is to train students for empirical research. The course focuses mainly on model formulation, parametric estimation method, and applications of the model. Emphasize of the course will be on empirical examples rather than theoretical proof. However, students are all expected to have a good understanding of basic statistics, calculus, and matrix algebra. Thus, students are all responsible for all pre-requisites of the course. This course also aims to have students learn how to use computer software in estimating the econometric models by letting students work on empirical assignments concerning on each topic.

Required Text:

Brooks, C. (2008). *Introductory Econometrics for Finance*. 2nd ed. New York, NY: Cambridge University Press.

Heij, C., de Boer, P., Franses, H.P., Kloek, T., & van Dijk, K.H. (2004). *Econometric Methods with Applications in Business and Economics*. New York, NY: Oxford University Press. (Chapter 4)

Supported Text:

Baltagi, B.H. (2008). *Econometric Analysis of Panel Data*. 4th ed. West Sussex, UK: John Wiley & Sons.

Berndt, E.R. (1991). *The Practice of Econometrics: Classic and Contemporary*. New York: Addison-Wesley Publishing. (Chapter 2)

Enders, W. (2003). *Applied Econometric Time Series*. 2nd ed. New York: John Wiley & Sons.

Greene, W.H. (2008). *Econometric Analysis*. 6th ed. Upper Saddle River, NJ: Prentice Hall.

Hamilton, J.D. (1994). *Time Series Analysis*. Princeton, NJ: Princeton University Press.

Johnston, J., & DiNardo, J. (1997). *Econometric Methods*. 4th ed. Singapore: McGraw-Hill.

Ruud, P.A. (2000). *An Introduction to Classical Econometric Theory*. New York: Oxford University Press.

Teaching Plan:

Class Schedule

| Week | Date | Content | Reading |
|------|-----------|---|---------|
| 1 | 17/1/2017 | <u>Review Least Squares Estimation Method</u> - Ordinary Least Squares Estimation Method | Ch 1-2 |
| | 19/1/2017 | <u>Review Least Squares Estimation Method</u> - Generalized Least Squares Estimation Method - Least Squares Estimation – Matrix Approach | Ch 3-4 |
| 2 | 24/1/2017 | <u>Application of Simple Regression Model</u> Capital Asset Pricing Model Spot & Future Market <u>Application of Multiple Regression Model</u> Fama-French Three Factor Model | Handout |
| | 26/1/2017 | <u>Application of Dummy Variable Technique</u> Calendar Effect in Stock Market | Handout |
| 3 | 31/1/2017 | <u>Simultaneous Equation Model</u> | Ch 6 |

| | | | |
|---|-----------------------|--|--------|
| | | Simultaneous Biased | |
| | 2/2/2017 | <u>Simultaneous Equation Model</u> Indirect Least Squares (ILS) Two Stage Least Squares (2SLS) Three Stage Least Squares (3SLS) | Ch 6 |
| 4 | 7/2/2017 | <u>Maximum Likelihood Estimation (MLE) Method</u> Concept | Heij 4 |
| | 9/2/2017 | <u>Maximum Likelihood Estimation (MLE) Method</u> Computation Inferential Statistics | Heij 4 |
| 5 | 14/2/2017 | <u>Limited Dependent Variable Models</u> Logit & Probit Model – Concept | Ch 11 |
| | 16/2/2017 | <u>Limited Dependent Variable Models</u> Logit & Probit Model – Inferential Statistics | Ch 11 |
| 6 | 21/2/2017 | <u>Limited Dependent Variable Models</u> Multinomial Logit & Probit Model Order Probit Model | Ch 11 |
| | | <u>Limited Dependent Variable Models</u> Censored Regression Model Truncated Regression Model | Ch 11 |
| 7 | | Univariate Time Series Models Stationary vs Nonstationary | Ch 5 |
| | 2/3/2017 | Univariate Time Series Models (cont.) Integrated Series | Ch 5 |
| 8 | 7/3/2017 8:00-9:30 | Midterm | |

| Week | Date | Content | Reading |
|-------------|-------------|--|----------------|
| 9 | 14/3/2017 | <u>Univariate Time Series Models</u> (cont.) Unit Root Test | Ch 5 |
| | 16/3/2017 | <u>Time Series Models</u> (cont.) Cointegration & Error Correction Models | Ch 5 |
| 10 | 21/3/2017 | <u>Univariate Time Series Models</u> (cont.) ARIMA Model – Estimation | Ch 5 |
| | 23/3/2017 | <u>Univariate Time Series Models</u> (cont.) ARIMA Model – Forecast | Ch 5 |
| 11 | 28/3/2017 | <u>Multivariate Time Series Models</u> Vector Autoregressive (VARs) Model – Concept | Ch 6 |
| | 30/3/2017 | <u>Multivariate Time Series Models</u> (cont.) Vector Autoregressive (VARs) Model – Procedure | Ch 6 |
| 11 | 4/4/2017 | <u>Multivariate Time Series Models</u> (cont.) Impulse Response Analysis | Ch 6 |
| | | <u>Multivariate Time Series Models</u> (cont.) Orthogonal Impulse Response Analysis | Ch 6 |
| 12 | 18/4/2017 | <u>Multivariate Time Series Models</u> (cont.) Forecast Error Variance Decomposition | Ch 6 |
| | 20/4/2017 | <u>Modelling Long-run Relationships in Finance</u> Engle Granger Cointegration Test | Ch 7 |
| 13 | 25/4/2017 | <u>Modelling Long-run Relationships in Finance</u> (cont.) Johansen Cointegration Test | Ch 7 |
| | 27/4/2017 | <u>Modelling Long-run Relationships in Finance</u> (cont.) | Ch 7 |

| | | | |
|-----------|-------------------------|---|-------|
| | | Vector Error Correction Models (VECM) | |
| 14 | 2/5/2017 | <u>Modelling Volatility and Correlation</u> Autoregressive Conditional Heteroscedasticity (ARCH) ARCH-M | Ch 8 |
| | 4/5/2017 | <u>Modelling Volatility and Correlation</u> (cont.) Generalized Autoregressive Conditional Heteroscedasticity (GARCH) EGARCH | Ch 8 |
| 15 | 9/5/2017 | <u>Panel Data Models</u> Characteristic of Data and Problems. Model with Heteroscedasticity, Autocorrelation and Cross-sectional Correlation. | Ch 10 |
| | 11/5/2017 | <u>Panel Data Models</u> Fixed Effect Models. Random Effect Models. | Ch 10 |
| 16 | 23/5/2017 9:00-12:00 | Final Exam | |

Grading:

| | |
|------------------|-------------|
| 1. Assignments | 15% |
| 2. Group Project | 15% |
| 3. Midterm Exam | 30% |
| 4. Final Exam | <u>40%</u> |
| | <u>100%</u> |

Course Syllabus

EE 439 Seminar in Monetary and Financial Economics

Number of credits 3 credits

Prerequisites: (a) EE 431 and EE 432 or

Description:

Seminar and research on specific topics in monetary and financial economics under supervision and guidance of the lecturer.

Objective:

The main objective of this course is to get students to think critically about the current issues in monetary economics, which may include banks' behaviors, central banking, capital flows and its management, and selected topics on financial crises. Students are expected to proactively read on current issues, dynamically participate in class discussion, and conduct your own independent research. The course is designed such that students would apply economic theories and quantitative analyses to real-world questions of modern-day monetary economics. The ultimate goal of the course is to effectively transition students into a role of an active monetary economist.

We assume that students possess the minimum prerequisites above and that students have strong interest in doing research in the area of monetary economics. Students should have no trouble with basic calculus (differentiating, maximizing a function with and without constraint, etc.) and no trouble understanding regressions (e.g. multivariable OLS).

Seminar and Leading the Discussions:

In class, we will discuss readings on selected current issues in monetary economics from journals. Each student must also *take turn in leading 30-minute class discussions* on readings suited to the topics of student's interest. The leading student must also understand the theoretical underpinnings of the paper, which may require backward researching from the reference provided in the paper. Students will typically be required to lead 2-3 papers in the semester, according to paper's difficulty. For each topic, (***) will be assigned to the most challenging to read paper on the topic. Student who attempted these challenging papers will usually be required to lead smaller number of sessions and may receive special bonus points.

Research Paper:

Students are required to independently write a research paper by employing appropriate economic tools. The research paper will be graded at three different stages: *on the proposal*, *on a presentation of results*, and *on the first draft*. Evaluation of the research paper is based on originality, effort, preparedness, cohesiveness of ideas, and analytical ability. In addition, your discussion of peers' works during their presentation will count towards your participation score.

Assessment:

Since this is a seminar class, your participation in class discussion is mandatory. The grade distribution is as follows:

| | |
|-----------------------------------|-------------------|
| Seminar | 35% (+10%) |
| Leading discussion | 15% |
| Participating in discussion | 20% |
| *** <i>(Possible Bonus Points</i> | <i>10%)***</i> |
| Research Paper | 65% |
| Proposal | 10% |
| Presentation | 20% |
| Final Draft | 35% |

Contact Information:

The easiest way to get in contact with me if you have any questions is via e-mail. Aj. Benjarong's address is: bensuwankiri@gmail.com. On all correspondences, *begin the subject of your email with "EE439:"*, otherwise your email could easily slip my eyes into the junk mail folder. I may also allocate 30 mins every week to discuss papers individually with students. Sign-up sheet will be provided in class.

Topics and Readings:

The following is a preliminary list of topics for the course (not necessarily in this order). A full reading list will be distributed on the first day of the course. Please note that some adjustment might be made along the way according to time limitation and class interest.

1. Central Bank Independence and Price Stability
2. Monetary Policy Regimes and Inflation Targeting
3. Transmission Channels of Monetary Policy
4. Banking Industry: Competition and Stability
5. Role of Government Banks

6. Financial Crises
7. Capital Flows and Global Liquidity
8. Monetary Policy and Exchange Rate
9. Macroprudential Policy and Macroeconomic risks

Disclaimer: By registering for this class, you agree to accept all course requirements, deadlines, and other procedures outlined in this syllabus, and in class discussions. There will be no discussions, pleas, or arguments about these aspects of the administration of the course under any circumstances.

Course Outline

EE442 Economics of Public Revenue

Number of credits: 3 credits(3-0-6)

CourseDescription: The analysis of the structure and composition of government revenues Theory of taxation; Tax burden; Tax incidence; Taxation and efficiency; Taxation and equity The effects of taxation on individual decision to perform economic activities, such as working, saving, investment and risk bearing. The difference between tax avoidance and tax evasion The definition and effects of public debts on fiscal decentralization to local government. The study and analysis of the revenue structure. Subsidies allocation criteria and the effects of subsidies given to local governments on economic activities and social welfare The analysis of tax reform and comparative studies of international experiences in tax reform.

Prerequisites:Prerequisites: EE212 (or EE214) and EE311. The course will require basic and intermediate micro-economics.

MainTextbook:

The main textbook for the course will be,

Rosen, Harvey, and Gayer, Ted, *Public Finance*, 9th edition, 2010.

Additionally, students can supplement their reading with

Stiglitz, J., *Economics of the Public Sector*, W.W. Norton & Company 3rd ed., 1999.

Additionally, there will be supplemental reading throughout the semester, drawn from current literature, which will be used to illustrate the principles taught in class. These readings will be posted to moodle (moodle code 3571), and will be available on my website.

Other Recommended Books:

Gruber, J., *Public Finance and Public Policy*, Worth Publishers 2nd ed. 2007.

ParthasarathiShome, Ed, *IMF Tax Policy Handbook*, Fiscal Affairs Department, IMF, Washington D.C., 1995.

Other Readings:

(I will post links to some of these, or the articles, on my website) These readings may be referred to in class, I will announce before the class. For the Thai articles, I will be reading through a translation program, so be warned....

Vito Tanzi, and Howell H. Zee, Tax Policy for Emerging Market: Developing Countries, IMF Working Paper, March 2000.

Roy Bahl, and Richard Bird, Tax Policy in Developing Countries: looking Back and Forward, Working Paper Series, Joseph L. Rotman, School of Management, University of Toronto, May 2008.

Alan J. Auerbach, and James R. Hines Jr., Taxation and Economic Efficiency, NBER, February 2001.
Richard Bird, and Eric M. Zolt, Introduction to Tax Policy Design and Development, World Bank, May 2003.

Varunyuwattana, Sakon and DuangmaneeLaovakul, "Progress of Fiscal Decentralization in Thailand," in *Impacts & Challenges of Decentralization Policy towards Democratization and Development (A Comparative Perspective between Thailand and Indonesia)*, Proceeding in International Joint Seminar, Yogyakarta, Indonesia: Laboratory of Governmental Studies, University of Muhammadiyah, 2010.

Some optional Thai articles (I have read software generated translations of these, but claim no great knowledge of them) include

Teaching Plan and Class Schedule

| Date | Topic | Readings |
|-------------------------|--|--|
| January 14, 16 | Section I | Stiglitz, chapter 1 Rosen and Gayer, chapter 1 |
| January 21, 23 | Section 2 (Tools of Positive and Normative Analysis) | Rosen and Gayer, chapter 2-3 |
| January 28, 30 | Section 3 (Introduction to Taxation) | Rosen and Gayer, chapter 4,5 and 6 (selected readings) Stiglitz, chapter 17 |
| February 4, 6 | Section 4 (Thailand Revenue Structure) | |
| February 11, 13, 18, 20 | Section 5 (Tax Incidence) | Rosen and Gayer, chapter 14 Stiglitz, chapter 18 and 23, p. 648-659 |
| February 25, 27 | Section 6 (Taxation and Economic Efficiency) | Rosen and Gayer, chapter 15 Stiglitz, chapter 19 and 23, p. 518-532 |
| March 4 | Midterm Exam | |

| | | |
|--------------|-----------------------------------|--|
| March 11, 13 | Section 7 (Optimal Taxation) | Rosen and Gayer, chapter 16 |
| March 18, 20 | Section 8 (Personal Income Tax) | Rosen and Gayer, chapter 17 Stiglitz, chapter 22 |
| March 25, 27 | Section 9 | Rosen and Gayer, chapter 18 |
| April 1, 3 | Section 10 (Corporate Income Tax) | Rosen and Gayer, chapter 19 Stiglitz, chapter 23 6 |
| April 8, 10 | Section 11 (Tax Avoidance) | Rosen and Gayer, chapter 14, p. 349-354. Stiglitz, chapter 24 |
| April 15, 17 | Section 12 (Public Debt) | Stiglitz, chapter 28 |
| April 22, 24 | Section 13 (Tax Reform) | Rosen and Gayer, chapter 21 Stiglitz, chapter 25 |
| April 29 | Section 14: Final Thoughts | Rosen and Gayer, chapter 22. |
| May 1 | Final Exam Review | TBA |
| May 16 | Final Exam | |

Course Evaluation:

| Type of evaluation | Evaluation Method | Evaluation date |
|-----------------------------|-------------------|-------------------------------------|
| Midterm Exam | 40% | March 4, 2014 ; 11.00 AM – 12.30 PM |
| Final Exam | 50% | May 16, 2014 ; 1.30 – 4.30 PM |
| Class Attendance/Discussion | 10% | |

Course Outline

EE 451: International Trade Theory and Policy

Number of credits: 3 credits

Course Description:

International trade theories; Basic factors for international trade; Outcomes from trade, such as production outcome, commodities price, resource allocation, and factors of production price; The analysis of the policies and regulations in international trade; The economic integration; Foreign investments.

Prerequisite: EE311

Main textbook:

Appleyard, D.R.; A.J. Field, Jr.; and S.L. Cobb (2010) *International Economics*, 7th ed., McGraw-Hill: Singapore. (AFC)

Topics

1. Introduction (1.5 hr.)
 - 1.1 Scope of International Economics
 - 1.2 Merchandise Trade and Trade in ServicesRead: AFC ch.1

2. Early Trade Theories and the Classical Trade Theory (6 hr.)
 - 2.1 Mercantilism
 - 2.2 Classical Trade Theory
 - 2.3 Principle of Absolute Advantage --- Adam Smith
 - 2.4 Principle of Comparative --- David Ricardo
 - 2.5 Extensions and Tests of the Classical Trade Model
 - 2.6 Explanation of Classical Trade model by Neoclassic ToolsRead: AFC ch.2-4

3. Neoclassical Trade Theory (4.5 hr.)
 - 3.1 Basic Tools
 - 3.1.1 The Theory of Consumer Behavior
 - 3.1.2 The Production Theory

- 3.1.3 The Edgeworth Box Diagram and The Production Possibility Frontier
- 3.2 Gains from Trade in Neoclassical Theory
 - 3.2.1 Autarky Equilibrium
 - 3.2.2 Production and Consumption Gains from Trade
 - 3.2.3 Offer Curves and Terms of Trade

Read: AFC ch.5-7

- 4. Factor Endowments and the Heckscher-Olin Model (9 hr.)
 - 4.1 Assumptions
 - 4.2 Factor Abundance Concept
 - 4.3 Factor Intensity Concept
 - 4.4 Relationship between Relative Factor Price and Factor Proportion
 - 4.5 Relationship between Relative Product Price and Relative Factor Price
 - 4.6 Relationship between Relative Product Price, Relative Factor Price and Factor Proportion
 - 4.7 The Heckscher-Olin Theorem
 - 4.8 The Factor Price Equalization Theorem
 - 4.9 Heckscher-Olin Theorem under Factor Intensity Reversal Case
 - 4.10 The Stolper-Samuelson Theorem
 - 4.11 Empirical Tests of the Heckscher-Olin Theorem
 - 4.11.1 The Leontief Paradox
 - 4.11.2 Suggested Explanations for The Leontief Paradox

Read: AFC ch.8-9

- 5. Alternative Theories and Intra-Industry Trade (6 hr.)
 - 5.1 Specific-Factors Model
 - 5.2 Economies of Scale
 - 5.3 Dumping
 - 5.4 The Imitation Lag Hypothesis and The Product Cycle Theory
 - 5.5 The Linder Theory
 - 5.6 Gravity Model
 - 5.7 Intra-Industry Trade

Read: AFC ch.10

- 6. Trade Policy (9 hr.)
 - 6.1 Trade Policy Introduction and Types of Policy Instruments
 - 6.2 Protection
 - 6.3 Analysis of the Impact of Trade Policies
 - 6.3.1 Import Tariffs
 - 6.3.2 Import Quotas
 - 6.3.3 Voluntary Export Restraints (VER)
 - 6.3.4 Subsidy to Import Competing Industry
 - 6.3.5 Export Tax
 - 6.3.6 Export Subsidy
 - 6.4 Other Effects of Protection

6.5 Import Tariffs and Import Quotas

Read: AFC ch.13-16

7. International Trade Institution and Economic Integration (4.5 hr.)

7.1 Types of Economic Integration

7.2 The Static Effects

7.2.1 Trade Creation and Trade Diversion

7.2.2 The Second Best Theory

7.3 The Dynamic Effects

Read: AFC ch.17

8. International Factor Movement (3 hr.)

8.1 Capital Movement

8.2 Labor Movement

Read: AFC ch.12

9. Economic Growth and International Trade (3 hr.)

9.1 Classifying the Trade Effects of Economic Growth

9.2 Sources of Growth and the Production-Possibilities Frontier

9.3 Factor Growth, Trade and Welfare

9.3.1 The Small-Country Case and the Rybczynski Theorem

9.3.2 The Large-Country Case

Read: AFC ch.11

Course Outline

EE 452 International Monetary Economics

Number of credits: 3 credits

Course Description:

The course aims to lay down basic concepts of international monetary economics with expectation that students can understand events in international financial economics happening worldwide. It begins with the analysis of balance of payment and its components (current account, transfer payment, capital accounts). The interconnection between balance of payments and other parts of economy is also included. It is followed by foreign exchange market, capital markets, and exchange rate system. Application of each topic is usually discussed. This would make students be able to apply the concepts learned in the classroom.

Prerequisites: EE312

References:

1. Montiel, P.J. (2009), *International Macroeconomics*, Wiley-Blackwell, Sussex (**Main**).
2. Södersten, B. and G. Reed (1994) *International Economics* (3rd Edition), MacMillan Press, London. (**Supplement**)
3. Feenstra, R.C. and A.M. Taylor (2008), *International Economics*, Worth Publishers, New York. (**Supplement**)
4. Caves, R.E., J.A. Frankel, and R.W. Jones (2007) *World Trade and Payments: An Introduction*, (10eds.) Pearson International Edition, Massachusetts. (**Supplement**)
5. ASEAN Economic Bulletin (2010), *The Global Financial Crisis and Asian Economies: Impacts and Trade Policy Responses*, Volume 27 (1) edited by P. Athukorala and A Chongvilaivan.
6. Athukorala, P. (2001), *Crisis and Recovery in Malaysia: The Role of Capital Controls*, Edward Elgar, Cheltenham.
7. Athukorala, P. and P. Warr (2002), 'Vulnerability to a Currency Crisis: Lessons from the Asian Experience', *World Economy*, 25(1), p.33-57.
8. Bhagwati, J. (1995) 'The Capital Myth: The Difference between Trade in Widgets and Dollars', *Foreign Affairs*, 77 (3), 7-12.
9. Calvo, G. and C. Reinhart (2002), 'Fears of Floating', *Quarterly Journal of Economics*, May, : 379-408.
10. Corden, W.M. (2011), 'Global Imbalances and the Paradox of Thrift', CEPR Policy Insight, Centre for Economic Policy Resesarch No. 54: April.

