

APPENDIX A EXAMPLES OF ARTIFACTS FOR PORTFOLIO

A number of professors have provided examples of how material in their classes could be used for a number of artifacts. This material is not supposed to be exhaustive, but hopefully will be helpful. There are a total of 17 examples provided in this document with the examples being organized according to each of the first five Hansen proficiencies. This document also provides you with an example of a class that has been structured so as to provide you with ample opportunities through the course to find relevant artifacts to insert in your portfolio.

1. Access existing knowledge

Example 1 [Homework assignment]

Using the most recent data available, compare and contrast how Ohio finances *state* government (exclude local governments) spending with that of another state of your choice. Provide the supporting data to supplement your discussion.

Example 2 [Homework assignment]

Your state for the purposes of this assignment is: _____.

Using the most recent available data from the Census Bureau on government finances, answer the following questions:

- a. Based upon your calculations, would you consider your state (and its local governments) to be a “big government” or “small government” state? Explain, citing some relevant numbers.
- b. What are your state’s most important sources of tax revenues?
- c. What are the four areas that your state spends most of its money on?
- d. Suppose you are a staff economist for the Nelson Corporation, a corporation that specializes in helping other firms find a suitable state in which to locate. Based on your calculations, and the data provided for the US state-local sector as a whole, what stands out about your state? That is, in terms of the revenue and spending items listed in the table, what is different about you state? In what ways, if any, does your answer depend upon whether you adjust expenditures/revenues using population (express in per capita terms) or income (express in terms of amount per \$1000 personal income)?

Example 3 [Homework assignment]

You can use any source of data (but cite it) to give me yesterday's exchange rate for the US dollar in terms of Mexican pesos and the exchange rate for exactly one year ago. Has the U.S. dollar appreciated or depreciated relative to the Mexican peso during this period? Also look at the historical data for this one-year period and see whether it shows the same relationship as that given by your earlier two data points.

2. Display command of existing knowledge

Example 4 [Exam question]

The following is selected portions of a March 30, 1998 article taken from the Internet at the Missouri Digital News website. The author of the article is Joe Stange.

JEFFERSON CITY – If you drink wine, some Missouri lawmakers want to force you to help finance promotion of Missouri wine – even if you drink vino from another state or country.

The proposal before the Missouri legislature would establish a special fee for all wine produced in Missouri. In addition, the proposal would boost the tax on all wine sold – whether produced inside or outside the state – from six cents to eight cents per gallon.

The money would be used to promote Missouri-produced wine.

Tax money raised by the proposal would establish and fund the “Wine Marketing and Research council” with five members elected by Missouri wine producers.

Using the normative criteria of a good tax structure, discuss the merits of this proposal. (For the purposes of this exercise assume the tax is fully shifted forward to consumers of wine.) Does this proposal represent good public policy? Please explain why or why not.

Example 5 (Homework assignment)

You can use any source of data (but cite it) to give me yesterday's exchange rate for the US dollar in terms of Mexican pesos and the exchange rate for exactly one year ago. Based on the information you have got on the price of the Mexican peso over the past one year, give a valid economic reason for why the Mexican peso has appreciated or depreciated. You can use any one of the theories discussed in class (as it applies to Mexico's or USA's economy) to justify your answer.

3. Interpret existing knowledge

Example 6 [Web assignment]

The home page of the proposed Free Trade Area of the Americas, a plan to integrate the economies of North and South America, can be found by setting your browser to URL: <http://www.alca-ftaa.org/>. Go to the Free Trade Area of the Americas web site and visit the Negotiating Groups section. Give an overview of the FTAA plan concerning competition policies in different nations. Why is this issue important? Give your reasoning behind why (or, why not) a free trade agreement like the proposed FTAA can be seen as both a trade-enhancing measure as well as a trade-diverting measure.

Example 7 [Assignment on articles]

Explain & evaluate what economic principles and concepts are used in economic analyses of managerial economics topics published in sources like the *Wall Street Journal*, *New York Times*, *The Economist*, *The Financial Times* and how these principles concepts aid in the understanding of these analyses. Carry out above task for **two (2)** articles from these sources published in the last six months, each on a different topic. Reports should be typed. Students should be prepared to make one class presentation on an article, taking about 5 minutes.

To carry out this assignment:-

1. Start to look at *Wall Street Journal*, *The Economist*, *The Financial Times* and *the New York Times* for articles.
2. What should you look for in an article?
 - a. Does it look at a firm, a number of firms or an industry?.
 - b. Is it analytical or descriptive? You do not want a purely descriptive article. This is the kind that only tells you what has happened. You need articles that are looking at why things are happening or will happen, preferably including as many aspects/complexities as possible.
 - c. Does it use appropriate economic principles effectively? The more thoughtful the analysis, the more it clearly brings in economic concepts and topics appropriate to the course the better. You can check articles with me.
3. When you have chosen your article, prepare a typed report (probably no more than 2 pages that
 - a. summarizes the major points of content in the article (in your own words) and puts it in terms of the economic principles involved.
 - b. evaluates the information and arguments made (look at the pros & cons of the argument made and make your own evaluation, with reasons)
 - c. is written in clear, grammatical English, with the title as a bibliographical entry.

4. Interpret and manipulate economic data

Example 8 [Homework assignment]

The Federal Reserve Bank of New York regularly reports on its intervention in foreign-exchange markets. Go to the Federal Reserve Bank of New York at www.ny.frb.org, then News & Events and Foreign Exchange in order to determine whether U.S. monetary authorities intervened in currency exchange markets during the last quarter. Does this mean that the U.S. dollar has remained stable during this period? Also, make a table of the number of times the Fed has intervened in the foreign exchange market between the 1st quarter of 1996 and the 3rd quarter of 2000. Write up a report analyzing the number and growth rate of foreign exchange transactions during this period.

Example 9 [Web assignment]

The [International Trade Commission](http://www.usitc.gov) web site contains information about U.S. tariffs, as well as many documents that address contemporary issues in international economics. Examine the searchable version of the "Harmonized Tariff Schedule of the United States" or various "Reports and Publications" on international economics. The International Trade Commission web site at www.usitc.gov contains Dataweb. From there, go to the 2002 Tariff Database to find out how much beer (made from malt) the U.S. imported in 2002. What type of beer tariff is imposed on countries with which we have NTR (normal trading relations)