11. Fischer, S. (2001), 'Exchange Rate Regimes: Is the Bipolar View Correct?', *Journal of Economic Perspective*, **15** (2), 3–24.
12. Ghosh, A.R., A. Gulde, and H. Wolf (2002), *Exchange Rate Regimes: Choices and Consequences*, Massachusetts, MIT Press.
13. James, W., D. Park, S. Jha, J. Jongwanich, A. Terada-Hagiwara and L. Sumulong (2008), 'The US Financial Crisis, Global Financial Turmoil, and Developing Asia: Is the Era of High Growth at an End?', *ADB Economics Working Paper Series*, No. 139, December, Asian Development Bank (ADB), Manila.
14. Jongwanich, J. (2007), *Capital Mobility, Exchange Rate Regimes, and Currency Crisis: Theory and Evidence from Thailand*, Nova Science, New York.
15. Jongwanich, J. (2008), 'Real Exchange Rate Overvaluation and Currency Crisis: Evidence from Thailand', *Applied Economics*, 40(1): 373-82.
16. Kohpaiboon, A. (2012), 'Hedging Behaviors of Thai Firms', Ongoing Research for M. Viwatchai Scholarship funded by 50 Years Bank of Thailand Foundation.
17. Kose, M.A., E. Prasad, K. Rogoff, and S. Wei (2006), 'Financial Globalization: A Reappraisal', *IMF Working Paper WP06/189*, Washington.
18. Warr, P. (1999), 'What Happened to Thailand', *World Economy*, 22 (5), 631-50.
19. Warr, P. (2005) 'Boom, Bust and Beyond' in P. Warr (ed.), *Thailand Beyond the Crisis*, RoutledgeCuzon, London: 3-65.

Teaching Plan:

Course Details

1. Balance of Payment

Discuss the basic concept of balance of payment and its key components including balance of trade, current account and capital accounts. The link between balance of payment and international reserves is discussed. Discussion in this section is associated with actual balance of payment data of several countries.

2.1 Balance of Payment and its Components

2.2 Implication of Balance of Payment Imbalances

2.3 Trade and Current Account Balance

2.4 Capital Account

2.5 National Income and Product Accounts (NIPA)

2.6 Contemporary issues on BOP

References: Montiel (2009)- Chp 2; Sodesten and Reed (1994)- Chps 23 25 and 26; Warr (1999) Athukorala and Warr (2002); Jongwanich (2007)- Chp 3; and Corden. (2011)

2. Foreign Exchange Market

Discussion in this section begins basic features of demand for and supply of foreign exchange (derived demand). Marshall-Lerner Condition and the degree of market stability are then discussed. This section ends with the motivation of capital movement across countries

2.1 Nominal Exchange Rate and Nominal Effective Exchange Rate Index

2.2 Demand and Supply in the Foreign Exchange Market

2.2.1 Goods and Services

- Real exchange rate and real effective exchange rate index
- Purchasing Power Parity (PPP) and its economic implication
- Factors influencing the demand and supply
- Marshall-Leaner Condition

2.2.2 Financial Assets

- Uncovered Interest Parity (UIP)
- Stock theory of international capital mobility

2.2.3 Central Banks

- Foreign Exchange Regime

References: Montiel (2009)- Chp 3; Sodesten and Reed (1994)- Chp 24; Jongwanich (2007)- Chp 2 & Appendix 8; Calvo and Reinhart. (2002)

3. Currency Forward Market, Hedging Behavior and Speculation

This section aims to shift the interest to another transactions in the foreign exchange market, forward transaction where agents decide to buy/sell currency today for future transaction. Since transactions in forward market is largely dominated by currency hedging against unexpected changes in exchange rate, decision to hedge is discussed. Instruments against the unexpected changes like forward contract, call/put options are discussed. The last subsection in this topic touches on speculation.

3.1 Forward market and determinants of forward rate

3.2 Structure of forward market

3.3 Hedging Behavior of firms

3.4 Evidence of firms in currency hedging

3.5 Currency Speculation and Exchange Rate Misalignment

References: Kohpaiboon. (2012)

4. Macroeconomic Model

General equilibrium macroeconomic model is discussed in this section in order to provide comprehensive picture how macroeconomic variables (output, inflation, interest rate, prices, exchange rate) are interrelated.

19.1 Macroeconomic Model Setting (Montiel, 2009: Chp 4)

19.1.1 Need for Macroeconomic Model

19.1.2 Mundell-Flemming vs. Montiel (2009) Models

19.1.3 Role of Central Bank

19.2 Fixed Exchange Rate and Perfect Capital Mobility (Montiel, 2009: Chp 6 and 9)

19.2.1 Equilibrium in goods and money markets

19.2.2 Uncovered Interest Parity

19.2.3 General Equilibrium

19.2.4 Shocks

- Monetary Expansion
- Positive Aggregate Demand Shocks

19.2.5 Impossible Trinity Theorem

19.3 Fixed but Adjustable Exchange Rate and Imperfect Capital Mobility (Montiel, 2009: Chp 7-8)

19.3.1 Net Wealth of Central Bank and Bond Market Equilibrium

19.3.2 General Equilibrium (Equilibrium in goods, money and bond markets)

19.3.3 Shocks

- Monetary Expansion
- Positive Aggregate Demand Shocks
- Unexpected Currency Devaluation
- An Increase in World Interest Rate

19.4 Floating Exchange Rate and Perfect Capital Mobility (Montiel 2009: Chp 10)

19.4.1 Uncovered Interest Parity and Relationship between Exchange Rate and Interest Rate

19.4.2 General Equilibrium in exchange rate-output nexus

19.4.3 Shocks

- Monetary Expansion
- Positive Aggregate Demand Shocks
- External Financial Shocks

19.5 Exchange Rate Dynamics (Overshooting Model) (Montiel, 2009: Chp 12)

19.5.1 Sources of Exchange Rate Dynamics

19.5.2 Permanent and Transitory Shocks

19.5.3 Shocks

- Monetary Expansion
 - Positive Aggregate Demand Shocks
 - External Financial Shocks
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COURSE OUTLINE

EE 459 SEMINAR IN INTERNATIONAL ECONOMICS

Course Description:

More globalized world implies more unstable and volatile markets. As a result, the probability of experiencing fluctuation in both global trade and international financial markets gets higher. This course is aimed at broadening students' insight of international economics through various approaches, including lecture, class discussion, term paper, and seminars with guest speakers. Particularly, practices of applying analytical frameworks to the current issues and data of both global trade and international finance would enhance students' in-depth analytical skills towards more understanding of the global volatilities.

Prerequisite:

- (a) EE451 and EE452 or
- (b) By lecturer consent

Case analysis I & II – students will be assigned to analyze and present the policy recommendations of current issues in international economics. The main objective of these assignments is to introduce the practical implementation of theoretical frameworks in analyzing impacts of the international trade in both micro and macro levels.

Literature review – as a preparation toward developing individual's final paper, the student has to write a 2-page summary of his/her final paper's main reference literatures. Also the student has to present the summary in class in order to share and discuss main concepts of research methodologies and key findings of those literatures.

Final paper – The final paper is an individual work and should not be longer than 8 pages, double-space, excluding tables and figures; it should contain only the main points and written succinctly. The paper is to be submitted a week before class presentation. It is strongly advised that students make their plans early for the topic of the paper. The idea is, during the semester students can raise issues and questions related to their selected topic such that the treatment of the topic will provide more materials for them to write about. The use of extensive data of economic and financial variables in the paper will carry extra weight.

Course Outline:

Week 1 (August 15, August 17) : Introduction and Global Trade Database

Readings

- Timmer, M., et. al. (2012), The World Input-Output Database (WIOD): Contents, Sources and Methods, the European Commission.
(<http://www.wiod.org/publications/memoabstract.htm?id=10>)
- International Trade Centre UNCTAD/WTO. (2009), Trade Map – Trade Statistics for International Business Development,
(<http://legacy.intracen.org/marketanalysis/Docs/Trademap/TradeMap-Userguide-EN.pdf>)

Week 2 (August 22, August 24) : Global Trade – Basic Analysis

Readings

- Schaffer, W. A.(2010), Regional Impact Models, Georgia Institute of Technology, School of Economics. (<http://www.rri.wvu.edu/WebBook/Schaffer/chap05.html>)
- De Backer, K. and Yamano, N. (2008) The Measurement of Globalisation using International Input-Output Tables, STI WORKING PAPER 2007/8 Statistical Analysis of Science, Technology and Industry, Organisation for Economic Co-operation and Development (OECD)
- Yamano N., and Meng B. (2011) Measuring Global Fragmentation using Harmonized International Input-Output Database
(http://www.iioa.org/files/conference-2/588_20110512061_yamano-mengIIOA2011.pdf)

Week 3 (August 29, August 31) : Review of Global Trade Policy Analyses

Readings

- Hertel (ed.), T.W. (1997), Global Trade Analysis: Modeling and Applications, , Cambridge University Press
(https://www.gtap.agecon.purdue.edu/products/gtap_book.asp.)

- Peter, P., Plummer, M. G. and Zhai, F. (2011), The Economics of the ASEAN Economic Community.
- Lee, H. and Plummer, M. G. (2011), Assessing the Impact of the ASEAN Economic Community, Discussion Paper: DP-2011-E-002, Osaka School of International Public Policy, Osaka University

Week 4 (September 5 , September 7) : Students' Presentation - Case Analysis I

Week 5 (September 12, September 14) : Global Trade – Current Issues

Readings

- Rogoff K. (2006), “Impact of Globalization on Monetary Policy,” paper presented to the annual Jackson Hole symposium of the Federal Reserve Bank of Kansas City, (August)
(<http://www.kc.frb.org/PUBLICAT/SYMPOS/2006/pdf/rogoff.paper.0829.pdf>)
- Blinder A. (2006), “Offshoring: The Next Industrial Revolution?, Foreign Affairs, 85, pp. 113-128
([http://www.internationaltraderelations.com/Blinder.Offshoring%20\(Foreign%20Affairs,%20March-April%202006\).pdf](http://www.internationaltraderelations.com/Blinder.Offshoring%20(Foreign%20Affairs,%20March-April%202006).pdf))
- Shahid Y., Nabashima K. and Perkins D. (2006), “China and India Reshape the Global Industrial Geography, in World Bank, Dancing with Giants: China, India and the Global Economy, Washington, D.C.: The World Bank, pp. 27-56,
(http://siteresources.worldbank.org/INTCHIINDGLOECO/Resources/CE_Ch02pp.027-56_FINAL.pdf)
- Eichengreen B. and Tong H. (2006), “How China is Reorganizing the World Economy,” Asian Economic Policy Review 1, pp.73-101,
(http://www.aeaweb.org/annual_mtg_papers/2006/0106_1430_1702.pdf)

Week 6 (September 19, September 21) : Regional Cooperation

September 19: Regional Cooperation

Guest Speaker – Dr. Athipong Hirunraengchok

(Policy & Planning Analyst, NESDB)

September 21: Regional Cooperation

Readings

- Kalemli-Ozcan, S., B.E Sorensen and O. Yosha (2003). Risk Sharing and Industrial Specialization: Regional and International Evidence, The American Economic Review, Vol 93,

No 3, June. (http://www.econ.tau.ac.il/papers/inmemoriam/Yosha_Sorensen_Kalemni-Ozcan_2003.pdf)

- Eichengreen, B. (2006). Global Imbalances and the Asian Economies: Implications for Regional Cooperation, ADB Working Paper Series on Regional Economic Integration, No. 4, August. (<http://ideas.repec.org/p/ris/adbrei/0004.html>)

Week 7 (September 26, September 28) : Global Trade and Economic Development

Readings

- Yanikkaya H. (2003), Trade Openness and Economic Growth: a Cross-Country Empirical Investigation, Journal of Development Economics, 72, pp. 57– 89
- Samman, E. (2005), Openness and Growth: An Empirical Investigation, Human Development Report Office, Occasional Paper, UNDP

Week 8 (October 10, October 12) :

October 10 : International Trade and Economic Development

October 12 : International Finance – Empirical Evidences

- Flood R.P and Marion, N.P. (1998), Perspectives on the Recent Currency Crisis Literature, IMF Working Paper WP/98/130 (<http://www.imf.org/external/pubs/ft/wp/wp98130.pdf>)
- Flood, R. P. and Rose, A.K. (2001). Uncovered Interest Parity in Crisis: The Interest Rate Defense in the 1990s, unpublished manuscript, April (<http://www.internationalmonetaryfund.com/external/pubs/ft/wp/2001/wp01207.pdf>)

Week 9 (October 17, October 19) : Students' Presentation - Case Analysis I

Week 10 (October 24, October 26) : International Finance – Financial Liberalization and Economic Development

Readings

- Tressel, T. and Detragiache E. (2008), Do Financial Sector Reforms Lead to Financial Development? Evidence from a New Dataset, IMF Working Paper, No 265, WP/08/265 (<http://www.imf.org/external/pubs/ft/wp/2008/wp08265.pdf>)
- Geert B., Harvey, C.R. and Lundblad C. (2001), Does Financial Liberalization Spur Growth?, NBER Working Paper, No. 8245, Cambridge, Massachusetts. (<http://www.nber.org/papers/W8245>)
- Kalemli-Ozcan S., Alfaro L., and Volosovich V. (2005), “Why Doesn't

Capital Flow from Rich to Poor Countries? NBER Working Paper no. 11901,
<http://papers.nber.org/papers/w11901>.

- Rajan R. (2006), “Foreign Capital and Economic Growth,” unpublished manuscript, International Monetary Fund, (August),
<http://www.kansascityfed.org/publicat/Sympos/2006/pdf/PrasadRajanSubramanian.0811.pdf>

Week 11 (October 31, November 2)

October 31 : Current Issues in International Finance

November 2 : Current Issues in International Relations and Economics

Week 12 (November 7, November 9)

[NOTE: November 7 is the submission date for assignment #3 (literature review and final paper’s outline)]

November 7: Current Issues in International Finance and Economics

Guest Speaker – Dr.Soraphol Tulayasathien

(Director of Economic Stability Analysis Division, Fiscal Policy Office, Ministry of Finance)

November 9 : International Finance – Capital Flows and Global Imbalance

Readings

- Eichengreen B. (2006), “Global Imbalances: The Blind Men and the Elephant,”Brookings Policy Brief 1, (January) http://www.brookings.edu/views/papers/200601_iiep_eichengreen.pdf
- Eichengreen, B. (2006). Global Imbalances and the Asian Economies: Implications for Regional Cooperation, ADB Working Paper Series on Regional Economic Integration, No. 4, August. (<http://ideas.repec.org/p/ris/adbrei/0004.html>)
- Borio C. and Disyatat P. (2011), Global Imbalances and the Financial Crisis: Link or no link?, BIS Working Papers No. 346 (www.bis.org/publ/work346.pdf)

Week 13 (November 14, November 16) : International Finance – Economic Crises and Contagion

Readings

- Baig, T & Goldfajn, I (1998), Financial Market Contagion in the Asian Crisis, IMF Working paper, WP/98/155 (<http://www.imf.org/external/pubs/ft/staffp/1999/06-99/pdf/baig.pdf>)
- Rigobon, R (2000). Contagion: How to Measure it, NBER Working Paper Series No 8118, Cambridge, MA (<http://papers.nber.org/papers/w8118.pdf>)

Week 14 (November 21, November 23) – Students’ Presentation – Final Paper

Week 15 (November 28, November 30) – Students’ Presentation – Final Paper

Course Outline

EE460 THAI ECONOMY

Number of credits: 3 credits

Course Description:

Thailand's economic structure and its changes since the 1960s with the economic performance in terms of economic development and growth, the intricate relationship between poverty, income distribution, and globalization. The process of economic policies formulation in Thailand; Implementation of monetary, exchange rate, and fiscal policies; The strategic policies reinforcing economic and social development for the whole economy or for each economic sector, especially the development of industrial and agricultural sectors, the complex relationship between the Thai economy and the World economy and International Organizations.

Prerequisites: EE 311 and EE 312

Course Objectives

The objective of this course is to provide students deep understanding of the Thai economy through utilizing economic theories. Market mechanism and government intervention will be examined to highlight policy issues relating to efficiency and socio-economic impacts. It is expected that students would be able to analyze controversial issues relating to the Thai economy. Based on lessons learned from the past, the class focuses on current issues.

Chapter 1 (Lecture 1)

Early Economic Development--The first three decades: 1961-1990

What can we learn from the historical path of Thailand's economic development? What were factors contributing to the rapid growth in the first three decades of Thailand's development planning?

J.C. Ingram (1971) Economic Change in Thailand, 1850-1970, Stanford University Press

P.G. Warr (1993) The Thai Economy in Transition, Cambridge University Press

Yasuba, Yasukichi and Likhit Dhiravekin (1985) “Initial conditions, institutional changes, Policy, and their consequences: Siam and Japan, 1850-1914.” Chapter 2, Japan and the Developing Countries, Kzzushi Ohkawa and Gustav Ranis, Oxford: Basil Blackwell

Rodrik, Dani (2004) “What do we learn from countries narratives?” In search of Prosperity www.pupress.princeton.edu/chapters/s7518.pdf

Chapter 2 (Lecture 2)

Resilience of the Thai economy

Adjustment through various shocks: 1991-2005

There appears to be some structural mechanisms in the Thai economy that would lessen the impact of economic crisis, whether the shock is internal or external. It is impossible to rule out various future shocks such as oil price hikes, realignments of major currency values, or crisis contagion. Is the Thai economy resilient enough to regain its pre-shock growth path?

P. G. Warr (2005) “Boom, bust and beyond” in *Thailand Beyond the Crisis*, Chapter 1, London: RoutledgeCurzon

Nidhiprabha, B. (2000) “Macroeconomic Perspectives on Thailand’s post-crisis recovery” *Thammasat Review*, Vol. 5, December, 51-77

Nidhiprabha, B. (2006) “Resilience of the Thai economy” in *Thailand’s Economic Recovery* Cavan Hogue (ed.), Institute of South East Asian Studies, Singapore, 2006.

Chapter 3 (Lecture 3-4)

The Thai economy after the coup: 2006-2009

In 2007, Thai economy grew at the lowest pace among countries in the region. How has the 2006 coup changed the Thai economy?

Nidhiprabha, B. (2009) "The Thai economy after the coup", in John Funston (ed.) *Divided over Thaksin*, Institute of Southeast Asian Studies.

Nidhiprabha, B. (2009) "The hard road ahead for Thailand's economic recovery," *Asian Economic Papers* 8(3), 113-137.

Chapter 4 (Lecture 5-6)

Dynamism of Thai Agriculture

What are factors contributing to Thailand's agricultural productivity over the past four decades? Can dynamism of the Thai agriculture enable Thailand to cope with new challenges? How did the agricultural sector cope with external shocks and fluctuations in the terms of trade?

Siamwalla, Ammar (1996) "Thai Agriculture: From engine of growth to sunset status" *TDRI Quarterly Review*, Vol. 11, no. 4, December, 3-10.

Coxhead, Ian and Jiraporn Plangprapha (1999) "Economic boom, financial burst, and the decline of Thai agriculture: Was growth in the 1990s too fast?" *Chulalongkorn Journal of Economics*, Vol. 11, January.

Nidhiprabha, B. (2005) "Dynamism of the Thai Agriculture" *East Asian Economic Perspectives*, Vol. 12, No. 2, August.

P.G. Warr (2007) "Trade policy and the structure of incentives in Thai agriculture" *ASEAN Economic Bulletin*, 25(3), 249-70.

Chapter 5 (Lecture 7-10)

Challenges of the manufacturing sector

We explore four major industries: processed food, information technology, textile, and automobile. While facing non-tariff barriers imposed by developed countries, these industries are still leading exporters of Thailand. Does the success of these industries bode well for the resilience and dynamism of the Thai manufacturing sector?

Nidhiprabha, B. and Chalernpol Chamchan (2005) "SPS and Thailand's Exports of Processed Food" in *Food Safety Regulation Concerns: The Developing Country Perspective*, in Rajesh Mehtha and J George (eds.) Delhi: Macmillan India.

ArchanunKohpaiboon (2006) "A cross-industry analysis of Thai manufactures" *World Development*, Vol. 34, no.3, 541-556.

Chapter 6 (Lecture 11-12)

Export growth engine and new regionalism

How important is the export sector as an engine of growth? What are factors contributing to high degree of trade openness? The globalization process in Thailand has been ongoing for the last three decades. What are prospects and problems of Thailand's attempt to comply with the globalization trend via regional and cross-regional free trade agreements?

Nidhiprabha, B. (2007) "Thailand and New Regionalism" in *Regional Integration in East Asia*, Masahisa Fujita (ed.) New York: Palgrave Macmillan,

Chapter 7 (Lecture 13)

Tourism industry: vulnerable but resilient

A background of tourism industry in Thailand is presented. We investigate how the industry was adversely affected by shocks such as the tsunami and political unrest. The tourism industry, which accounts for 6 percent of GDP, is quite vulnerable to all types of shocks. The tourism industry is resilient, as it has undergone various external shocks in the past. What factors were responsible for the fast recovery after the airport shutdown in 2007 and the riots in May 2010?

Nidhiprabha, B. (2010) "Thailand" in *The Asian Tsunami: Aid and Reconstruction after a disaster*, Jayasuriya, Sisira and Peter McCawley (eds.) Cheltenham: Edward Elgar, 2010.

Available on the web at www.adbi.org/discussion/paper/2007/08/02/2344.thailand.tsunami.adjustment.recovery

Chapter 8 (Lecture 14-15)

Adjustments of external imbalances

We discuss the determinants of current account, which is intricately related to internal imbalances. There are various channels of disequilibrium adjustment. Adjustments in output, prices, interest rates, and exchange rates would restore the equilibrium in the long run. The speed of the adjustment depends on how quickly those equilibrating variables are allowed to freely adjust. If some variables are not permitted to perform its equilibrating role, the burden of the adjustment would fall on other uncontrolled variables. What would happen if fundamental adjustments are prolonged?

Nidhiprabha, B.(1998) "Adverse consequences of capital flows and Thailand's optimum policy mix" in *Capital Flows in Asian Countries*, Kwan, C.H., Donna Vandenbrink, and Chia SiowYue (eds.), Nomura Research Institute and Institute of Southeast Asian Studies.

Nidhiprabha, B. (2010) "Effectiveness of Thailand's macroeconomic policy response to the global financial crisis," *ASEAN Economic Bulletin*, 27(1) 121-135.

Chapter 9 (Lecture 16-18)

Exchange rate policy, capital controls, and the stock market

To what extent that growth of exports depends on weak currency? Intervention in the foreign exchange markets is ineffective, because the baht/dollar exchange rate is dictated by the weakening dollar and short-term capital flows into asset markets. What were consequences of the capital control imposed in 2006?

Nidhiprabha, B. (2005) "Implication of a flexible exchange rate" in Peter G. Warr, *Thailand boom, bust, and beyond*. London: Routledge.

Nidhiprabha, B. (2008) "Contractionary devaluation revisited" Can appreciation be expansionary?" in Chapter 10, *East Asian Economies and New Regionalism*, Abe Shigeyuki and Bhanupong Nidhiprabha (eds.) Kyoto University, Press.

Chapter 10 (Lecture 19-20)

Resilience of the banking sector

Performance of financial institutions is examined. Thai financial sector has emerged from the 1998 crisis become stronger and resilient, thanks to foreign capital injection, good governance, and strengthened financial regulations. What are consequences of banking consolidation and penetration of foreign banks? What factors are responsible for the resilience of Thai banks during the subprime mortgage crisis and the subsequent global recession?

Nidhiprabha, B. (2003) "Premature liberalization and economic crisis in Thailand" in *Financial liberalization and the economic crisis in Asia* edited by Chung Lee, London: RoutledgeCurzon.

Nidhiprabha, B. (2002) "Risks of financial liberalization and reform for financial stability" Chapter 9 in Kyung Tae Lee, *Globalization and the Asian Pacific Economy*, London: Routledge

Okuda, Hidenobu and Fumiharu Mieno (1999) “What happened to Thai commercial banks in the pre-Asian Crisis period: Microeconomic analysis of Thai banking industry” *Hitosubashi Journal of Economics*, 40, 97-121.

Nidhiprabha, B. (2006) “Good Governance in the Thai banking System” in *Corporate Governance in Thailand*, Sukulrat Montreevat (ed.) Institute of Southeast Asian Studies, Singapore, 2006.

Nidhiprabha, B. (2006) “The Thai financial sector in transition: Can the bond market prevent a future currency crisis?” in *A New Financial Market Structure for East Asia*, Yung Chul Park, Takatoshi Ito, and Yunjong Wang (eds.) Cheltenham: Edward Elgar, 2006.

Nidhiprabha, B. (2007) “Asian Bond Markets: Development and Implications in Emerging Developments” in *East Asia FTA/EPAs*, Shigeyuki, Abe and Bhanupong Nidhiprabha (eds.) Kyoto University, Center for South East Asian Studies

Chapter 11 (Lecture 21-23)

Fiscal policy and fiscal sustainability

The role of fiscal policy as a tool for stabilization is discussed. Can fiscal expansion leads to sustainable growth? How sustainable is Thailand’s fiscal deficit? What is the role of institutions in shaping the country’s financial stability? What would be the consequences of fiscal populism policy in 2011? What is the appropriate level of public debt? How is the long-term growth path affected by fiscal structure and fiscal space?

P.G. Warr and B. Nidhiprabha (1996) “The role of fiscal policy” in *Thailand’s Macroeconomics Miracle: Stable and Sustained Growth* Washington D.C: The World Bank and Oxford University Press.

Nidhiprabha, B. (2003) “Thailand’s macroeconomic policy after July 1997” *Asian Economic Papers*, Vol.2, no.1

Chapter 12 (Lecture 24-26)

Monetary policy strategy

We outline the role of monetary policy in stabilizing growth and price stability. The trade-off between inflation and output is discussed. Monetary policy response of the Bank of Thailand is analyzed in relation to inflation target, changes in the federal funds rate, and asset price bubbles. Should the Bank of Thailand tighten its credit policy to cool down inflation? Did monetary expansion stimulate growth in Thailand during the global recession 2007-2009? How should monetary policy be conducted during the debt crisis in Europe and USA? How does monetary policy affect productive employment?

Nidhiprabha, B. (2006) "The buffeting of Thailand by the unholy trinity of Avian Influenza, tsunami, and the oil price shock" *Asian Economic Papers*, Vol. 5, no.2,

Nidhiprabha, B. (1998) "Economic crises and debt-deflation episode in Thailand, *Asian Economic Bulletin*, December.

Nidhiprabha, B. (1999) "Cyclical excess and financial instability in Thailand" *Thammasat Review*, Vol. 4, December, 89-113

Chapter 13 (lecture 27-28)

Income distribution and poverty

The nexus between income distribution, growth, and poverty are discussed. How was income distribution and external liberalization connected? What is the impact of social policy on poverty and distribution? How do productivity differentials among sectors lead to wage differentials and income inequality? What is the trend of income disparity between urban and rural areas? How did agricultural pricing and income policies affect poverty? What are likely consequences of raising the minimum wage to 300 baht per day?

P.G. Warr, (2004) "Globalization, growth, and poverty reduction in Thailand," *ASEAN Economic Bulletin* Vol. 21(1) April, 1-18.

Nidhiprabha, B. (2006) "The Distributive and Macroeconomic Impact of Liberalization in Thailand" in Taylor, Lance (ed.) *External Liberalization In Asia, Post-Socialist Europe, and Brazil*, New York: Oxford University Press

Chapter 14 (Lecture 29-30)

Urbanization and environment

What is the relationship between urbanization and output growth in Thailand? We discuss the declining primacy of Bangkok and the importance of its satellite cities. Negative consequences of urbanization are explored. Is Thailand a good example of sustainable urbanization? Does rapid economic growth imply unsustainable urbanization?

C.J. Dixon (1999) *The Thai economy: Uneven development and internationalization* Routledge.

Webster, Douglas (2005) "Urbanization: new drivers, new outcomes" in *Thailand Beyond the Crisis*, Chapter 10

Mingsarn Kaosa-ard (2005) "Natural resources and the environment" in *Thailand Beyond the crisis*, Chapter 11

Course Outline

EE461 Development Microeconomics

Number of credits 3 credits

Course Description:

This course covers theories and empirical studies related to economic development, issues regarding poverty and income distribution, the roles of market in the economic development process, agricultural sector and development, industrial sector and development, population, education, health and development, natural resources, environment and development, and political economy in relation to growth.

Prerequisites: *EE311*

Course Objectives:

Since this course covers many topics in development microeconomics in theories and empirical studies, it requires some background knowledge in microeconomics, some concepts of macroeconomics, and econometrics. Besides textbooks, students will have to read articles from journals, present some recent studies, and review working papers or articles to develop their skills in analysis, presentation, and criticizing in development economics. Students are also encouraged to participate in discussing and questioning in class, as well as try to keep updating current studies in development economics.

Recommended Textbooks and Readings:

In this course, we use both textbooks and papers as our reading materials. The main textbooks are also available at Puey Ungphakorn Library.

4. Ray, Debraj. (1998). Development Economics, Princeton University Press. [HD75 .R39]
5. (MR) Meier, Gerald M., and Rauch, James E. (2005). Leading Issues in Economic Development, 8th Edition, Oxford University Press. [HD82 .M42 2005]
6. Deaton, Angus. (1997). The Analysis of Household Surveys: A Microeconometric Approach to Development Policy, The Johns Hopkins University Press. [You can download The World Bank published version here: <http://documents.worldbank.org/curated/en/1997/07/694690/analysis-household-surveys-microeconometric-approach-development-policy>]

Here is the list of papers/articles that we use as a reference in our topics covered in this course (in topic order):

- Banerjee, Abhijit V. and Duflo, Esther. (2007) "The economic lives of the poor." *Journal of Economic Perspectives*, 21(1): 141–167.
- Duflo, Esther. (2001) "Schooling and labor market consequences of school construction in [SEP]Indonesia: Evidence from an unusual policy experiment." *The American Economic Review*, 91(4): 795–813.
- Psacharopoulos, G. and Patrinos, Harry A. (2004) "Returns to investment in education: a further update." *Education Economics*, 12(2): 111–134.
- Strauss, J. and D. Thomas (1998). "Health, nutrition and economic development." *Journal of Economic Literature* 36(2): 766-817.
- Besley, T. J. (1995) "Savings, credit and insurance." *Handbook of Development Economics Volume 3A*. J. Behrman and T. Srinivasan. Amsterdam, Elsevier Science.
- Paxson, Christina H. (1992) "Using weather variability to estimate the response of savings to transi-
[SEP]tory income in Thailand", *The American Economic Review*, 82(1): 15–33.
- Townsend, R. M. (1995) "Financial systems in Northern Thai villages." *Quarterly Journal of Economics* 110(4): 1011-1046.
- Jonathan Morduch. (1999) The microfinance promise. *Journal of Economic Literature*, 37(4): 1569–1614.
- Djankov, S., Qian, Y., Roland, G., and Zhuravskaya, E. (2006) "Who Are China's Entrepreneurs?", *The American Economic Review*, 96(2): 348-352.
- Schoar, Antoinette. (2009) "The Divide between Subsistence and Transformational Entrepreneurship", NBER Innovation Policy and the Economy.
- Bertrand, M., and Schoar, A. (2006). "The Role of Family in Family Firms." *The Journal of Economic Perspectives*, 20(2), 73–96.
- Shleifer, A. and Vishny, Robert W. (1993) "Corruption." *The Quarterly Journal of Economics*, 108(3): 599–617.
- Olken, Benjamin A. (2007) "Monitoring corruption: Evidence from a field experiment in Indonesia", *Journal of Political Economy*, 115(2): 200–249.
- Scherr, Sara J. (2000) "A downward spiral? Research evidence on the relationship between poverty and natural resource degradation", *Food Policy*, 25: 479-498.
- Reardon, Thomas and Vosti, Stephen A. (1995) "Links Between Rural Poverty and the Environment in Developing Countries: Asset Categories and Investment Poverty", *World Development* 23(9): 1495-1506.

Dinda, Soumyananda. (2004) “Environment Kuznets Curve Hypothesis: A Survey”, *Ecological Economics*, 49: 431-455.

** The reading list might be updated during the semester. Students should check on Moodle before the class each week. If there is additional reading, it will also be posted on Moodle. Students are responsible to review the topic ahead of the class for more effective learning.

Teaching Plan:

| Date | Topic |
|--|---|
| Week 1 Jan 14 & 16 | 1. Economic Development: Overview * Ray Ch. 2 |
| Week 2-3 Jan 21 & 22 Jan 28 & 30 | 2. Economic Inequality and Income Distribution - Measurement of income inequality - Economic growth and income inequality - The U hypothesis relating income inequality and economic development - Inequality, savings, income, and growth - Inequality, capital markets, and development - Inequality and development: Human capital * MR Ch. 8, p.433-449 * Ray Ch 7.2.4, 7.2.8, 7.2.9 |
| Week 4 Feb 4 & 6 | 3. Poverty - Conceptual issues - Poverty measures - Poverty: assets and nutrition - Impact of poverty: credit and insurance * Ray Ch 8.2, 8.3, 8.4.1 * Banerjee & Duflo (2007) |
| Week 5-6 Feb 11 & 13 Feb 18 & 20 | 4.1 Human Capital: Education - The contribution of education to economic growth - Economic impact of education - Interpreting recent research on schooling in developing countries * MR IV.A.1-4 * Duflo (2001) |
| Week 7 Feb 25 & 27 | 4.2 Human Capital: Health - Health: impact of poor health on development * Ray Ch 8.4.2 (Poverty, nutrition, and labor markets), Ch 13.4.2 (Nutrition, time, and causal labor markets), Ch 13.4.3 (A model of nutrition status) * Strauss and Thomas (1998) |

| | |
|--|---|
| | |
| Week 8 Mar 4 & 6 | Midterm Exam on March 4, 2014 ; 2:00 – 3:30 PM No class on March 6 |
| Week 9 Mar 11 & 13 | 4.3 Human Capital: Population - Economic approaches to population growth * MR IV.C.1 4.4 Human Capital: Gender and Development - Gender inequality at the start of the 21 st century * MR IV.D.1 |
| Week 10 Mar 18 & 20 | 5. Agriculture - Overview of agriculture in a modern world * MR VII.A - Markets in Agriculture * Ray Ch.11 |
| Week 11-13 Mar 25 & 27 Apr 1, 3 & 8 | 6. Consumption Smoothing, Savings, Credit and Insurance - Consumption smoothing, risk management & poverty dynamics: Big picture - Saving behavior and permanent income hypothesis - Rural credit markets - Formal credit and insurance rationing * Deaton Ch. 6 * Ray Ch 14.1-14.3 |
| Week 13-14 Apr 10 Apr 15: Songkran Holiday Apr 17 | 7. Firm and Development - Entrepreneur's characteristics in developing countries - Bottlenecks for entrepreneurship in developing countries - Role of family in family firms * Djankov et al. (2006) * Schoar (2009) * Bertrand & Schoar (2006) |
| Week 15 Apr 22 & 24 | 8. Political Economy and Corruption - Rent seeking and government failure - Corruption and monitoring * MR IX.B p.502-509 * Shleifer & Vishny (1993) * Olken (2007) |

| | |
|------------------------------|--|
| Week 16 Apr 29 & May 1 | 9. Natural Resources, Environment, and Development - Poverty and natural resource degradation - Poverty and environment - Environmental Kuznets curve * Scherr (2000) * Reardon & Vosti (1995) * Dinda (2004) |
| May 7 | Final Exam May 7, 2014 ; 09:00 AM – noon |

Grading:

| | |
|-----------------------------------|-----|
| Participation | 10% |
| Presentation | 10% |
| Article/paper/book chapter review | 10% |
| Midterm | 30% |
| Final | 40% |

- Participation includes discussions in class and telling interesting topics/stories from reading development blogs (rotating each week). You can find some interesting blogs:

- <http://blogs.worldbank.org/> (There are many blogs under the World Bank blogs)
- <http://blogs.adb.org/>
- <http://chrisblattman.com/>

- Students have to find a recent research study in Thailand that is relevant to our class topics and present in the class. Useful sources of development studies in Thailand are from <http://cier.uchicago.edu/papers/>, and <http://tdri.or.th/research/> (select ones in English). Please submit 2-3 papers you plan to present by **January 30, 2014**.

- I will update details on a review work again later. We will discuss more in class.

Course Outline

EE468 Integrated Public Economics, Development and Political Economics

Number of credits 3 credits

Course Description

Understanding the economic fundamentals of development problems lies at the heart of an effective policy design. The goal of this course is to integrate concepts in development, public and political economics with the tools that researchers and policy makers use to understand the incentives and institutions underlying key the development issues. It focuses on both theoretical interpretation and empirical estimation of economic models of individual, household, market and non-market institutions that relate to issues attracting both research and policy attention in the field.

The course has two main components. The first is a series of lectures on theoretical and empirical techniques. The second is a series of class discussions on some concrete empirical studies of development policies taken from high quality research around the world. Both components will be interwoven for each and every development issue considered, giving students ample opportunity to learn the foundations and directly apply them to constructively analyze the real-world policy design.

Theme: Challenges in Global Poverty

Prerequisites: EE311 and have completed at least 60 credits

Learning outcomes

On successful completion of this course, students will be able to

1. Understand the economic tools necessary for development policy analysis
2. Apply these tools to design high quality research and to constructively analyse and design effective policy interventions

Course structure

Following the first two weeks of review, each of the rest of the weeks will then be devoted to one development issue. The session will start with a lecture on theoretical and empirical foundations, following by an overview of related interventions from around the world and a class discussion on a policy case study.

Class Schedule

| Class | Date | Topics |
|---------|-------------|---|
| Week 1 | 17 January | Overview of challenges in global poverty |
| Week 2 | 24 January | Empirical methods for development policy analysis |
| Week 3 | 31 January* | Poverty traps and welfare dynamics <i>Case: Policy design in the presence of poverty traps</i> |
| Week 4 | 7 February* | Nutrition <i>Case: Demand for food and calories in India</i> |
| Week 5 | 14 February | Health <i>Case: De-worming program in Kenya</i> |
| Week 6 | 21 February | Education <i>Case: School construction in Indonesia</i> |
| Week 7 | 28 February | Intra-household and gender discrimination <i>Case: Intrahousehold impacts of pension in South Africa</i> |
| 7 March | | Mid-term week |
| Week 8 | 14 March | Risk, saving and insurance <i>Case: Weather index insurance for poor farmers</i> |
| Week 9 | 21 March | Credit <i>Case: Biometric technology in Malawian rural credit market</i> |
| Week 10 | 28 March | Land and agricultural policies <i>Guest lecturer: Assoc. Prof. Nipon Poapongsakorn (TDRI)</i> |
| Week 11 | 4 April | Disasters and international aid <i>Guest lecturer: Dr. Olivier Mahul (The World Bank)</i> |
| Week 12 | 11 April | Corruption, institution and politics <i>Guest lecturer: Assoc. Prof. Sirilaksana Khoman (NACC)</i> |
| Week 13 | 18 April | Student presentation |
| Week 14 | 25 April | Student presentation |
| Week 15 | 2 May* | Student presentation |

* Note: these classes need to be rescheduled.

Readings

The main textbook for this course is Banerjee, A. and E. Duflo (2011). *Poor Economics*. Public Affairs. It provides motivating non-technical empirics of all the topics considered in class. You are strongly encouraged to read especially the assigned chapters. Another recommended book for references of up-to-date policy research is Banerjee, A., R. Benabou and D. Mookherjee (2006). *Understanding Poverty*. Oxford University Press.

Class materials will also be drawn from leading journal articles. The full lists provide great references for each topic. They will be helpful for your research assignment. The required readings are marked with (*). The in-class case study for each week will be drawn from the article marked with (**). You are required to read them before the class each week. All articles are available at our course website.

Course Evaluation

Your grade for the course will be based on the following:

| Type of evaluation | Grade | Due date |
|------------------------------------|--------------|-----------------|
| Problem sets | 20% | TBA |
| In-class policy discussion | 20% | TBA |
| Research proposal and presentation | 30% | April 11 |
| Final exam | 30% | May 18 |

Course Outline

EE 469 Seminar in Development Economics

Number of credits: 3 credits

Course Description:

Seminar and research on specific topics in development economics under supervision and guidance of the lecturer.

Course Objectives:

1. Students develop skills in conducting an independent research in the field of development economics.
2. Students should be able to write and present research results, and to critique others' works in a constructive way.

Prerequisites: Completing at least two 400 level courses in development economics; except EE460 and EE468.

Recommended Books on Writing:

There is no required text for this class, but the following books are highly recommended.

- McClosky, D.N. 2000. *Economical Writing*.
- Thomson, W. 2001. *A Guide for the Young Economist: Writing and Speaking Effectively about Economics*.

Suggested Textbooks on Development Economics:

- Perkin, D. H., Radelet, S., Lindauer, D. L., & Block, S. A. (2013). *Economics of Development*. Seventh Edition. W.W. Norton & Company.
- Todaro, M., & Smith, S. (2011). *Economic Development*. Eleventh Edition. Prentice Hall.
- Ray, Debraj. (1998). *Development Economics*. Princeton University Press.
- Handbook of Development Economics. (There are 5 volumes.)

Data/Information Sources:

Websites/Blogs

- World Bank <http://www.worldbank.org/>
- World Bank Blog <http://blogs.worldbank.org/> ; <http://blogs.worldbank.org/impactevaluations/>
- International Monetary Fund <http://www.imf.org/>

- Center for Global Development <http://www.cgdev.org/>
- Center for Economic Policy Research <http://www.cepr.net/>
- Peterson Institute for International Economics <http://www.iie.com/>
- Asian Development Bank www.adb.org
- World Trade Organization www.wto.org
- National Bureau of Economic Research <http://www.nber.org/>

Data and Reports

- World Development Indicators <http://data.worldbank.org/data-catalog/world-development-indicators>
- [World Development Reports](#)
- World Factbook <https://www.cia.gov/library/publications/the-world-factbook/>
- International Financial Statistics <http://elibrary-data.imf.org/finddatareports.aspx?d=33061&e=169393>
- Penn World Tables <http://www.ggdnc.net/pwt>

Schedule:

| Week | Topic and Activity |
|-------------------|---|
| 1 (Jan 19, 21) | - Course overview - Introduction to research in development economics |
| 2 (Jan 26, 28) | - Research methodology - Literature review and references |
| 3 (Feb 2, 4) | - Data sources - Library sources and reference style - STATA workshop |
| 4 (Feb 9, 11) | - Overview of topics in development economics - Discuss and comment on assigned journal articles |
| 5 (Feb 16, 18) | - Submit research topic and main reference paper - Students present main reference papers (referee reports) and exchange ideas |
| 6 (Feb 23, 25) | - Writing a research proposal - Data analysis and data presentation |
| 7 (Mar 1, 3) | - Submit and present research proposal (Feb 28) - Critique each other's work and exchange ideas |

| | |
|---------------------------|---|
| 8 | MIDTERM WEEK |
| 9 (Mar 15, 17) | - Conceptual framework - Case study |
| 10 (Mar 22, 24) | - Submit and present progress report I (March 20) - Critique and exchange ideas |
| 11 (Mar 29, 31) | - Selected empirical strategies - Case study |
| 12 (Apr 5, 7) | - Follow up with research progress - Individual discussion with instructor |
| 13 (Apr 19, 21) | - Submit and present progress report II (April 17) - Critique and exchange ideas |
| 14 (Apr 26, 28) | - Follow up with research progress - Individual discussion with instructor |
| 15 (May 3, 10) | - Students submit and present draft final report (May 1) - Critique and exchange ideas |
| 16 (May 12) | - Submit final report after revision |

Note: The class schedule shown above may be adjusted during the semester as needed.

Assessment:

| | |
|--|-------------|
| Referee Report | 20 % |
| Presentations and Class Participation | 20 % |
| Research Paper | 60 % |
| Research Proposal | 10% |
| Progress Report I | 10% |
| Progress Report II | 10% |
| Draft Final Report | 10% |
| Final Report | 20% |

Referee Report

Students are asked to write a referee report, which is a summary and critique of a journal article of their own choosing (under the instructor's guidance). This article should be used as the main reference for the research paper. The referee report should be 1.5-space with 12 font size, and it should not exceed 2 pages (excluding reference page).

Presentations and Class Participation

Students will present their referee reports, research proposals, progress reports, and draft final reports to class. Other students are encouraged to ask questions and provide constructive comments to the presenter.

For selected topics or case studies, students are required to read the assigned readings before coming to class, discuss the readings, and contribute useful comments.

Research Paper

Research paper will be assessed based on five components.

1. Research Proposal: Topic, statement of problem, objective, literature review, data, and methodology
2. Progress Report I = Research Proposal (revised) + Descriptive Statistics
3. Progress Report II = Progress Report I (revised) + Preliminary Results
4. Draft Final Report = Progress Report II (revised) + Conclusion & Discussion
5. Final Report = Draft Final Report (revised)

For each component of the research paper, students are required to submit their draft to the instructor and their assigned discussant 2 days prior to their presentations in class. Failing to do so may result in some partial score deductions.



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

EE479

Seminar in Human Resources, Natural Resources and Environmental Economics

Number of Credits 3 credits

Prerequisites *Completing at least two 400-level courses in human resource Economics or completing at least two 400-level courses in natural resource Economics, and environmental Economics.*

Course Description Seminar and research on specific topics in Human Resources, Natural Resources and environmental Economics - under supervision and guidance of the lecturer.

Objectives

The main objective of this class is to allow students to practice 4 types of research-related skills, i.e.:

1. Academic Paper Reading Skills: understanding and identifying the main messages; evaluating the suitability/correctness of the framework and/or methodology of the study; evaluating the appropriateness of information source or information collection method.
2. Research Conducting Skills: formulating research question(s); identifying the scope of the research; selecting theoretical framework and analytical tools; conducting the research; analyzing and interpreting research results.
3. Academic Paper Writing Skills: designing the structure of the paper; writing each component; synthesizing and summarize the research results; citation and reference.
4. Research Presentation Skills: preparing; presenting; participating in academic discussion constructively.

Assessments

Since this course is designed for students to integrate their knowledge in the field through research, there is no examination whatsoever. Assessments are based on the students' ability to conduct research independently under instructor's supervision. Assignments would be given throughout the course to build up student's research skills as well as to guide his/her research enquiry. At the end of the semester, each student is expected to deliver one independent term paper with the length of not exceeding 32 pages (A4, *inclusive*).

Envi. News/Tentative Topic/Search Results/Research Idea/Comments on Colleague 10%

Thesis Summary and Comments 7.5% (not > 8 pages)

| | |
|-------------------------------|-----------------------|
| Literature Review | 7.5% (not > 12 pages) |
| Research Proposal | 10% (not > 16 pages) |
| Draft Final Report | 10% (not > 32 pages) |
| Final Report | 30% (not > 32 pages) |
| Class Presentations (5 times) | 15% |
| Class Participation | 10% |

Tentative Schedule of Class Activity

| Date | Activity |
|----------------------|--|
| 19 Aug 2015 (Wed) | Introduction, Course description, Basic suggestions on doing research |
| 26 Aug 2015 (Wed) | Present PPT on Environmental News |
| ??? | Training on Library Database + EndNote |
| 2 Sep 2015 (Wed) | <u>Submit 1-2 Tentative Research Topics (1-5 lines each)</u> by email |
| 4 Sep 2015 (Fri) | <u>Submit "Search Results" (with Abstract) of at least 10 papers</u> by email |
| 9 Sep 2015 (Wed) | Present Summary and Comments of a Thesis Research |
| 11 Sep 2015 (Fri) | <u>Submit Summary and Comments of a Thesis Research</u> |
| 16-23 Sep 2015 | Discuss selected paper articles with instructor |
| 25 Sep 2015 (Fri) | <u>Submit Literature Review</u> (with summary/analysis of at least 4 papers and bibliography of at least 15 papers) |
| 29 Sep 2015 (Tue) | <u>Submit 1-2 pages "Research Idea"</u> by email |
| 30 Sep – 14 Oct | Discuss research idea with instructor |
| 16 Oct 2015 (Fri) | Present Research Proposal |
| 21 Oct 2015 (Wed) | <u>Submit Comments on colleague's proposal</u> by email |
| 28 Oct 2015 (Wed) | Training on Statistics |
| 28 Oct – 6 Nov | Discuss research proposal with instructor |
| 11 Nov 2015 (Wed) | Present Progress Report (progress on work that has been done, problem encountered, further plan, scope of research adjustment) |
| 13-20 Nov 2015 | Discuss research progress with instructor |
| 23 Nov 2015 (Mon) | <u>Submit Final Draft</u> |
| 25 Nov 2015 (Wed) | Present Final Draft |

| | |
|-------------------|---|
| 27 Nov 2015 (Fri) | Submit Comments on colleague's Final Draft by email |
| 18 Dec 2015 (Fri) | Submit Final Report |

Notes

1. For all presentation, the presenter should provide a copy of powerpoint handout for instructor and all colleagues.
2. Submission of all works should be done both in electronic (via email) and hard-copy forms – except for the ones with the “by email” note. The submissions are due at 15:00 hr (for email and hard-copy works) and 24:00 hr (for “by email only” works).
3. We will emphasize resource conservation over artistic looks. There is no need for a printed cover page, plastic cover, or blank page(s) on any of the work. The instructor would prefer, however, that students add their names and IDs on the top right corner of the first page (for easy identification and grading). The only exception is the “Final Report”, which should have a printed cover page.

Suggested Sources for Environmental News

- Google Newsstand
- <http://www.guardian.co.uk/environment>
- http://www.bbc.co.uk/news/science_and_environment/
- <http://www.nytimes.com/pages/science/earth/index.html>
- <http://www.climatecentral.org/news>
- <http://e360.yale.edu/>
- <http://www.wri.org/blog>
- http://www.onep.go.th/index.php?option=com_content&view=category&id=72%3A2010-10-08-06-35-05&Itemid=266&format=feed&type=rss
- <http://www.measwatch.org/term/7>
- <http://www.isranews.org/thaireform-news-environment.html>
- <http://www.isranews.org/thaireform-data-environment.html>
- <http://www.isranews.org/community/comm-news/comm-environment.html>
- <http://news.thaipbs.or.th/envnews>

Course Outline

EE481 Industrial Economics

Number of credits: 3 credits

Course Description:

Behavior of production unit and relationship among the units under different market structures by analyzing producer behavior market structure, conduct and performance, the analysis of price theory using Game Theory as an analysis tool.

Prerequisites: EE 311

Course Objectives:

In this course, we will study behaviors of firms in imperfectly competitive markets. First, to provide a simple benchmark, characteristics and decisions made by a monopoly will be discussed. Then, the more complex oligopoly market will be examined. We will use game-theoretic approaches to analyze firms' decisions. Such decisions would be on pricing strategies, non-pricing strategies, product-differentiation, product quality, advertising, R&D, etc. In addition, some regulatory tools to prevent abuse of market power and promote market efficiency will be covered.

In terms of learning goals, students are expected to develop critical thinking, quantitative reasoning, communication and lifelong learning skills. There will be 3 forms of assignments - homework, essays and group presentation. For the homework (mostly are problem sets), students are expected to practice their critical thinking and quantitative reasoning skills. For the essays and group presentation, students are expected to develop and improve critical thinking, communication and lifelong learning skills. Students are expected to be able to apply economics tools in solving and explaining firms and business behaviors.

Textbooks:

1. ** Carlton, D.W. and J.M. Perloff, *Modern Industrial Organization*, 4th Edition, Addison-Wesley, 2005. (abbreviation = CP)
** used as the main text.
2. *Church, J. and R. Ware, *Industrial Organization: A Strategic Approach*, International Edition, McGraw-Hill, 2000. (abbreviation = CW)
*used as the main text for some lessons. This book is available free online for non-commercial purposes.
3. Rasmusen, E., *Games & Information*, 3rd. Edition, Backwell, 2001.
*used as the main text for some lessons. This book is available free online for non-commercial purposes.

4. Tirole, J., *Industrial Organization*, The MIT Press, 1989.
 * more advanced but very fun to read.

Other teaching materials:

5. PowerPoint presentations will be uploaded on Moodle at least 1 days prior to class.
 6. My complete teaching notes will be uploaded before midterm and before final exams.

Other readings:

7. Harvard Business Review (<http://hbr.org/>)
 8. The Economist (<http://www.economist.com/>)
 9. Prachachat Online (<http://www.prachachat.net/>) หนังสือพิมพ์ประชาชนธุรกิจ
 10. Bangkokbiznews (<http://www.bangkokbiznews.com/home/>) หนังสือพิมพ์กรุงเทพธุรกิจ

Teaching Plan:

Topics

1. Introduction and Theory

| | |
|--|---------------------|
| Overview | CP 1 or CW 1 |
| The Firm and Cost / Theory of the Firm | CP 2 or CW 3 |

**There is a quiz on cost concepts (which you already learned in EE311) in the third class.*

2. Dominant Firm

| | |
|---------------|-------------|
| Dominant Firm | CP 4 |
|---------------|-------------|

**You should have learned about monopoly already from EE311.*

3. Game Theory

| | |
|---------------|------------------|
| Static Games | R 1, 2, 3 |
| Dynamic Games | R 4, 5, 6 |

4. Oligopoly

| | |
|------------------------------------|-----------------------|
| Cartel | CP 5 |
| Cournot model | CP 6 or CW 8.2 |
| Bertrand model | CP 6 or CW 8.3 |
| Multi-period Models of Oligopoly | CP 6 or CW 10 |
| Industry Structure and Performance | CP 8 |

5. Business Practices Strategies and Conduct

| | |
|----------------------|--------------------|
| Price Discrimination | CP 9, CP 10 |
|----------------------|--------------------|

Strategic Behavior **CP 11**
Vertical Integration and Vertical Restrictions **CP 12**

6. Government Policies

Antitrust **CP 19** or CW 19
Regulation **CP 20** or CW 24

7. Other Issues

Production Differentiation (if time allows) **CP 7** or CW 11
Auction **R 13**
Advertising **CP 14** or CW 17
R&D and Patent **CP 16** or CW 18

*If there is any handout or additional reading, it will be posted on Moodle prior to class. Students are responsible to review the topic ahead of the class for more effective learning.

Course Outline

EE 482 Public Policy and Industrialization

Number of credits: 3 credits

Prerequisites : EE312

Course description

Industrial development strategy theories, the importance of industrial sector and industrial development on Thailand economic system, the evolution of industrial policy in Thailand, the role of government in industrial sector, laws related to industrial sector.

Supplementary Texts

1. Akira Suehiro (2008), Catching-up Industrialization: The Trajectory and Prospects East-Asian. (Translation by Tom Gill), University of Hawaii Press.
2. John Weiss (2011), The Economics of Industrial Development
3. Laurids S. Lauridsen (2003). State, institutions and industrial development: industrial deepening and upgrading policies in Taiwan and Thailand compared /

Evaluation

- | | |
|------------------------------------|---|
| 1. Seminar presentation and papers | 50% |
| 2. Class Participation | 10% |
| 3. Midterm Examination | 20% (March 5 th , 2014 14.00-15.30.) |
| 4. Final Examination | 20% (May 20 th , 2014 ; 9.00 – 12.00.) |

Industry seminar presentation and papers

Seminar and group project on comparative industrial policies: Thai and International Experiences (USA; China; India; Malaysia; NIEs)

→ Show how these countries promote their industrial development? From, Thai Industrial Policies: (300 Baht minimum wage; AEC; corporate tax revision etc.)

Seminar and group project on Thai Industrial Development and Policies: (Automotive; Electronics; Food processing; Energy etc.)

→ Show the nature of each industry and how public policies affect their development

→ Show how Thai government's current policies affect industrial sector?

Class Discussion

To encourage discussions in the class, 3-4 students will be called upon to ask questions or to discuss any course material in every class.

| Date | Topics |
|---|---|
| 17 Jan. | Introduction: John Weiss (Ch1) <i>Industry and Development</i> |
| 22 Jan. | Ha-joon Chang: (Ch4) <i>The Political Economy of Industrial Policy</i> |
| 24 Jan. | (G1) Laurids S. Lauridsen <i>Strategic Industrial Policy and Latecomer Development</i> |
| 29 Jan. | (G2) Akira Suehiro: (Ch2) <i>Latecomer, Flying Geese, and Competitive Advantages</i> |
| 31 Jan. | (G3) Akira Suehiro: (Ch6) <i>Import Substitution, Export Promotion, and Industrial Policy</i> |
| 5 Feb. | (G4) Sanjaya Lall: <i>Understanding Technology Development</i> |
| 7 Feb. | (G5) Stiglitz Joseph: <i>Some Lesson from the East Asian Miracle</i> |
| 12 Feb. | (G6) Sanjaya Lall: <i>Market-Stimulating" Technology Policies in Developing Countries: A Framework with Examples from East Asia</i> |
| 14 Feb. | Seminar on Comparative Industrial Policies: International Experiences I (group 1 & 2) |
| 19 Feb. | Seminar on Comparative Industrial Policies: International Experiences II (group 3 & 4) |
| 21 Feb. | Seminar on Comparative Industrial Policies: International Experiences III (group 5 & 6) |
| 26 Feb. | Seminar on Thai Industrial Development and Policies: Sector I (group 1 & 2) |
| 28 Feb. | Seminar on Thai Industrial Development and Policies: Sector II (group 3 & 4) |
| Mid-term Week (Mar 3 rd -Mar 8 th , 2014) | |
| 12 Mar. | Seminar on Thai Industrial Development and Policies: Sector III (group 5 & 6) |
| 14 Mar. | (G1) Hajoong Chang: <i>Industrial Policy: Can We Go Beyond an Unproductive Confrontation?</i> |
| 19 Mar. | (G2) Justin Lin: <i>New Structural Economics: A Framework for Rethinking Development</i> |
| 21 Mar. | (G3) Dani Rodrik: <i>Industrial Policy for the 21st Century</i> |
| 26 Mar. | (G4) Sanjaya Lall: <i>The Technological Structure and Performance of Developing Country Manufactured Exports, 1985-98</i> |
| 28 Mar. | (G5) Prema Chandra: <i>Product Fragmentation and Trade Patterns in East Asia</i> |
| 2 Apr. | (G6) McKinsey: <i>Trading myths: Addressing misconceptions about trade, jobs, and competitiveness</i> |
| 4 Apr. | (G1) Somboon Siriprachai: <i>Industrialisation and Inequality in Thailand</i> |
| 9 Apr. | (G2) Nipon Puapongsakorn: <i>Industrial Restructuring in Thailand</i> |
| 11 Apr. | (G3) Laurids S. Lauridsen: <i>The Policies and Politics of Industrial Upgrading in Thailand during the Thaksin Era</i> |
| 16 Apr. | (G4) Patarapong Intarakumnerd: <i>National innovation system in less successful</i> |

| Date | Topics |
|---------|---|
| | <i>developing countries: the case of Thailand</i> |
| 18 Apr. | (G5) Akira Suehiro: <i>“Industrial Restructuring Policies in Thailand: Japanese or American Approach”</i> |
| 23 Apr. | (G6) Richard Doner: <i>Political Challenges of Innovation in the Developing World</i> |
| 25 Apr. | Seminar on Thai Industrial Development and Policies II : Sector I (group 1 & 2) |
| 30 Apr. | Seminar on Thai Industrial Development and Policies II: Sector II (group 3 & 4) |
| 2 May. | Seminar on Thai Industrial Development and Policies II: Sector III (group 5 & 6) |
| 7 May. | (Class) McKinsey: <i>Manufacturing the future: The next era of global growth and innovation</i> |

Course Outline

EE488: Integrated Business Economics

Number of credits: 3 credits

Course description

Economic theories and tools used to analyze business problems and business situations. The analysis includes understanding competition and financial strategies adopted by firms in different industries, as well as forecasting economic and industrial conditions in the future.

Prerequisite: EE311, EE312 and EE325 (or EE425)

Textbooks: *There is no textbook for this class. Readings were prepared at Puey library and are drawn from various sources especially Harvard Business Review.*

Evaluation

| | | |
|---------------------|------------|---|
| Class Presentations | 30% | (Group: 6 presentations, 5% each) |
| Business Plan | 20% | (Group: report (10%) + presentation (10%)) |
| Business Case Study | 10% | (Group: report (5%) + presentation (5%)) |
| Class Participation | 10% | (20 response papers x 0.5%) |
| Final Exam | <u>30%</u> | (May, 18 st , 2014 at 9.00-12.00 pm) |
| Total | 100% | |

Seminar presentation (45 minutes)

Class Discussion

To encourage discussions in the class, 3-4 students will be called upon to ask questions or to discuss any course material in every class. Students will be asked to select and submit a typed-out ***response paper*** of the reading assignments (A4 1 page using single-spaced and 11” Times New Roman) assigned in the course outline. The response paper must be submitted to the instructor before the class start.

| Class | Topics |
|--|--|
| 17 Jan. (11.00-12.30) (12.30-14.00) | Introduction: <i>Business Economics</i> Introduction: <i>Business Economics</i> |
| 24 Jan. (11.00-12.30) (12.30-14.00) | Management Theory: (1) “ <i>Management Century</i> ” by Walter Kiechel HBR November 2012 Business Plan / Business Model: (2) “ <i>How to design a winning business model</i> ” by Ramon Casadesus-Masanell and Joan E. Ricart HBR January-February 2011 |
| 31 Jan. (11.00-12.30) (12.30-14.00) | Globalization: (3) “ <i>Cracking the Next Growth Market: Africa</i> ” by Mutsa Chironga, Acha Leke, Susan Lund, and Arend van Wamelen HBR May 2011 Macro-economy: “(4) <i>What Do Undergrads Need to Know About Trade?</i> ” by Paul R. Krugman. The American Economic Review, Vol. 83, No. 2, (May, 1993), pp. 23-26 |
| 7 Feb. (11.00-12.30) (12.30-14.00) | Public Policy: (5) <i>Government in Your Business</i> by Robert B. Reich. HBR July–August 2009 Business Analysis: (6) <i>When Growth Stalls</i> by Matthew S. Olson, Derek van Bever, and Seth Verry HBR March 2008 |
| 14 Feb. (11.00-12.30) 10 (12.30-14.00) | Industry Analysis: (7) “ <i>What Is Strategy?</i> ” HBR 1996 by Michael Porter Strategy: (8) “ <i>The Five Competitive Forces That Shape Strategy</i> ” by Michael E. Porter HBR January 2008 |
| 21 Feb. (11.00-12.30) (12.30-14.00) | Demand Forecasting: (9) “ <i>Four Step of Demand Forecasting</i> ” by William Barnett HBR 1988 Marketing (10) “ <i>Rediscovering Market Segmentation</i> ” by Daniel Yankelovich HBR February 2006 |
| 28 Feb. (11.00-12.30) (12.30-14.00) | Marketing: (11) “ <i>Selling into Micro-markets</i> ” Manish Goyal, Maryanne Q. Hancock, and Homayoun Hatami by HBR July-August 2012 Marketing: (12) “ <i>Advertising Analysis 2.0</i> ” by Wes Nichols HBR March 2013 |
| ---- Midterm Week 3 rd -8 th March 2014 ---- | |
| 14 Mar. (11.00-12.30) (12.30-14.00) | Pricing: ((13) “ <i>How to stop consumer from fixating on Price?</i> ” by Marco Bertini and Luc Wathieu HBR May 2010 Pricing: (14) “ <i>Pricing to Create Share Value: Rethinking the way prices are set can expand the pie for everyone</i> ”. by Marco Bertini and John T. Gourville HBR June 2012 |
| 21 Mar. | Non-Pricing: |

| Class | Topics |
|---------------------------|--|
| (11.00-12.30) | (15) <i>“The Right Game: Use Game Theory to Shape Strategy”</i> by Adam M. Brandenburger and Barry J. Nalebuff. HBR July-August 1995. |
| (12.30-14.00) | Non-Pricing: (16) <i>“Strategies to Fight Lost Cost Rivals”</i> by Nirmalya Kumar HBR December 2006 |
| 28 Mar. (11.00-12.30) | Production: (17) <i>“Don’t Let Your Supply Chain Control Your Business”</i> by Thomas Choi and Tom Linton HBR December 2011. |
| (12.30-14.00) | Vertical Integration: (18) <i>“The New M&A Playbook”</i> by Clayton M. Christensen, Richard Altron, Curtis Rising and Andrew Waldeck HBR March 2011 |
| 4 April (11.00-12.30) | Financial Analysis: (19) <i>“DO YOU KNOW YOUR COST OF CAPITAL? Probably not, if your company is like most”</i> by Michael T. Jacobs and Anil Shivdasani. HBR July-August 2012 |
| (12.30-14.00) | Financial Analysis: (20) <i>“How Much Cash Does Your Company Need?”</i> by Richard Passov HBR November 2003 |
| 11 April (11.00-12.30) | Innovation: (21) <i>“Innovation the Classic Traps”</i> by Rosabeth Moss Kanter HBR November 2006 |
| (12.30-14.00) | CSR: (22) <i>“Creating Shared Value”</i> January–February 2011 HBR by Michael E. Porter |
| 18 April (11.00-12.30) | Human Resource: (23) <i>“Economics of personnel and human resource management”</i> by Morley Gunderson. <i>Human Resource Management Review</i> 11 (2001) 431–452 |
| (12.30-14.00) | Organization: (24) <i>Transaction-Cost Economics: The Governance of Contractual Relations.</i> by Oliver E. Williamson. <i>Journal of Law and Economics</i> , Vol. 22(2) (1979), pp. 233-261 |
| 25 April (11.00-12.30) | Case Study 1: Group 1 & 2 HBR CASE STUDY <i>“International Agribusiness in China: Charoen Pokphand Group.</i> November 2011 |
| (12.30-14.00) | Case Study 2: Group 3&4 HKU693: <i>“PEPSI GROWS POTATOES IN CHINA”</i> by LU JIANGYONG and TAO ZHIGANG (2008) |
| 2 May (11.00-12.30) | Business Plan 1 Group 1 & 2 |
| (12.30-14.00) | Business Plan 2 Group 3 & 4 |

Course Outline

EE489 Seminar in Industrial Economics

Number of credits: 3 credits

Course Description:

Seminar and research on specific topics in industrial economics and industrial organization under supervision and guidance by the lecturer.

Prerequisites: Completion at least two 400-level courses in Industrial Economics

Texts:

- 1) Hewitt, T., Hazel, J., and Wield, D. (1995) *Industrialization and Development*. Oxford University Press.
- 2) Schhhmalensee, R. and Willig, R. D. (1989) *Handbook of Industrial Organization Volume I and II*. Elsevier Science Publishers B.V.
- 3) Tirole, J. (1989), *Industrial Organization*. Oxford University Press.

Articles:

- 1) Schmalensee, R., "Industrial Economics: An Overview", *The Economic Journal*, vol.98, No.392(Sept. 1988),pp. 643-681
- 2) Aiginger, K., Mueller, D. C., and Weiss C., "Objectives, topics and methods in industrial organization during the nineties: Results from a survey", *International Journal of Industrial Organization*, Vol.16, pp. 799-830, 1998.
- 3) Rodrik, D., "Industrial Policy for the Twenty-First Century", Paper prepared for UNIDO, Sept. 2004.

Contents included in each paper

- 1) Statement of the problem: to identify the problem that this paper plans to answer and explain why this problem is important.
- 2) Proposal must include;
 - a. Statement of the Problem
 - b. Objectives of the study and the scope of the study
 - c. Literature reviews
 - d. Research Methodology, including theoretical framework and survey method.

- 3) Final research paper; proposal and the results obtained from the study.

Time Schedule

| | Date | Topics |
|---|------------------------|--|
| 1.Class Introduction | Aug. 16 th | Industrial Economics: Overview |
| 2.Review1 | Aug. 23 rd | Objectives, topics and methods in industrial organization during the nineties. |
| 3.Review2 | Sept. 6 th | Industrial Policy For The Twenty-First Century |
| 4.Individual Discussion on Statement of the Problem | Sept.13 th | Preparing for Presentation on statement of the problem |
| 5.Presentation 1 | Sept. 20 th | Submit ppt. |
| 6. Presentation 1 (cont.) | Sept. 27 th | Submit ppt. |
| 7.In-class Discussion on papers | Oct. 11 th | Submit Statement of the Problem |
| 8. Individual Discussion | Oct. 18 th | |
| 9. Presentation 2 | Oct.25 th | Proposal presentation |
| 10.Presentation 2 (cont.) | Nov. 1 st | |
| 11.Individual Discussion | Nov.8 th | Submit Proposal |
| 12. Individual Discussion | Nov.15 th | Show me Draft Final |
| 13.Presentation 3 | Nov.22 nd | |
| 14. Presentation 3 (cont.) | Nov. 29 th | Presentation the final research papers |



(Tentative) Course Syllabus
for
Non-Economics Courses
Semester 2/2019

Course Syllabus

AC 201 FUNDAMENTAL ACCOUNTING

Number of credits: 3 credits (3-0-6)

Course Description:

The basic principles, concepts, and procedures for collecting and recording accounting information; preparation and analysis of financial reports; accounting cycle; accounting and disclosure for assets, liabilities, and owners' equity.

Course objectives:

The purpose of this course is to introduce students the role of accounting as a window through which to see how economic events affect business. The students will learn conceptual framework as well as accounting procedures. The emphasis will be on preparing and using accounting information for financial analysis.

| Week | Course Content | Reading References |
|------|--|--------------------|
| 1 | Course Overview Chapter 1: Financial Statements and Business Decisions <ul style="list-style-type: none">■ The Four Basic Financial Statements: Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Stockholders' Equity, and Statement of Cash Flows | Course package |
| 2 | Chapter 2: Investing and Financial Decisions and the Statement of Financial Position <ul style="list-style-type: none">■ Accounting Concepts■ Nature of Business Transactions■ The Accounts■ Transaction Analysis■ Debit/Credit, Journal Entry, T-Account■ Classified Statement of Financial Position | Course package |
| 3 | Chapter 3: Operating Decisions and the Statement of Comprehensive Income <ul style="list-style-type: none">■ The Operating Cycle■ Elements of Statement of Comprehensive Income■ Cash Basis/Accrual Basis Accounting■ Classified Statement of Comprehensive Income | Course package |

| | | |
|----|---|---|
| 4 | <p>Chapter 4: Adjustments, Financial Statements, the Quality of Earnings</p> <ul style="list-style-type: none"> ■ Adjusting Revenues and Expenses ■ Preparing Financial Statements ■ Closing the Books | Course package |
| 5 | Chapter 4: Adjustments, Financial Statements, the Quality of Earnings (continued) | Course package |
| 6 | <p>Chapter 6: Reporting and Interpreting Sales Revenue, Receivables, and Cash</p> <ul style="list-style-type: none"> ■ Accounting for Net Sales Revenue ■ Measuring and Reporting Receivables ■ Reporting and Safeguarding Cash ■ Reconciliation of the Cash Accounts | Course package |
| 7 | <p>Chapter 7: Reporting and Interpreting Cost of Goods Sold and Inventory</p> <ul style="list-style-type: none"> ■ Nature of Inventory and Cost of Goods Sold ■ Inventory Costing Methods ■ Valuation at Lower of Cost of Net Realizable Value | Course package |
| 8 | Midterm Exam Date: Friday, March 6, 2015 | Venue: Faculty of Economics, Thammasat University, Tha Prachan Campus |
| 9 | <p>Chapter 8: Reporting and Interpreting Property, Plant, and Equipment; Natural Resources; and Intangibles</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Acquisition and Maintenance of Plant and Equipment – Classifying Long-Lived Assets, Measuring and Recording Acquisition Cost ■ Use, Impairment, and Disposal of Plant and Equipment – Depreciation Concepts, Alternative Depreciation Methods (Straight-line, Units-of-Production, Declining-Balance) ■ Natural Resources and Intangible Assets – Acquisition and Depletion of Natural Resources, Acquisition and Amortization of Intangible Assets | Course package |
| 10 | <p>Chapter 9: Reporting and Interpreting Liabilities</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Liabilities Defined and Classified ■ Current Liabilities – Accounts Payable, Accrued Liabilities, Notes Payable, Current Portion of Long-term Debt, Deferred Revenues ■ Long-term Liabilities – Long-term Notes Payable and Bonds ■ Present Value Concepts – Present Value of a Single Amount, Present Value of an Annuity, Applications of Present Values ■ Financial Analysis -- Quick Ratio, Accounts Payable Turnover | Course package |

| | | |
|----|--|----------------|
| 11 | <p>Chapter 10: Reporting and Interpreting Bonds</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Characteristics of Bonds Payable ■ Reporting Bonds Transactions – Bonds Issued at Par, Bonds Issued at Discount, Bonds Issued at Premium ■ Early Retirement of Debt | Course package |
| 12 | <p>Chapter 11: Reporting and Interpreting Shareholders' Equity</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Ownership of a Corporation – Benefits of Share Ownership, Authorized, Issued, and Outstanding Shares ■ Ordinary Share Transactions – Share Issuance, Share Repurchase ■ Dividends on Ordinary Shares ■ Share Dividends and Share Splits ■ Preference Shares – Dividends on Preference Shares | Course package |
| 13 | <p>Chapter 12: Reporting and Interpreting Investments in Other Corporations</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Types of Investments and Accounting Methods – Passive Investments in Debt and Equity Securities, Investments in Equity Securities for Significant Influence, Investments in Equity Securities for Control ■ Debt Held to Maturity: Amortized Cost Method – Bond Purchases, Interest Earned, Principal at Maturity ■ Passive Investments: The Fair Value Method – Classifying Passive Investments at Fair Value, Securities Available for Sale, Comparing Trading and Available-for-Sale Securities ■ Investments in Significant Influence: Equity Method – Recording and Reporting Investments under the Equity Method ■ Controlling Interests: Mergers and Acquisitions | Course package |

| | | |
|----|---|---|
| 14 | <p>Chapter 13: Statement of Cash Flows</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Classifications of the Statement of Cash Flows – Cash Flows from Operating Activities, Investing Activities, and Financing Activities, Net Increase (Decrease) in Cash, Relationships to the Statement of Financial Position, Statement of Comprehensive Income ■ Reporting and Interpreting Cash Flows from Operating Activities – Direct VS. Indirect Method ■ Reporting and Interpreting Cash Flows from Investing Activities ■ Reporting and Interpreting Cash Flows from Financing Activities ■ Completing the Statement and Additional Disclosures – Statement Structure, Noncash Investing and Financing Activities | Course package |
| 15 | <p>Chapter 5: Communicating and Interpreting Accounting Information</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ Players in the Accounting Communication Process ■ The Disclosure Process ■ A Closer Look at Financial Statement Formats and Notes ■ Return on Assets Analysis: A Framework for Evaluating Company Performance <p>Chapter 14: Analyzing Financial Statements</p> <ul style="list-style-type: none"> ■ Understanding the Business ■ The Investment Decision ■ Understanding a Company’s Strategy ■ Financial Statement Analysis ■ Ratio and Percentage Analysis – Component Percentages, Tests of Profitability, Tests of Solvency, Market Tests ■ Interpreting Ratios and Other Analytical considerations | Course package |
| 16 | Wrap-up | Course package |
| 17 | Final Exam Date: Wednesday, May 20, 2015 | Venue: Faculty of Economics, Thammasat University, Tha Prachan Campus |

Assignments Given via Network System

- 1 Regulations for Giving and Submitting Assignments
- 2 Learning Management System Used (LMS)

Evaluation

| | |
|---|-----|
| Midterm Exam | 40% |
| Final Exam | 40% |
| Assignment | - |
| Quizzes | 15% |
| Financial Statement Analysis Project and Presentation | 5% |

Course Administration:

1. Practices (0%)

The students are required to read the chapter before class. The students are recommended to work on review problems at the end of each chapter (no credits taken).

2. Exams (80%)

There are 2 exams throughout the course. The weight assigned to each exam (Midterm and Final exam) is 40%, and 40%, respectively. Thus, the total weight for all exams is 80%. The exams are closed-note, closed-book. Only basic calculators are allowed in the exams. Statistical and financial calculators are NOT allowed.

3. Quizzes (15%)

The unannounced quizzes may be and will be given in class. The students must prepare for the quizzes at all time. No make-up quiz is allowed for any reasons. The lowest quiz score will be dropped. Quizzes must be taken ONLY in the section that the students are registering for. Quizzes taken in the wrong section or taken in both sections will NOT be graded.

4. Project (5%)

At the end of the course, the students are required to do project on financial statement analysis. The students must be able to integrate the knowledge acquired during the semester to analyze entity's financial performance, financial position, and other aspects based on financial reports of the entity. The instructors will assign a company listed on The Stock Exchange of Thailand for this project. The students will be working on this project in groups of 6 to 8. Detailed requirements of this project are stated in the following section.

Financial Statement Analysis Project:

Project Requirements:

1. Form a group of 6-8 students to perform financial analysis on the assigned company.
2. Acquire key financial information and financial ratios of assigned company during the past 3-5 years from www.set.or.th or other information sources. Additional information (more detailed information), is also available at company's website, www.sec.or.th, www.settrade.com, and other public sources.
3. The set of information acquired must include at least the followings:
 - Financial Data: Assets (especially, Accounts Receivable and Inventory), Liabilities (Accounts Payable), Equity, Paid-up Capital, Dividend, Revenue, Expense (especially cost of goods sold, and other key expense items), Net Profit, and Market Capitalization (in million Baht).
 - Financial Ratio: Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin, Price-Earnings Ratio (P/E), Book Value per Share, Dividend Yield.
4. Perform basic financial statement analysis on the acquired information. The project should be organized in the following ways:
 - a. Describe nature of business/industry and products/services of the assigned company.
 - b. Present key financial data and financial ratios (in tabular format and/or in graphical format).
 - c. Analyze the trend of key financial data and financial ratios whether the company is in good shape. From the acquired financial data or financial ratios, if you spot problems that the company is facing or will be facing, please specify. Additional ratios (such as accounts receivable turnover, inventory turnover, total assets turnover ratio, debt-to-equity ratio, current ratio, quick ratio, interest coverage ratio, and etc.) may be calculated based on financial statement items acquired to be able to perform a more detailed financial analysis.

For each of the financial ratios, describe the meaning and calculation formula before analyzing the ratio. You are required to do your own research on the interpretation of each of the financial ratio. Based on the financial ratios, you should at least address the following aspects:

 - Profitability eg. Return on Equity, Earnings per Share, Gross Profit Margin, Net Profit Margin, and etc.
 - Liquidity eg. Current Ratio, Quick Ratio, Accounts Receivable Turnover, Inventory Turnover, and etc.
 - Solvency eg. Debt-to-Equity Ratio, Interest Coverage ratio, and etc.
 - Efficiency eg. Return on Assets, Asset Turnover, and etc.
 - d. Conclude whether the investors should invest in company's debt or equity securities based on your analysis.
5. Length of the project (analysis part) should not exceed 10 pages.
6. The project is due onat the BE Office. Early submission of the report is welcome.

Reading List and References

Main Documents and Text Books

Libby, Libby, and Short. Financial Accounting: 8th Edition (Global Edition).
McGraw-Hill Education. 2014. ISBN-13 9780077158958



Key Documents and Information

Instructor's handouts:

The handouts can be downloaded from the BE Moodle System at <http://be-moodle.econ.tu.ac.th>.

Recommended Documents and Informations

Text:

(1) Kimmel, Weygandt, and Kieso. Financial Accounting: Tools for Business Decision Making, 7th Edition (International Student Version). John Wiley & Sons, Inc. 2013.

(2) Harrison, Horngren, Thomas, and Suwardy. Financial Accounting: International Financial Reporting Standards, 9th Edition (Global Edition). Pearson Education Limited. 2014.

(3) William, Haka, Bettner, Carcello, Lam, and Lau. Financial Accounting: International Financial Reporting Standards, 2nd Edition (Asia Global Edition). McGraw-Hill Education. 2015.

Thai Financial Reporting Standards and Related International Financial Reporting Standards:

Selected Thai Financial Reporting Standards will be discussed in class.

Framework for the Preparation and Presentation of Financial Statements

TAS1 Presentation of Financial Statements

TAS2 Inventories

TAS7 Statement of Cash Flows

TAS16 Property, Plant and Equipment

TAS18 Revenues

TAS37 Provisions, Contingent Liabilities and Contingent Assets

TAS38 Intangible Assets

TAS101 Doubtful Accounts and Bad Debts

TAS105 Accounting for Investment in Debt and Equity Securities

Links:

The useful links are provided below:

www.bot.or.th Bank of Thailand

www.ifrs.org International Accounting Standard Board

www.fap.or.th Federation of Accounting Professions of Thailand

www.moc.go.th Ministry of Commerce of Thailand

www.sec.or.th Securities and Exchange Commission of Thailand

www.set.or.th The Stock Exchange of Thailand

www.settrade.com The Stock Exchange of Thailand Group

Course Outline

AC202 Management Accounting

Number of credits: 3 credits

Course Prerequisites *AC201 Financial Accounting or equivalent course*

Course Description : Develops foundational knowledge and skills needed to apply accounting data in planning and controlling business operations. Topics include costs, cost drivers and allocation, contribution margin and managerial budgeting.

Required Text : Garrison, Noreen, Brewer. *Managerial Accounting*, 14th. Edition (Thailand), McGraw-Hill/Irwin, 2012. ISBN: 9781121546349

Quizzes and Homework: Quizzes and homework will be given throughout the course. They are designed to evaluate student understanding of recently assigned reading materials. You will be allowed to drop some of the quizzes. No make-up quiz will be given. Homework will be graded based on quality and completeness. Homework will be collected at the beginning of the class. Late work will not be accepted.

Attendance: Students are expected to attend class. The material covered on the exams will include issues raised in lecture and class discussion. Those who arrive late or do not attend class are responsible for all material covered during class. Assignments are listed in this syllabus. Additional assignments and communication will be announced in class. I reserve the right to make any adjustments to the syllabus.

Policies and Procedures:

1. Regular class attendance and completion of all assigned homework are necessary to successfully complete this course.
2. The student is responsible for all subject matter (handouts, lecture materials, assignments, announcements, etc.) whether present or absent.
3. The student is expected to actively participate in class discussions.
4. I reserve the right to make any necessary adjustments to the syllabus.

Course Outline

BA 291 Introduction to Business

Number of credits: 3 credits

Course Description:

This course will introduce students to a complete overview of different aspects in business management and organization. Students will learn the important business functions, such as marketing, human resources, operational and quality management, accounting and financial management and how these functions are related to each other. Additionally, students will get to know the business environment and learn how to adapt their business strategies and organization to stay competitive in a turbulent business environment.

Prerequisites: -

Course Objectives:

After this course, students should be able to:

- understand the management process and business functions
- see the big picture of business organization and the relationship between business functions and able to plan the business systematically
- analyze the business environment and identify threats and opportunities from the changing environment and able to create sustainable competitive business models and strategies
- use knowledge in business management for the future specialized courses and career
- discuss and analyze the business cases and able to work in team

Course Format:

The courses will comprise of lectures, class discussions, presentations and case studies. Students should prepare for the class by reading the given textbooks and learning materials and regularly follow the news.

Main Textbook:

Pride, Hughes, Kapoor. "Introduction to Business." Cengage, 2012.

Suggested Literatures:

- Ferrell, Hirt, Ferrell (2009): Business – A changing world, 7th edition, Mc Graw-Hill.
- Robbins & Coulter (2010): Management, 10th edition Prentice Hall.

Class materials can be downloaded at <http://be-moodle.econ.tu.ac.th/>

Teaching Plan:

Class Schedule

| Class | Date | Topics |
|-------|-----------------------------------|--|
| 1 | 14 Aug 2012 | Course introduction |
| 2 | 21 Aug 2012 | Writing an effective business plan |
| 3 | 28 Aug 2012 | Business model The environment of business |
| 4 | 4 Sep 2012 | Business ethics and social responsibility |
| 5 | 11 Sep 2012 | Starting up a business – choosing the right options for organizing business SMEs and entrepreneurship |
| 6 - 7 | 18, 25 Sep 2012 | Introduction to business management process – “the POLC” |
| | 2 Oct 2012 (14.00 – 15.30 hrs) | Midterm Examination |
| 8 | 9 Oct 2012 | Managerial decision and strategic planning |
| 10 | 16 Oct 2012 | Managing human resource |

| | | |
|---------|-----------------------------------|--|
| 11 | 30 Oct 2012 | Operational management |
| 12 - 13 | 6, 13 Nov 2012 | Developing marketing strategy |
| 14 | 20 Nov 2012 | Introduction to accounting and financial statement Analyzing financial statements |
| 15 | 27 Nov 2012 | Business plan presentation and review |
| | 18 Dec 2012 (9.00 – 12.00 hrs) | Final Examination |

**Please note, the class schedule can be rearranged as seen appropriated.*

Course Outline

FN201 Business Finance

Number of credits: 3 credits

Course Description:

This course provides an introduction to the theories of finance, which covers topics such as time value of money, net present value, business investment decision; firm's financial and cash flow analysis; financial assets valuation; fundamental analysis on risk and return; portfolio theory as well as an issue of corporate governance. The concepts developed in FN201 will form a foundation for further elective finance courses. Student will also learn how to use Excel to solve problems studied in the class.

Prerequisites: AC201 Fundamental Accounting

Recommended reading:

- Brigham, Ehrhardt, "Financial Management", 11th Edition (International Edition, Thomson 2008)

Teaching Plan:

Class contents

| Lecture | Chapter | Topic |
|---------|----------|---|
| 1 | Ch.1 - 2 | Topic 1: Introduction to Finance, Time Value of Money |
| 2 | Ch.2 | Topic 2: Perpetuities & Annuities - 1 |
| 3 | Ch.2 | Topic 2: Perpetuities & Annuities - 2 |
| 4 | Ch.16 | Topic 3: Debt and Equity |
| 5 | Ch.10 | Topic 4: Net Present Value & Investment Decisions Rules |
| 6 | Ch.3, 13 | Topic 5: Financial Statements Analysis |

| | | |
|----|----------|---|
| 7 | Ch.3, 13 | Topic 6: Case Study: Financial Statements Analysis & Cash Flow Analysis |
| 8 | - | Midterm (Saturday, October 6, 2012, 13.00 – 14.30 hrs) |
| 9 | Ch.6 | Topic 8: Bonds Valuation |
| 10 | - | Topic 9: Hedging and Intro to Risk Management |
| 11 | Ch.4,23 | Topic 10: Derivatives and FX Hedging |
| 12 | - | Topic 11: Excel |
| 13 | Ch.4,5 | Topic 12: CAPM, Risk, Portfolio Theory 1 |
| 14 | Ch.4,5 | Topic 13: CAPM, Risk, Portfolio Theory 2 |
| 15 | - | Recap material for Final |

Course Outline

FN 211 Financial Markets

Number of credits: 3 credits

Course Description:

The study of money and the role of money in the economic system; the money market, monetary instruments, interest rate, financial management in the private and public sectors as it relates to the money market, commercial banks, financial institutions, the central bank and monetary policy.

Prerequisites: Second-year status

Recommended Textbooks:

1. Saunders and Cornett (2012), **Financial Markets and Institutions**, 5th Edition, McGraw-Hill: New York: NY.
2. McMillan and Pinto (2011), **Investments: Principles of Portfolio and Equity Analysis**, 1st Edition, Wiley. Chapter 1, 2, 3, and 10.

Equipment: Financial Calculator

Topics & Schedule

| Class | Date | Topics | Textbook Reading |
|--------------|------------------------|--|-------------------------|
| 1 | 18/08/12 | Introduction | Ch 1 |
| 2 | 25/08/12 (Postpone) | Determination of Interest Rates | Ch 2 |
| 3 | 01/09/12 | Interest Rates and Security Valuation | Ch 3 |
| 4 | 08/09/12 | Interest Rates and Security Valuation | Ch 3 |
| 5 | 15/09/12 | Money Markets | Ch 5 |
| 6 | 22/09/12 | Review before mid-term | |
| 7 | 29/09/12 | <i>Computer Lab Session</i> | |
| | 06/10/12 | Mid-term Examination (9.30 – 11.00) | |

| | | | |
|----|-----------------|---|-------|
| 8 | 13/10/12 | <i>Case Study I</i> | |
| 9 | 20/10/12 | Bond Markets | Ch 6 |
| 10 | 27/10/12 | Stock Markets | Ch 8 |
| 11 | 03/11/12 | Commercial Banks | Ch 11 |
| 12 | 10/11/12 | Commercial Banks | Ch 12 |
| 13 | 17/11/12 | Pension Funds | Ch 18 |
| 14 | 24/11/12 | Review before final | |
| 15 | 01/12/12 | <i>Case Study II</i> | |
| | 15/12/12 | Final Examination (9.00 – 12.00) | |

Course Outline

FN241 Risk Management and Insurance

Number of credits: 3 credits

Class Time and Venue:

Prerequisite: 2nd year student status

Course Description:

Different types of risks and financial losses faced by individuals and organizations; types of damages, factors affecting risk management, principles of insurances, basic understanding of various kinds of insurance, customer selection, reinsurance, and insurance business management and control.

Course Objectives:

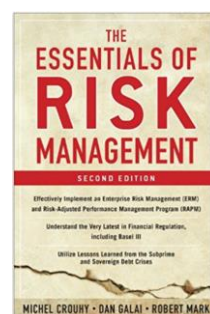
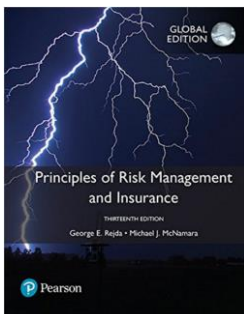
- To *understand* the different types of risk and to *describe* certain risk management tools
- To *formulate* an effective risk management program to reduce the potential loss
- To *analyze* and *incorporate* the use of risk management tools including insurance into the financial planning process
- To *describe* each insurance business operation function
- To *equip* students with analytical and problem-solving skills using appropriate computer software and its programming to *solve* basic risk management problems in the financial world
- To *provide* students with broad financial knowledge, corporate and investment, sufficient for any business-related function

Main Texts:

George E. Rejda & Michael McNamara, "Principles of Risk Management and Insurance", 13th edition (2017). **(RM)**

Jonathan Berk & Peter DeMarzo, "Corporate Finance", Pearson International, 4th edition (2016). **(BD)**

Michel Crouhy, Dan Galai, & Robert Mark, "The Essentials of Risk Management", McGraw-Hill Education, 2nd edition (2014). **(CGM)**



Recommended Texts & Materials:

- Fundamentals of Risk and Insurance - Emmett J. Vaughan
- SwissRe Sigma – Recent interesting topics which can be useful for finding your research topics
- Asia Insurance Review – Recent interesting news in insurance markets

Grading:

| | |
|--------------------------------|-------------|
| Midterm Examination | 35% |
| Final Examination | 40% |
| Quizzes | 10% |
| Assignments and participations | 15% |
| Total | 100% |

Tentative class schedule

| Topics | Activities / Text & Materials / Media |
|---|--|
| Course introduction Risk and its treatment | Lecture / RM 1 / CGM 1 |
| Insurance and risk | Lecture / RM 2 |
| Risk management process | Lecture / RM 3-4 |
| The Theory of risk and return | Lecture / BD 10-11 / CGM 5 |
| The Theory of risk and return (cont.) | Lecture / BD 10-11 / CGM 5 |
| Financial risk management | Lecture / BD 30 / CGM 6 |
| Financial risk management (cont.) | Lecture / BD 30 / CGM 6 |
| Non-life insurance | Lecture |
| Introduction to life insurance | Lecture / RM 11, 14 |
| Life insurance provisions | Lecture / RM 12 |
| Buying life insurance | Lecture / RM 13 |
| Insurance industry and operations | Lecture / RM 5-6 |
| Insurance financial operations | Lecture / RM 7, 13 |
| Summary and presentation | |
| Presentation | |

Notes to students:

Classroom policies

- Come to class on time and be prepared
- Turn cellular phones off or switch to silent mode
- Do participate in the class and ask relevant questions
- Do not dominate other students' opportunities to learn by asking too many questions
- Do not have private conversations
- Show respect and support to your classmates
- Keep the classroom clean (only beverages are allowed)

Course policies

- Instructors' classroom policies, procedures and teaching styles vary
- Turn in your work on time
- Everyone should participate in the group quiz and presentation
- When having academic difficulty, seek assistance
- The instructor may request make-up classes or reschedule topics when appropriate

Course Outline

FN 311 Financial Management

Number of credits: 3 credits

Course Description:

A study of various financial policies affecting decision making in financial management and the various techniques of financial management under uncertainty both in allocation and acquisition of funds, and also business growth by merger and acquisition to achieve business goals effectively.

Prerequisites: (1) FN 201 and (2) BA 204 or ST 211 or ST 216 or ST 218

Course Objectives:

The objective of this course is to understand the concepts, tools and techniques commonly used in making financial decisions. This includes an understanding of the financial environment facing businesses as well as a working knowledge of the various financial instruments available. Important topics of financial management concepts will be discussed including the time value of money, asset valuation and risk and return. Moreover, practice of computer software related to financial risk and return calculation, sensitivity, scenario, and Monte Carlo simulation for business decision will also be addressed.

Required Text and Materials:

1. Fundamentals of Corporate Finance, Asia Global Edition, 2012, Mc Graw Hill, Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, Joseph Lim, and Ruth Tan.
2. Modern Financial Management, 2008, 9th edition, Mc Graw Hill, J. Stephen A. Ross, Westerfield, Jaffe, and Jordan

Teaching Plan:

Tentative Course Schedule

| Date | Topic | Reading |
|--------------------------|--|----------------|
| Wed Aug 15 th | - Introduction to the course - The Goal of Financial Management - Agency Theorem | Chp. 1 |

| | | |
|--|---|---------|
| Fri Aug 17 th | - Agency Theorem (continued) - Financial Markets - Financial Institutions | Chp. 1 |
| Wed Aug 22 nd | - Financial Statements and Cash Flow - The Balance Sheet - The Income Statement - Net Working Capital - Financial Cash Flow - The Accounting Statement of Cash Flows | Chp. 2 |
| Fri Aug 24 th | - Financial Statement Analysis - Ratio Analysis - The Du Pont Identity | Chp. 3 |
| Makeup Class compensated for commencement days and the rehearsal day | - Financial Planning and Forecasting (AFN) 1 - Financial Planning and Forecasting (AFN) 2 | Chp. 4 |
| Wed Sept 5 th | - Review TVM and Practice 1 | Chp. 5 |
| Fri Sept 7 th | - Review TVM and Practice 1 | Chp. 6 |
| Wed Sept 12 th | - Review Valuation Theory 1 | Chp. 7 |
| Fri Sept 14 th | - Review Valuation Theory 2 | Chp. 8 |
| | | |
| Wed Sept 19 th | - Review Capital Budgeting - NPV and other Investment Rules | Chp. 9 |
| Fri Sept 21 st | - Making Capital Investment Decisions 1 | Chp. 10 |
| Wed Sept 26 th | - Making Capital Investment Decisions 2 | Chp. 10 |
| | | |
| TBA (After Midterm exam week) | - Project Analysis and Evaluation 1 - Sensitivity Analysis, Scenario Analysis, and Break Even Analysis | Chp. 11 |
| Fri Oct 12 th | - Project Analysis and Evaluation 2 - Monte Carlo Simulation | Chp. 11 |
| Wed Oct 17 th | - Risk and Return | Chp. 12 |
| Fri Oct 19 th | -Return and Risk: The Individual Asset - Return and Risk for Portfolios | |

| | | |
|--------------------------|--|---------|
| | | Chp. 13 |
| Wed Oct 24 th | - Diversification: An Example - CAPM | Chp. 13 |
| Fri Oct 26 th | - CAPM - Practice | Chp. 13 |
| Wed Oct 31 st | - Cost of Capital | Chp. 14 |
| Fri Nov 2 nd | - Raising Capital | Chp. 15 |
| Wed Nov 7 th | - Financial Leverage and Capital Structure Policy 1 - Modigliani and Miller Proposition I and II | Chp. 16 |
| Fri Nov 9 th | - Financial Leverage and Capital Structure Policy 2 - Bankruptcy | Chp. 16 |
| Wed Nov 14 th | - Optimal Capital Structure | Chp. 16 |
| Fri Nov 16 th | - Dividends and Payout Policy - Does dividends matter? - Stock Repurchases | Chp. 17 |
| Wed Nov 21 st | - Short-Term Finance and Planning - The operating cycle and the cash cycle - The cash budget - Short-term borrowing | Chp. 18 |

| | | |
|--------------------------|--|---------|
| | | |
| Fri Nov 23 rd | - Cash and Liquidity Management | Chp. 19 |
| Fri Nov 28 th | - Credit and Inventory Management - Analyzing credit policy - Optimal credit policy - Credit analysis | Chp 20 |
| Wed Nov 30 th | - Collection Policy - Inventory Management - Inventory Management Techniques | Chp 20 |
| | | |

Course Outline

FN312 Investments

Number of credits: 3 credits

Course Description:

The course is designed to help students to analyse and understand the operation of investment and portfolio management. The course covers both description and theory. The descriptive material discusses available investment instruments and considers the purpose and operation of capital markets in the United States and around the world. The theoretical portion details how students should evaluate current investments and future opportunities in order to develop a portfolio of investments that will satisfy risk-return objectives. Finally, the students will look at the more practical topics of how investment practice or theory is influenced by the globalization of investments and capital markets.

Prerequisites : (1) FN 201, (2) MA 216 and (3) BA 204 or ST 211 or ST 216 or ST 218

Course Objectives:

The objective of this course is to provide a rigorous introduction of financial investment and portfolio management. The students will learn how to manage money in order to derive the maximum benefit from what they earn. The students will also learn about the investment alternatives that are available today and be able to develop a way of analyzing and thinking about investments that will remain in the years ahead and when new and different investment opportunities become available.

Textbooks:

Reilly, Frank K., and Keith C. Brown, “**Analysis of Investments and Management of Portfolios**”, 10th Edition, South-Western Cengage Learning 2012.

Teaching Plan:

The course is organized into following topics

1. The Investment Background
 - The Investment Setting
 - The Asset Allocation Decision
 - Selecting Investment in a Global Market
 - Organisation and Functioning of Securities Markets

- Security-Market Indexes
 - 2. Developments in Investment Theory
 - Efficient Capital Markets
 - An Introduction to Portfolio Management
 - An Introduction to Asset Pricing Models
 - 3. Valuation Principles and Practices
 - Analysis of Financial Statements
 - An Introduction to Security Valuation
 - 4. Analysis and Management of Common Stocks
 - Macro-analysis and Micro-valuation of the Stock Market
 - Industry Analysis
 - Company Analysis and Stock Valuation
 - Technical Analysis
 - 5. Analysis and Management of Bonds
 - Bond Fundamentals
 - The Analysis and Valuation of Bonds
 - 6. Derivatives security analysis
 - Introduction to Derivatives Markets and Securities
-



B.E. International Program



Faculty of Economics, Thammasat University

Course Outline

FN428 Investment Banking

Course Objectives and Course Description

The course includes a study of investment banking business. The course will emphasize on methods for value maximization, valuation for mergers and acquisitions, and business reorganizations and other topics. The course covers a variety of investment banking activities such as debt restructuring, initial public offering, privatization, debt issuance and venture capital. This course is designed primarily to enhance your understanding of the process and responsibility of the investment banking. It introduces students to the world of investment banking and provides an idea on what the main functions of investment banking are. These include external fund raising through debt and equity capital, financial advisory service for corporate and debt restructuring, consultancy on privatization, merger and acquisition and venture capitalist valuation. The class enables students to learn from theories of capital structure through the utilization of the theory on the real company case. Through various rich examples and practice problems as well as the workshop, students are expected to learn what the investment bankers are doing.

After you complete the course, you are expected:

1. To understand the basic functions performed by the investment bankers
2. To master the use of the computer spreadsheet in financial modeling
3. To be able to create long-term financial plan, monitor and adjust the assumption and the plan to suit the rapidly changing situation
4. To be able to conduct valuation of the company and its stock
5. To understand the mechanism of venture capitalists and their valuation
6. To understand the step in fund raising through IPOs
7. To understand the step in fund raising through debentures
8. To understand the process in corporate and debt restructuring and rationale behind the corporate and debt restructuring
9. To understand the process in privatization
10. To understand the process in merger and acquisition

Please note here that the course assumes solid financial accounting and thorough understanding of financial statements. It is mandatory that you read the material before the beginning of the class and be prepared for the class discussion for every single class. All cases are prepared for you to understand and use your strategic thinking to identify problems, causes of problems and solutions to the problems. Please make sure you read the

case before attending every class. You are also expected to contribute to enhance the learning of the class through active participation in case discussion and negotiation on a regular basis.

Course Schedule

| Session | Topics |
|---------|--|
| 1 | Overview of Investment Banking and the Role of Investment bankers |
| 2 | Understanding the financial statement and Building the financial model that works |
| 3 | Exercises on financial modeling |
| 4 | Business valuation and stock valuation |
| 5 | Exercises on valuation |
| 6 | Understanding the mechanism of venture capitalists and their valuation |
| 7 | Capital Structure Theory and its firm decision: Fund raising through debt and equity capital |
| | Midterm exam |
| 8 | Capital Structure Theory and its firm decision: Fund raising through debt and equity capital |
| 9 | IPOs and mechanism of Thai stock market |
| 10 | IPOs – Presentation |

| | |
|----|---------------------------------------|
| 11 | Bond issuance and underwriting |
| 12 | Bond issuance and underwriting |
| 13 | Merger and Acquisition |
| 14 | Merger and Acquisition - Presentation |
| 15 | Debt restructuring |
| | Final Exam |

Pre-Requisite: FN311 Financial Management

Pedagogy

The course consists of a blend between lecture, cases discussion, financial modeling workshop using MS Excel and project

Grading

| | | |
|------------------------|-----------|----------------|
| 1. Case Study/Homework | 20 | Percent |
| 2. Presentation | 10 | Percent |
| 3. Midterm Exam | 30 | Percent |
| 4. <i>Final Exam</i> | <i>40</i> | <i>Percent</i> |

Required Textbook

- ◆ Damodaran Aswath, Applied Corporate Finance (ACF), John Wiley and Sons, Latest edition
- ◆ Additional handouts

References and Recommended Readings:

- ◆ Brealey, Richard A. and Myer, Steward C. "Principles of Corporate Finance", 5th Edition, McGraw-Hill, 1996
- ◆ Brigham, Eugene F. and Gapenski, Louis C. "Financial Management", 9th Edition, Harcourt College Publishers (2001)
- ◆ Brigham, Eugene F. and Houston, Joel F. "Fundamental of Financial Management", 9th Edition, Harcourt College Publishers (2001)
- ◆ Bygrave, William D. "The Portable MBA in Entrepreneurship Case Studies", John Wiley & Sons, Inc.
- ◆ Damodaran, Aswath "Investment Valuation", University Edition, John Wiley & Sons, Inc.
- ◆ "Readings in Venture Capital", Association for Investment Management and Research
- ◆ Gompers Paul A., Sahlman William A. "Entrepreneurial Finance", John Wiley & Sons, Inc.
- ◆ Keown, Arthur J., Taylor, A.H., Martin, John D. and Petty, J. William "Basic Financial Management", 7th Edition , Prentice Hall, 1996
- ◆ Lee, Cheng F., Finnerty, Joseph E. and Norton, Edgar A.. "Foundation of Financial Management", West (1997)
- ◆ M. Glasgo, Phillip W., William J. Landes and A. Frank Thompson "Bank Discount, Coupon Equivalent and Compound Yields", Financial Management, Autumn 1982, 82-84
- ◆ Philip J. Adelman and Alan M. Marks, Entrepreneurial Finance - Finance for small business 2nd Edition, Prentice Hall, 2001
- ◆ Ross, Stephen A., Westerfield, R.W. and Jordan, B.D., "Principles of Corporate Finance", Irwin, 1991
- ◆ Sherrerd, Katrina F. "Equity Markets and Valuation Methods", CFA program Edition, The Institute of Chartered Financial Analysts
- ◆ Smith, Janet Kiholm and Smith Richard L. "Entrepreneurial Finance", John Wiley & Sons, Inc.
- ◆ White, Gerald L., Sondhi, Ashwinpaul C. and Fried, Dov "The Analysis and Use of Financial Statements", CFA program Edition, John Wiley & Sons, Inc.

Course Outline

HR201 Principles of Management

Number of credits: 3 credits

Course Description:

The course provides a review of business and management as an area of theoretical development as well as a field of practice. It comprises classical management theories and modern approaches to organisation and business practices. Main blocks of the course are functions of management, managerial processes and interaction between organisations and their environment. The course includes elements of organisational behaviour.

Prerequisites: -

Course Objectives:

The main objective of the course is to present modern concepts of management to the students and to help them in developing skills in analysis of business organisations both in terms of their internal functioning and interaction with the environment. Students must understand the role of business in modern society. By the end of the course, students should be able to identify the principals of managing formal organizations, recognize the various challenges involved in management and give examples of organizational management functions of planning, organizing, leading and controlling.

The Course Aims to Ensure Students:

1. have a knowledge of management disciplines and an understanding of the relationship of other disciplines and perspectives and their impact on the management domain
2. have developed an understanding of political, environmental, global, ethical and moral issues and challenges
3. are capable of solving complex problems using critical, analytical and reflective thinking
4. have high levels of practical management skills while maintaining a critical appreciation of the limitations of these skills
5. are able to develop creative solutions to current and emerging issues
6. have developed an understanding of cultural and social diversity
7. are independent, and lifelong, learners
8. are able to communicate effectively.

In particular, students will develop the following skills and values:

- apply relevant theory to business practice
- identify relevant environmental factors (i.e. political, economic, social, technological etc.) affecting business
- analyse ethical and moral issues in business

- analyse and evaluate how environmental factors impact on business
- source and obtain relevant information
- evaluate and synthesise information
- critically analyse and reflect upon issues
- identify cause and effect of problems in business
- achieve creative solutions to business problems
- leadership skills
- skills in financial analysis
- information technology skills
- marketing skills
- conflict management skills
- evaluate alternative business solutions
- recommend solutions supported by rationale
- identify resource implications and restraints
- demonstrate creative thinking
- analyse the impact of culture in business situations
- recommend appropriate business responses to cultural and social diversity
- research skills
- academic integrity
- identify personal development needs
- report writing
- write business, marketing or project plans
- case study analysis
- academic writing
- oral presentation skills
- interpersonal/teamwork skills.

Textbook:

Daft R, 2010 “A New Era of Management” South Western, 10th Edition

This textbook has been chosen primarily because it relates closely to the objectives of the course but more particularly because it has an international focus that should make it more readable and applicable to students in Thailand. The textbook has a companion website for finding management-related information on the Internet. This site contains valuable self-assessment exercises.

Recommended reference materials:

Books

- Bartol, K.M., Martin, D.C., Tein, M. & Matthews, G. 2001, Management: A Pacific Rim Focus, 3rd edn, Irwin/McGraw-Hill, Sydney.
- Calingo, L.M.R. 1997, Strategic Management in the Asian Context: A Casebook in Business Policy and Strategy, Jacaranda Wiley, Brisbane.

- Carlopio, J., Andrewartha, G., Armstrong, H. (adapted from the text by Whetten, D. & Cameron, K.) 2001, *Developing Management Skills in Australia*, 2nd edn, Prentice Hall, Sydney.
- Clegg, C., Legge, K. & Walsh, S. 1999, *The Experience of Managing: A Skills Guide*, Macmillan, London.
- Collins, R. & McLaughlin, Y. (eds) 1996, *Effective Management*, 2nd edn, CCH International, Sydney.
- Davidson, P. & Griffin, R. 2003, *Management: An Australian Perspective*, John Wiley & Sons, Brisbane.
- Du Brin, A.J. 2000, *Essentials of Management*, 5th edn, South-Western, London.
- Fulop, L. & Linstead, S. 1999, *Management, a Critical Text*, Macmillan, South Melbourne.
- McKenna, R. 1999, *New Management*, McGraw-Hill, Sydney.
- Quinn, RE, Faerman, SR, Thompson, MP, McGrath, MR & St Clair, LS 2011, *Becoming A Master Manager: A Competing Values Approach*, 5th edn, John Wiley & Sons Inc., New York.

Journals and papers:

- Academy of Management Review
- Far Eastern Economic Review
- Fortune
- Harvard Business Review
- Journal of General Management
- Journal of Management Studies
- Management Today
- Personnel Management
- Personnel Today

Websites

The Emerald Now site provides material on management trends and also reviews of management books and articles:

<http://fiordiliji.emeraldinsight.com/vl=6880821/cl=52/nw=1/rpsv/now/>

McGallen & Bolden Group, e-learning, total quality, and high-tech marketing:

<http://www.mcgallen.com/>

Asian Business Strategy and Street Intelligence, Asian business strategy news, marketing in Asia, street intelligence, consumer, political, economic and business trends direct from Asia:

<http://www.apmforum.com/>

Business Ethics, corporate social responsibility report:

<http://www.business-ethics.com/100best.htm>

Teaching Plan:

| Week | Date | Topic | Chapter |
|------|--------------|--|---------|
| | | Part One: INTRODUCTION TO MANAGEMENT | |
| 1 | Make up* | Managing in Turbulent Times | 1 |
| 2 | Make up* | The Evolution of Management Thinking | 2 |
| | | Part Two: THE ENVIRONMENT OF MANAGEMENT | |
| 3 | 27 Aug 2012 | Corporate Culture and the Environment | 3 |
| 4 | 3 Sept 2012 | Managing in a Global Environment | 4 |
| | | Part Three: PLANNING | |
| 5 | 10 Sept 2012 | Planning and Goal Setting | 7 |
| 6 | 17 Sept 2012 | Strategy Formulation and Implementation | 8 |
| 7 | 24 Sept 2012 | Decision Making | 9 |
| | Oct 1-6 2012 | <i>Mid Term Examination Period</i> | |
| | | Part Four: ORGANIZING | |
| 8 | 8 Oct 2012 | Designing Adaptive Organizations | 10 |
| Week | Date | Topic | Chapter |
| 9 | 15 Oct 2012 | Change and Innovation | 11 |
| | | Part Five: Leading | |
| 10 | 22 Oct 2012 | Dynamics of Behavior in Organizations | 14 |
| 11 | 29 Oct 2012 | Leadership | 15 |
| 12 | 5 Nov 2012 | Motivation | 16 |
| 13 | 12 Nov 2012 | Communication | 17 |
| | | Part Six: Controlling | |
| 14 | 19 Nov 2012 | Quality and Performance | 19 |

| | | | |
|----|----------------------------|---|---|
| 15 | 26 Nov 2012 | Managing Ethics and Social Responsibility | 5 |
| | 17 Dec 2012 09.00-12.00 | <i>Final Exam</i> | |

Case studies and exercises will be used within class and students are expected to participate. Group marks will be based on both work submitted and participation.

The Format of the final examination is “essay.” Students will be required to answer 4 questions from 8. The time for the examination will be 3 hours.

Assignment 1 – Individual Work: Interpreting your management style

Due: Week 8

Length: 1,000 Words

Rationale: An essential element of management is self improvement; leading to what Quinn et al. (2011) define as Mastery. To achieve this requires recognising your own managerial strengths and weaknesses. Assessment 1 highlights your current managerial type/style, providing a benchmark as you move towards management ‘mastery’.

Your task:

Identify and describe your management style in an interpretative report, using the CVF conceptual frameworks – see below. The steps involved let you situate yourself within the parameters of management mastery and draw out aspects of your style which are evident from the following exercise.

Instructions

Complete both the Competing Values Management Practice Survey and the Competing Values Framework survey. To do this you will need to assume you are a manager – in this case you might think of a time when you have managed others or been part of a team.

Access the following URL:

<http://www.wiley.com/college/quinn/047136178X/survey/course.htm> and work through instructions a–d.

- a. complete the surveys
- b. then press ‘show result’ – where your scores are plotted on a wheel
- c. reflection: Look at the shape of your ‘spiderwebs’
- d. save copies for review, discussion and presentation with your interpretative report.

Interpret your findings, identifying strengths and weaknesses as a manager. Look for areas of prominence. Make reference to the wider literature. For example, are the four quadrants equal in your spiderwebs? Are you already in balance? What does this mean for management mastery. Are there obvious areas of strength and opposing weakness? What are these areas? Why might this be so?

Compile these findings into an interpretative report on your management style, explaining elements you see in your CVF 'spiderweb'. Be sure to include context in this interpretation. That means you should anchor the interpretation in discussions of your actual work and potential role as a manager or reference to other managers you might know. This will help explain 'what' and 'why' the spiderweb reflects what it does about you as a manager.

Marking criteria:

- Completion of the CVF Surveys (5 marks)
- Identification of practical evidence and discussion (5 marks)
- Application of evidence to the role of a manager (5 marks)
- Application of evidence to the elements of the frameworks (5 marks)
- professionalism and creativity in presentation, structure and use of appropriate referencing (5 marks)

Assignment 2 – Group Work: Lehman Brothers

Due: Week 16

Length: 3,000 Words

Assignment task:

Your assignment task requires your group to prepare an evaluative report of the management issues leading to and relating to the 2008 global 'Credit Crisis'. In particular, investigate the environmental, ethical and social responsibility issues involved in the collapse of the U.S. based investment bank Lehman Brothers.

Your report should take into account the relevant management issues and concepts in the following areas - critically evaluate the following three key areas:

Part A: The internal and external environment

Part B: Managerial ethics

Part C: Corporate social responsibility

The focus of your report should be the collapse of the United States based investment bank, Lehman Brothers. However, you should support your analysis of Lehman Brothers by reference to other examples of corporate collapse that you have encountered during your reading/research for this task.

The Internet and/or the Library (databases) should provide effective and efficient research sources. This gives you the opportunity to explore and experiment with these research resources, which will stand you in good stead for your ongoing study.

This exercise should also be of great assistance in helping you develop an appropriate professional structure and format for your assignment whilst ensuring acceptable academic rigour is maintained.

Marking criteria:

Each part of Assignment 1 will be marked against the following criteria:

- ability to identify and critically discuss management issues, with reference to the case in question and then more broadly making explicit linkages to unit concepts (13 marks)
- depth of understanding/knowledge of unit concepts; evidence of some wider reading/research to confirm understanding as related to other contexts (7 marks)
- professionalism and creativity in presentation, structure and use of appropriate referencing (5 marks)

Note: Please try to work within the word limit or presentation marks will be forfeited.

Policy on attendance and class participation:

Attendance, attitude, and preparation are important. Positive contributions to the class can provide rich reciprocal learning experiences. The right attitude means: a desire and willingness to study and learn, preparation as directed, and putting forth effort even when it may be inconvenient or difficult. It also means: being ready to answer questions when called upon, volunteering answer to questions or asking questions and actively listening to the instructor and other class members.

IS 216: Brief Outline on Excel

In the information age it has become important for businesses to operate smoothly on a daily basis to find success. Most successful companies utilize technology to improve efficiency and increase productivity. One of the most important tools used by these companies is Microsoft Excel. The use of Excel can be found everywhere in the business world, especially in areas where there is an extensive usage of numbers, like accounting, marketing, business development, and yes, finance. However, the full potential of Excel can only be realized and fully utilized with proper training, such as the IS 216 class focusing on the following modules:

Module I: Decision making with Excel

- *Functions/tools covered in Microsoft Excel:* IF, NESTED IF, AND, OR, NOT.

- *Applications of these functions:* Performance analysis, decision making, and day-to-day operations.

Module II: The world of Accounting and Finance

- *Functions/tools covered in Microsoft Excel:* PMT, PPMT, IPMT, RATE, NPER, NPV, PV, FV, IRR and Two-Input Array Table.

- *Applications of these functions:* Time value of money, financial statements, personal finance, loan financing, sensitivity analysis.

Module III: Building business models

- *Functions/tools covered in Microsoft Excel:* Scenario manager, scenario summary, goal seek and lookup functions such as HLOOKUP and VLOOKUP.

- *Applications of these functions:* Multiple what-if models, predicting future values, and financial planning.

Module IV: Analyzing data and making smart decisions

-*Functions/tools covered in Microsoft Excel:* Pivot table, Pivot charts Sumproduct, Auto and Advanced Filter.

-*Applications of these functions:* Market research, data analysis, interactive summary and cross tabulation of data.

Module V: Data visualization

- *Functions/tools covered in Microsoft Excel:* Data bars, Icon sets, Sparklines, Slicers, and Dashboard.

-*Applications of these functions:* Creating a variety of visualization platforms, Sets of multiple charts, dashboards.

Module VI: Form controls – Adding interactivity to Excel spreadsheets

-*Functions/tools covered in Microsoft Excel:* Form Controls: combo boxes, check boxes, option buttons, and group boxes.

-*Applications of these functions:* Referencing and interaction with data, data selection, and functionality to interact with modeled data.

Course Outline

MA 216 Calculus for Social Science 1

Number of credits: 3 credits

Course Description:

Limits and continuity of one variable; differentiation of algebraic functions and transcendental functions; implicit differentiation; higher-order differentiation; Roll's theorem; the mean-valued theorem; applications of derivative for finding the limit and extremum of functions; differentials and its applications; antiderivatives; indefinite integrals and integration; definite integrals and applications of area integral; functions of several variables; limits and continuity of functions of several variables; partial derivatives; the chain rule; total differential and its applications.

Prerequisites: -

Course Objectives:

Calculus has influenced nearly every branch of natural and social sciences, since its invention about three hundred years ago. Calculus is not only one of the most beautiful ideas in the history of human thought, but also one of the most useful and influential. This course is designed to give students the basic quantitative skill of single-variable calculus. The course covers the reviews of functions, graphs and limits, differentiation, application of derivatives, integration and introduction to multi-variable calculus. Students will not only learn to solve the problem but also learn the concepts behind to enhance understanding and minimise memorising.

Reading lists:

In addition of attending lectures and following handouts and assignments, students are recommended to consult textbooks for further examples and alternative explanations. The class discussion will follow **Hoffman and Bradley** which gives a number of examples related to economics as well as other fields. Other books given are also suitable. If you already have a similar book, it is not absolutely necessary to acquire another one.

1. **Hoffman, L.D., and Bradley, G.L.,** *Calculus for Business, Economics, and the Social and Life Sciences*, 9th edition, McGraw Hill, 2007. (Recommended)
2. **Haussler, E.F.Jr., Paul, R.S., and Wood, R.,** *Introductory Mathematical Analysis for Business, Economics, and the Life and Social Sciences*, 11th edition, Prentice Hall, 2006.
3. **Goldstein, L.J., Lay D.C., and Schneider, D.L.,** *Calculus and Its Applications*, 9th edition, Prentice-Hall International Editions.

4. **Sydsaeter, K. and Hammond, P.J.**, *Mathematics for Economic Analysis*, Prentice Hall, 2002.
5. **Klein, M.**, *Mathematical Methods for Economics*, 2nd Edition
6. **Simon, C., and Blume L.**, *Mathematics for Economists*, Norton & Company, 1994.
7. **Chiang, A.**, *Fundamental Methods of Mathematical Economics*, 3rd Edition, McGraw-Hill, 1984.

Teaching Plan:

Tentative Schedule

| Week/Section | Topic |
|--------------|--|
| 1/1-2 | 1. Functions, Graphs, and Limits Function of a single variable, the graph of a function, linear function, functional models, limits, One-side limits and continuity |
| 2/3-4 | |
| 3/5-6 | 2. Differentiation: Basic Concepts The derivative, techniques of differentiation, Product and Quotient rules, higher-order derivatives, the chain rule, marginal analysis and approximations using increments, implicit differentiation and related rates |
| 4/7-8 | |
| 5/9-10 | |
| 6/11-12 | 3. Additional Applications of the Derivatives Increasing and decreasing functions, relative, extrema, concavity and points of inflection, curve sketching, optimisation |
| 7/13-14 | |
| 8 | <i>Midterm examination</i> |
| 9/15-16 | 3. Additional Applications of the Derivatives (continue) |
| 10/17-18 | 4. Exponential and Logarithmic Functions Exponential and logarithmic function, differentiation of logarithmic and exponential functions, additional exponential models |
| 11/19-20 | 5. Integration Anti-differentiation: the indefinite integral, integration by substitution, the definite integral and the fundamental theorem of calculus, applied definite integration: area between curves and average value, additional applications to business and economics |
| 12/21-22 | |
| 13/23-24 | 6. Additional topic in Integration Integration by parts, integral table, improper integrals, |
| 14/25-26 | |
| 15/27-28 | 7. Introduction to Calculus of Several Variable Functions of several variables, partial derivatives |
| 16/29-30 | |
| | <i>Final examination</i> |

Course Outline

MK311 Consumer Behavior

Number of credits: 3 credits

Prerequisite: *(Curriculum 2009) MK 201 or MK 202*

Course Description

(Curriculum 2009)

A study of concepts and theories of behavioral analysis in order to understand consumer and their behavior. Topics include both traditional thinking, which emphasizes psychological and behavioral theory for purchasing decision-making process, as well as contemporary alternative theories, which emphasizes understanding consumer from social and cultural dimensions. This course covers the understanding of both individual and organizational behavior that influences the purchasing decision.

(Curriculum 2013)

A study of concepts and theories of behavioral analysis in order to understand consumers and their behavior. Topics include both traditional thinking, which emphasizes psychological and behavioral theory for the decision-making process of purchasing, and contemporary alternative theories, which emphasize understanding consumers from social and cultural dimensions. This course covers the understanding of both individual and organizational behaviors that influence the purchasing decision.

Course Objectives

1. To understand consumer behavior as a vital constituent of marketing.
2. To be able to explicate the concept and process of consumer behavior.
3. To be able to critically analyze consumer behavior and to define relevant influences on the consumer's purchasing decision.

To be able to apply the students' knowledge of consumer behavior in their marketing careers and their everyday lives.

Dated latest Curriculum Revision

December 24, 2012

Purposes of Curriculum Revision

The curriculum is revised regularly to ensure the relevance of the courses to the business world. The contents are updated so that it is of the benefits of the students in their future studies or future careers.

Hour Employed per Semester

| Lecture | Supplemental Classes | Laboratory/Field Work/Internship | Self-Study |
|----------|----------------------|----------------------------------|------------|
| 45 hours | 0 hours | 0 hours | 90 hours |

Main texts

Solomon, Michael (2012), *Consumer Behavior: Buying, Having, and Being*, Tenth edition, Upper Saddle River, New Jersey: Pearson Prentice Hall.

Recommended Texts & Materials

1. Arnould, Eric J., Linda L. Price and George M. Zinkhan (2004), *Consumers*, Second Edition, Singapore: McGraw-Hill.

Sherry, John (ed.) (1995), *Contemporary Marketing and Consumer Behavior*, Thousand Oaks: SAGE Publication.

Learning Outcomes

The five learning outcomes are stated below:

| | | |
|--|--|--|
| 1. Morality and Ethics: | Expected outcomes on morality and ethics: | |
| | N/A | 1.1 Possess honesty, sacrifice, self-, social-, and environmental responsibility. |
| | N/A | 1.2 Value “sufficiency” theory and adapt it in life path by adhering to adequacy, rationale, and immunity development. |
| | N/A | 1.3 Value disciplines, respect, and comply with the rules and regulations of the institution and society at large. |
| | ○ | 1.4 Acquire knowledge related to business morality and ethics, and be able to handle ethical dilemma with integrity. |
| | Teaching methods: | |
| <ol style="list-style-type: none"> 1. Discuss the ethical issues regarding marketing responsibility towards consumers and society. 2. Discuss the morality and ethical issues in consumer behavior | | |
| Evaluation methods: | | |
| <ol style="list-style-type: none"> 1. Class Discussion 2. Examination | | |

| | | |
|---|---|--|
| 2. Knowledge: | Expected outcomes on knowledge: | |
| | N/A | 2.1 Acquire knowledge on and understand the important concepts in business management. |
| | N/A | 2.2 Acquire knowledge on and understand the important social and science concepts related to business management. |
| | N/A | 2.3 Acquire knowledge on and understand the important concepts related to business processes, planning, corporate structures, operations, control, performance evaluation and contingency plan to suit the circumstances. |
| | ○ | 2.4 Acquire the knowledge on academic advancement and professional development in business management including the understanding of the situational adaptability and its impacts on business. |
| | Teaching methods: | |
| | <ol style="list-style-type: none"> 1. Explain concepts and theories regarding consumer behavior 2. Give examples of how understanding consumer behavior helps marketers to develop effective marketing strategies. 3. Discuss how marketers can employ consumer behavior theories in their marketing practice. | |
| Evaluation methods: | | |
| <ol style="list-style-type: none"> 1. Class Discussion 2. Individual Assignment 3. Group Project 4. Examination | | |
| 3. Intellectual Development: | Expected outcomes on intellectual development: | |
| | ● | 3.1 Be able to search and process information and utilize various concepts appropriately in a given circumstance. |
| | ○ | 3.2 Be able to think systematically and rationally and to integrate knowledge from other disciplines to solve the problems in business and other settings. |
| | N/A | 3.3 Be able to collectively propose solutions to problems at hand and analyze the impacts of the proposed solutions and be able to choose the solution that is appropriate to a given situation to ensure business competitive advantages. |
| Teaching methods: | | |

| | |
|--|---|
| | <ol style="list-style-type: none"> 1. Discuss how to apply consumer behavior theories to gain consumer insights. 2. Assign individual assignments and group project to acquire consumer insights. |
| | Evaluation methods: |
| | <ol style="list-style-type: none"> 1. Class Participation 2. Individual Assignments 3. Group Project 4. Examination |

| | | |
|--|--|---|
| 4. Interpersonal Skills and Responsibilities: | Expected outcomes on Interpersonal Skills and Responsibilities: | |
| | <input type="radio"/> | 4.1 Be able to work in team, possess interpersonal skills and leadership skills, and be professionally adaptive to a given situation. |
| | <input type="radio"/> | 4.2 Be creative and constructively criticize to solve problem of the team. |
| | <input type="radio"/> | 4.3 Be responsible for self-learning and professional development. |
| | Teaching methods: | |
| | 1. Assign group project | |
| 5. Quantitative Analysis, Communication and Information Technology: | Expected outcomes on Quantitative Analysis, Communication and Information Technology: | |
| | N/A | 5.1 Be able to apply mathematics, statistics, quantitative analysis in analyzing and making decisions in business and daily life. |
| | N/A | 5.2 Be able to efficiently communicate in Thai and foreign languages that are relevant in doing business. |
| | <input type="radio"/> | 5.3 Be able to explain the issues and make the issues clear in verbal or writing, and be able to choose the appropriate pattern of communication for different groups of audience both in business context and in other contexts. |
| | N/A | 5.4 Be able to utilize the information technologies or others to support the business operations. |
| | Teaching methods: | |
| 1. Assign individual assignments | | |

| | |
|--|---|
| | 2. Assign group project |
| | Evaluation methods: |
| | 1. Individual Assignment Presentation and Discussion 2. Group Project Presentation |

Evaluation Plan

The evaluation plan for this course is stated as follows:

| Expected Outcomes | Methods/Activities | Week(s) Evaluated | Weights Assigned |
|--|------------------------|-------------------|------------------|
| 1.4, 2.4, 3.1, 3.2, 4.1, 4.2, 4.3, and 5.3 | Class Participation | Every week | 10% |
| 1.4, 2.4, 3.1, 3.2, and 5.3 | Individual Assignments | 2-13 | 10% |
| 1.4, 2.4, 3.1, 3.2, 4.1, 4.2, 4.3, and 5.3 | Group Project | 14-15 | 30% |
| 1.4, 2.4, 3.1, 3.2, and 5.3 | Final Examination | 16 | 50% |
| | | | 100% |

Course Schedule

The course schedule for this course is stated as follows:

| Session/Date & Time | Topics | Activities/ Text & Materials/ Media |
|---|--|---|
| #1: Tuesday 14 Jan 2014 2:00-5:00 p.m. | <p>Introduction to the Course</p> <ul style="list-style-type: none"> • Course Description and Objectives • Teaching Philosophy • Course Administration • Course Schedule and Outline <p>Overview of Consumer Behaviour</p> <ul style="list-style-type: none"> • Consumers in the Marketplace • Importance of Consumer Behavior • Consumer Behavior and Marketing • Scope of Consumer Behavior Study | <p>Explain course outline</p> <p>Read Chapter 1</p> <p>Class discussion on the topics</p> |

| | | |
|---|--|---|
| <p>#2: Tuesday 21 Jan 2014 2:00-5:00 p.m.</p> | <p>Consumers as Individuals</p> <ul style="list-style-type: none"> • Perception | <p>Read Chapter 2 Class discussion on the week topic. Assign individual assignment on the topic.</p> |
| <p>#3: Tuesday 28 Jan 2014 2:00-5:00 p.m.</p> | <p>Consumers as Individuals</p> <ul style="list-style-type: none"> • Learning and Memory | <p>Read Chapter 3 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#4: Tuesday 4 Feb 2014 2:00-5:00 p.m.</p> | <p>Consumers as Individuals</p> <ul style="list-style-type: none"> • Motivation • Involvement • Emotions | <p>Read Chapter 4 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#5: Tuesday 11 Feb 2014 2:00-5:00 p.m.</p> | <p>Consumers as Individuals</p> <ul style="list-style-type: none"> • Attitudes • Attitude Change | <p>Read Chapter 7 & 8 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#6: Tuesday 18 Feb 2014 2:00-5:00 p.m.</p> | <p>Consumers as Individuals</p> <ul style="list-style-type: none"> • The Self: Traditional View • The Self: Alternative View • Personality <p>Consumers and Symbolic Consumption: An Alternative View</p> | <p>Read Chapter 5 & 6, and class handout Class discussion on the selected individual assignments of the previous week.</p> |

| | | |
|--|--|---|
| | <p>to Understand Consumers</p> <ul style="list-style-type: none"> • Consumer Identity and Symbolic Consumption • Consumers and Meaning Appropriation • Possessions and the Extended Self | <p>Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#7: Tuesday 25 Feb 2014 2:00-5:00 p.m.</p> | <p>Consumers as Individuals</p> <ul style="list-style-type: none"> • Lifestyle and Values | <p>Read Chapter 6 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#8: Tuesday 11 Mar 2014 2:00-5:00 p.m.</p> | <p>Consumers as Social Beings</p> <ul style="list-style-type: none"> • Consumers and Social Structure • Consumers and Demographics • Consumers and Social Class | <p>Read Chapter 13-15 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#9: Tuesday 18 Mar 2014 2:00-5:00 p.m.</p> | <p>Consumers as Social Beings</p> <ul style="list-style-type: none"> • Consumers and Reference Groups • Consumers and Family | <p>Read Chapter 11 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic.</p> |
| <p>#10: Tuesday 25 Mar 2014 2:00-5:00 p.m.</p> | <p>Consumers as Social Beings</p> <ul style="list-style-type: none"> • Consumers and Culture • Consumers and Subcultures • Cultural Changes and Diffusion <ul style="list-style-type: none"> ○ Globalization ○ Media Society ○ Postmodernity | <p>Read Chapter 16 & 17 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week</p> |

| | | |
|--|----------------|--------|
| | ○ Body Culture | topic. |
|--|----------------|--------|

| | | |
|--|---|--|
| #11: Tuesday 1 Apr 2014 2:00-5:00 p.m. | Consumers as Decision Makers <ul style="list-style-type: none"> • Individual Purchase Decision Process • Consumer Satisfaction | Read Chapter 9 & 10 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic. |
| #12: Tuesday 8 Apr 2014 2:00-5:00 p.m. | Consumers as Decision Makers <ul style="list-style-type: none"> • Group Decision • Consumers and Family Decision | Read Chapter 12 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic. |
| #13: Tuesday 22 Apr 2014 2:00-5:00 p.m. | Other Sides of Consumers <ul style="list-style-type: none"> • Impulsive Buying Behavior • Consumer Fantasy, Fun and Escapism • The Dark Side of Consumer Behavior Consumer Behavior and Marketing <ul style="list-style-type: none"> • Marketing and Consumer Research • Marketing and Consumer Responsibility | Read Chapter 1 Class discussion on the selected individual assignments of the previous week. Class discussion on the week topic. Assign individual assignment on the week topic. |
| #14-15: Tuesday 29 Apr 2014 *2:00-8:00 p.m. | Group Project Presentation | Group Project Submission Group Presentation and Class Discussion |

Details on Assignments

The details for the assignment are stated as follows:

1. Reading Assignment

Students are required to read the assigned chapter(s) from the text or material(s) distributed prior to class.

2. Individual Assignments

Each assignment is an individual work, which students are required to submit in written papers (double-spacing typed A4). Presentation of the work may also be required. Grading will be based on the quality of the discussion and/or presentation.

3. Group Project

Students are required to form a term project group (max. 8 members). Participation and involvement in the group's work by each individual will be taken into account for grading. That is, peer evaluation will be assessed.

The group project is to study a particular topic of consumer behaviour of the group's interest. The project report should be approximately 30 pages long (double-spacing typed A4). Time allow for each group presentation is 30 minutes.

Notes to Students

Teaching Philosophy:

In class, teaching and learning aims to pursue a process of joint learning with students. That is, the lecturer introduces concepts and theories of Consumer Behavior to the class; then students share their experiences regarding the lectured concepts and theories. Hopefully, we learn from each other for ultimately we all are consumers!!!

Outside class, students are encouraged to do their own self-study as much as possible. As consumer behavior is a 'dynamic subject', assignments and the term paper intend to provide some of the necessary analytical skills needed.

Attendance The regulations on the class attendance is stated below:

| Important Notes to Students Regarding Class Attendance Announced by BBA International Program: |
|---|
| <p>a. Students who miss more than 13 hours of class but less than 22 hours must seek instructor's approval for eligibility to take the final exams and approval by the dean. The dean's decision is considered final.</p> <p>b. Students who miss more than 22 hours of class are NOT eligible to take the final exams and results in course failure.</p> <p>Please note that feigning other student signatures or failure to attend class after signing in results different level of penalty imposed.</p> <ul style="list-style-type: none">o Level 1 penalty: First time rule breakers will be considered as "Absent" for that actual class time. And a warning letter issued to first-time rule breakers.o Level 2 penalty: Second time rule breakers receive an "F" for the course and will not be considered for BBA scholarships, exchange student programs and other awards.o Level 3 penalty: Third-time rule breakers are given one semester of class suspension. <p>Cheating in any form of class exam or quiz or plagiarism is subject to the penalties based on Thammasat University's student compliance act.</p> |

Course and Teaching Evaluation and Improvement

The Program has set policies related to course and teaching evaluation and improvement as follows:

1. Strategies for course evaluation by students:

There will be two evaluations per course: Mid-semester and end-of-semester course evaluations. The course evaluation will be administered by BBA staff with the instructor absent from the classroom. The instructor will receive feedback from students in the following key areas:

- Class preparation
- Teaching capability
- Appropriateness of activities or assignments
- Encouragement of Class discussion
- Opportunity to ask questions
- Encouragement of independent study and additional practices
- Benefits of the course

Course evaluation will be summarized and returned to the instructor after the grades are sent to the Program. Moreover, the course evaluation of each instructor of every course offered will be reviewed by BBA Operating Committee.

2. Evaluation strategies in teaching methods:

The effectiveness of teaching methods will be evaluated from the students' accomplishments such as participation, assignments, and exams.

3. Improvement of teaching methods:

The instructor will use the feedbacks from 2. Above to improve the teaching methods.

4. Evaluation of students' desire learning outcomes:

After receiving the feedback from the mid-semester course evaluation and students' assessments, the instructor revises the teaching methods to ensure that the desired learning outcomes are achieved.

5. Review and improvement for better outcomes:

A summary of course evaluation for each course will be supplied to course instructor. The Program will use the feedback to improve the curriculum structure and course content in the regular curriculum revision cycle.

Course Outline

ST216 Statistics for Social Science 1

Number of credits: 3 credits (3-0-6)

General Information:

This course provides an introduction to the concept and applications of Statistics for Economics. As a practicing economist, you would have come across a tremendous amount of information that is contained in data. Statistics helps you extract and understand this information. It answers questions such as, How should we summarize this mountain of data? and, To what extent should you really believe these numbers and their implications? It thus helps complement your economics knowledge, experience and intuition with the knowledge that is contained in the numbers that you come across, which ultimately leads to better decision-making.

The course does not require advanced math knowledge, and your performance in this course will depend on conceptual skills that you develop through assignments, exercises, and class lectures. Some of you might have taken statistics from high school. These courses do not necessarily promise your success in this class because statistics courses vary in terms of content and approach.

Course Description:

Introduction to descriptive statistics; index numbers; unconditional and conditional probability; random variables and probability distribution; unconditional and conditional expectations; elementary sampling and sampling distribution; estimation and hypotheses testing for one population; statistical package results interpretation.

Prerequisites: -

Course Objectives:

This course covers the standard methods of descriptive statistics and some statistical inference needed for economics. The purpose of the course is to provide students in the economic sciences with enough understanding of statistical ideas and methodology to communicate knowledgeably and effectively with specialists in these technical areas. Upon successful completion of this course, students will be able to complete the following tasks:

1. Explain basic concepts of social statistics (e.g., population, sample, sampling distribution).
2. Summarize numeric data by computing descriptive statistics (e.g., mean, variance) and by creating tables and graphs. For each procedure, students will learn a hand calculation method

(using calculators) and a computer method (using software called SPSS-computer outputs interpretation)

3. Compute various inferential statistics (e.g., z, t and chi-square statistics) using both hand calculation and computer method (computer outputs interpretation)
4. Parameter estimations and test hypotheses applying probability theory.
5. Explain the differences among various statistical techniques and identify an appropriate technique for a given set of variables and research questions.

The widespread availability of computer software packages is revolutionizing statistics education. Each year, more and more students enter statistics course with a good experience in computer technology and an expectation of using computer packages to solve problems in statistics. Because of this trend, this course will also focus on reading and interpreting the computer outputs. The computer software used in the course is SPSS for windows.

Main Text:

Anderson, David R., Sweeney, Dennis J., and Williams, Thomas A. *Statistics for Business and Economics*. Eleventh Edition. International Student Edition South-Western, 2011.

Other Recommended Book:

1. Berenson, Mark L., Levine, David M., and Krehbielm Timothy C. *Basic Recommended Business Statistics*. Eleventh Edition. Pearson/Prentice Hall, 2009.
2. Lind, Douglas A., Marchal, William G., and Wathen, Samuel A. *Basic Statistics for Business and Economics*. Seventh Edition. McGraw-Hill Irwin, 2011.
3. McClave, James T., Benson, P. George, and Sincich, Terry. *Statistics for Business and Economics*. Eleventh Edition. Student Edition. Prentice Hall, 2011.
4. Newbold, Paul, Carlson, William L., and Thorne, Betty. *Statistics for Business and Economics*. Fifth Edition. Pearson Education, Inc., 2003.

Teaching Plan:

Class Schedule

| Class | Date | Topics | Chapter | Section |
|-------|----------------|--|---------|---------|
| 1-2 | Aug 15,17 | 1. Data and Statistics | 1 | |
| | | 1.1 What is Statistics? | | 1.4 |
| | | 1.2 Types of Statistics | | 1.5 |
| | | 1.2.1 Descriptive Statistics | | |
| | | 1.2.2 Statistical Inference | | |
| | | 1.3 Statistical Data | | 1.2 |
| | | 1.3.1 Data, Element, Variable | | |
| | | 1.3.2 Types of Data | | |
| | | 1.4 Scales of Measurement | | 1.2 |
| | | 1.4.1 Nominal Scale | | |
| | | 1.4.2 Ordinal Scale | | |
| | | 1.4.3 Interval Scale | | |
| | | 1.4.4 Ratio Scale | | |
| 3-5 | Aug 22, 24, 29 | 2. Describing Data: Frequency Tables, Frequency Distributions and Graphic Presentation | | |
| | | 2.1 Summarizing Qualitative Data (Categorical Data) | 2 | 2.1 |
| | | 2.1.1 Frequency Distribution | | |
| | | 2.1.2 Relative Frequency Distribution | | |
| | | 2.1.3 Bar Charts and Pie Charts | | |
| | | 2.2 Summarizing Quantitative Data (Numerical Data) | | 2.2 |
| | | 2.2.1 Frequency Distribution | | |
| | | 2.2.2 Relative Frequency Distribution | | |
| | | 2.2.3 Histogram and Frequency Polygon | | |
| | | 2.2.4 Cumulative Frequency Distributions | | |
| | | 2.2.5 Stem-and-Leaf Displays | | 2.3 |
| | | | | |
| | | | | |
| Class | Date | Topics | Chapter | Section |
| 6-7 | Aug 31, Sep 5 | 3. Measures of Location | 3 | |
| | | 3.1 Mean | | 3.1 |
| | | 3.1.1 Sample Mean | | |
| | | 3.1.2 Population Mean | | |
| | | 3.2 Weighted Mean | | |
| | | 3.3 Median | | |
| | | 3.4 Mode | | |
| | | 3.5 Percentiles, Deciles and Quartiles | | |
| 8-9 | Sep 7, 12 | 4. 4.1 Measures of Dispersion (Measures of Variability) | | 3.2 |
| | | 4.1.1 Range | | |
| | | 4.1.2 Interquartile Range | | |

| | | | |
|--------------|-----------------------|---|----------------------------|
| | | 4.1.3 Mean Deviation | |
| | | 4.1.4 Variance and Standard Deviation | |
| | | 4.1.5 Coefficient of Variation | |
| | | 4.2 Exploratory Data Analysis: Box- Plot | 3.3 |
| 10-12 | Sep 14, 19, 21 | 5. Introduction to Probability | 4 |
| | | 5.1 Random Experiment and Sample Space | 4.1 |
| | | 5.2 Approaches to Probability | 4.1-4.4 |
| | | 5.2.1 Classical Probability | |
| | | 5.2.2 Relative Frequency Probability | |
| | | 5.2.3 Subjective Probability | |
| | | 5.3 Properties of Probabilities | 4.1-4.4 |
| | | 5.4 Rules of Addition | 4.1-4.4 |
| | | 5.5 Conditional Probability | 4.4 |
| | | 5.6 Rules of Multiplication | 4.1-4.4 |
| | | 5.7 Tree Diagrams | 4.4 |
| | | 5.8 The Bayes' Theorem | 4.5 |
| | | 5.9 The Multiplication Formula | 4.1 |
| | | 5.10 The Permutation Formula | 4.1 |
| | | 5.11 The Combination Formula | 4.1 |
| 13-15 | Sep 26, 28, Oct 10 | 6. Discrete Probability Distributions | 5 |
| | | 6.1 Random Variables | 5.1-5.2 |
| | | 6.1.1 Discrete Random Variables | |
| | | 6.1.2 Continuous Random Variables | |
| | | 6.2 Expected Values and Variances of Random Variables | 5.3 |
| | | 6.3 The Binomial Probability Distribution | 5.4 |
| | | 6.4 The Poisson Probability Distribution | 5.5 |
| 16-18 | Oct 12, 17, 19 | 7. Continuous Probability Distributions | 6 |
| | | 7.1 General Probability Distributions for Continuous Random Variables | |
| | | 7.2 Normal Probability Distribution | 6.2 |
| | | 7.3 Areas under the Normal Curve | 6.2 |
| | | 7.4 Normal Approximation to the Binomial Probability Distribution | 6.3 |
| Class | Date | Topics | Chapter Section |
| 18-19 | Oct 19, 24 | 8. 8.1 Bivariate Distributions | 5 5.7 (Reference No. 4) |
| | | 8.2 Conditional Probability Function | 5 5.7 (Reference No. 4) |
| | | 8.3 Conditional Expectation | 5 5.7 (Reference No. 4) |
| 20 | Oct 26 | 9. Sampling and Sampling Distributions | 7 |
| | | 9.1 Methods of Probability Sampling | 7.2,7.8 |
| | | 9.2 Sampling Distribution of the Mean | 7.5 |
| | | 9.3 Standard deviation of Sample Mean | 7.5 |
| | | 9.4 Central Limit Theorem | 7.5 |

| | | | |
|-------|---------------------------|---|--------------|
| | | 9.5 Point Estimation | 7.3,7.7 |
| 21-24 | Oct 31, Nov 2, 7, 9 | 10. Interval Estimation | 8 |
| | | 10.1 Interval Estimation of a Population Mean: Known Population Standard Deviation | 8.1,8.2 |
| | | 10.2 Interval Estimation of a Population Mean: Unknown Population Standard Deviation | 8.1,8.2 |
| | | 10.3 Interval Estimation of a Population Proportion | 8.4 |
| | | 10.4 Determining the Sample Size | 8.3 |
| 25-30 | Nov 14, 16, 21, 23, 28 | 11. Hypothesis Testing | 9 |
| | | 11.1 Developing Null and Alternative Hypotheses | 9.1 |
| | | 11.2 Steps of Hypothesis Testing | 9.1 |
| | | 11.3 Type I and Type II Errors | 9.2 |
| | | 11.4 One-Tailed and Two-Tailed Tests of Significance | 9.3 |
| | | 11.5 Hypothesis Tests about a Population Mean | 9.4,9.5 |
| | | 11.5.1 Known Population Variance | |
| | | 11.5.2 Unknown Population Variance | |
| | | 11.6 Hypothesis Tests about a Population Proportion | 9.6 |
| | | 11.7 Hypothesis Tests about a Population Variance | 11 11.1 |
| 31 | Nov 30 | 12. Index Numbers | 17 17.1-17.7 |
| | | 12.1 The Meaning of Index Numbers | |
| | | 12.2 Types of Index Numbers | |
| | | 12.2.1 Price Indexes | |
| | | 12.2.2 Quantity Indexes | |
| | | 12.2.2 Quantity Indexes | |

Course Outline

ST217 Statistics for Social Science 2

Number of credits: 3 credits (3-0-6)

General Information:

Inference, in the form of estimation, hypothesis testing, and predictions, plays a vital role in everyday life as well as in organized research. In many cases, a knowledge of statistics will allow a quantitative assessment of risk involved with each inference and, hence, improve the basic knowledge of inference-making procedures for students. This course is a second course in statistics that applies tools from ST 216 to develop a variety of statistical inference that can be used to make decisions with data in the real world. Since this course builds directly from ST 216, material from that course, descriptive statistics, probability, sampling distribution, estimation, and hypothesis testing, should be reviewed.

Course Description:

Estimation and hypotheses testing for two populations; one – way and two – way analysis of variance; curve fitting; simple and multiple linear regression and correlation analysis; classical time series analysis; chi – square test; statistical package results interpretation.

Prerequisites: ST 216

Course Objectives:

This course covers the standard methods of statistical inference needed for economics. The purpose of the course is to provide students in the economic sciences with enough understanding of statistical ideas and methodology to communicate knowledgeably and effectively with specialists in these technical areas.

The widespread availability of computer software packages is revolutionizing statistics education. Each year, more and more students enter statistics course with a good experience in computer technology and an expectation of using computer packages to solve problems in statistics. Because of this trend, this course will also focus on reading and interpreting the computer outputs. The computer software used in the course is SPSS for windows.

Main Text:

Anderson, David R., Sweeney, Dennis J., and Williams, Thomas A. *Statistics for Business and Economics*. Eleventh Edition. International Student Edition South-Western, 2011.

Other Recommended Book:

1. Berenson, Mark L., Levine, David M., and Krehbiel, Timothy C. *Basic Business and Economics*
Eleventh Edition. Pearson/Prentice Hall. 2009.
2. Lind, Douglas A., Marchal, William G., and Wathen, Samuel A. *Basic Statistics for Business and Economics*. Seventh Edition. McGraw-Hill Irwin 2011.
3. McClave, James T., Benson, P. George, and Sincich, Terry. *Statistics for Business and Economics*. Eleventh Edition. Student Edition. Prentice Hall, 2011.
4. Mendenhall, W., Reinmuth, J.E., Beaver, R., and Duhan, D. *Statistics for Management and Economics*. Fifth Edition. Duxbury Press, 1986.
5. Watson, C.J., Billingsley P., Croft D.J., and Huntsberger D.V. *Statistics for Management and Economics*. Fifth Edition. Allyn and Bacon, 1993.
6. Wonnacott, T.H., and Wonnacott R. J. *Introductory Statistics for Business and Economics*. Fourth Edition. John Wiley & Sons, 1990.

Grading Policy:

The course grades will be based on two exams (individual performance) and homework assignments (individual performance). Grading scheme is as follows.

- | | | |
|-------------------------|-----|--|
| 1. Midterm Examination | 30% | (March 5th, 14.00 - 15.30 hrs) |
| 2. Final Examination | 60% | (May 8th, 2014, 13.30 - 16.30 hrs) |
| 3. Homework Assignments | 10% | |

Teaching Plan:

Class Schedule

| Class | Date | Topics | Chapter | Section |
|-------|------------------------------|--|---------|-----------|
| 1-4 | Jan 15,17,22,24 | 1. Statistical Inference: Two Population | 10, 11 | |
| | | 1.1 Confidence Intervals for the Differences Between | | |
| | | 1.1.1 Two Population Means | | |
| | | 1.1.2 Two Population Proportions | | |
| 5-8 | Jan 29,31 Feb 5,7 | 1.2 Testing Hypotheses on Differences Between | | |
| | | 1.2.1 Two Population Variances | | |
| | | 1.2.2 Two Population Means | | |
| | | 1.2.3 Two Population Proportions | | |
| 9-12 | Feb 12,14,19,21 | 2. Analysis of Variance | 13 | 13.1-13.4 |
| | | 2.1 One-Way Analysis of Variance | | |
| | | 2.2 Multiple Comparisons of Means | | |
| | | 2.3 Two-Way Analysis of Variance | | |
| 13-18 | Feb 26,28 Mar 12,14,19,21 | 3. Regression and Correlation | 14 | 14.1-14.6 |
| | | 3.1 Simple Linear Regression | | |
| | | 3.2 Finding the Slope and the Intercept of a Regression Line | | |
| | | 3.3 The Standard Error of Estimate | | |
| | | 3.4 Coefficient of Determination | | |
| | | 3.5 Statistical Inference in Regression Analysis | | |
| | | 3.6 Correlation Coefficient | | |
| | | 3.7 Inferences Concerning the Population Correlation Coefficient | | |
| | | 3.8 Relationship Between Regression and Correlation | | |
| 19-24 | Mar 26,28 Apr 2,4,9,11 | 4. Multiple Regression | 15 | 15.1-15.6 |
| | | 4.1 Multiple Linear Regression | | |
| | | 4.2 Finding the Coefficients for a Multiple Regression Equation | | |
| | | 4.3 Multiple Standard Error of Estimate | | |
| | | 4.4 Coefficient of Multiple Determination | | |
| | | 4.5 Statistical Inference in Multiple Regression Analysis | | |
| | | 4.6 Multiple Correlation Analysis | | |
| | | 4.6.1 Coefficient of Multiple Correlation | | |
| | | 4.6.2 Coefficient of Partial Correlation | | |
| 25-28 | Apr 16,18,23,25 | 5. Time Series Analysis | 18 | 18.1-18.4 |

| | | | | |
|-------|---------------|--|----|-----------|
| | | 5.1 Components of a Time Series | | |
| | | 5.1.1 Trend Component | | |
| | | 5.1.2 Cyclical Component | | |
| | | 5.1.3 Seasonal Component | | |
| | | 5.1.4 Irregular Component | | |
| | | 5.2 Forecasting Using Smoothing Methods | | |
| | | 5.2.1 Moving Averages | | |
| | | 5.2.2 Exponential Smoothing | | |
| | | 5.3 Methods of Determining Seasonal Indexes | | |
| | | 5.3.1 A Method Using Averages | | |
| | | 5.3.2 Ratio-to-Moving-Average Method | | |
| | | 5.4 Forecasting a Time Series with Trend and Seasonal Components | | |
| 29-30 | Apr 30, May 2 | 6. Chi-Square Tests | 12 | 12.1-12.3 |
| | | 6.1 Goodness-of-Fit Test: A Multinomial Population | | |
| | | 6.2 Tests for Independence | | |
| | | 6.3 Goodness-of-Fit Test: Normal Distribution | | |

Course Evaluation

| Type of evaluation | Evaluation Method | Evaluation date |
|---------------------|---|---|
| Homework | Written assignment (essay questions) | Every Fridays |
| Midterm Examination | Written exam (essay questions) | March 5 th , 2014, Time: 14.00-15.30 hrs. |
| Final Examination | Written exam (essay questions) | May 8 th , 2014, Time: 13.30-16.30 hrs. |



B.E. International Program

Faculty of Economics, Thammasat University



Course Syllabus

TU 122 Law in Everyday Life

Semester 2/2016 (January 16 – May 13, 2017)

Number of credits: 3 credits (3-0-6) Tentative Course Outlines Semester

Prerequisite: None

Course Description:

To study general aspects of law as correct patterns of human conduct in society. To equip learners with basic principles of public law (rules of law), and its values which are associated with citizens' moral core. To provide basic knowledge in public law and private law, involving the issues of rights and duties, dispute settlement, Thai Justice procedures, the usage and interpretation of law principles, with an emphasis on case studies in our daily lives.

Course Objectives:

This course is aimed at providing students with basic knowledge of various areas of law, mainly private law, public law and criminal law, which are involved in everyday life. The students are expected to be able to identify legal issues and understand legal arguments.

Main Texts:

Raymond Wacks, *Law: A Very Short Introduction* (OUP 2008)

Michael Doyle, *Doyle's Practical Guide to Thailand's Business Law* (Seri, Manop & Dolye Ltd 2009)

Required readings/ course materials:

Required reading will be uploaded to the BE website or distributed in class on a weekly basis.

Suggested readings:

Twekiat Menakanit, *General Principles of Criminal Law* (Faculty of Law Thammasat University 2014)

Andrew Harding and Peter Leyland, *Constitutional System of Thailand: A Contextual Analysis* (Hart Publishing 2011)

Grading:

| | |
|---------------------------------|-------------|
| Midterm Examination | 30% |
| Final Examination | 40% |
| Presentation | 20% |
| Attendance, Quizzes, Assignment | 10% |
| Total | 100% |

Tentative class schedule

| Session/Date & Time | Topics | Activities/ Text & Materials/ Media |
|------------------------------------|---|--|
| #1: | Introduction to Thai law | Lecture / discussion |
| #2: | Distinction between private law, criminal law and public law and classification of private law rights | Lecture / discussion |
| #3: | Overview of contract law | Lecture / discussion |
| #4: | Specific contracts (1) | Lecture / discussion |
| #5: | Specific contracts (2) | Lecture / discussion |
| #6: | Overview of tort law | Lecture / discussion |
| #7: | Overview of copyright law | Lecture / discussion |
| #8: | Overview of criminal law and criminal offences (1) | Lecture / discussion |
| #9: | Overview of criminal law and criminal offences (2) | Lecture / discussion |
| #10: | Overview of criminal law and criminal offences (3) | Lecture / discussion |
| #11: | Overview of public law (2) | Lecture / discussion |
| #12: | Court systems | Lecture / discussion |
| #13: | Selected legal issues | Presentation |
| #14: | Selected legal issues | Presentation |
| #15: | Selected legal issues | Presentation |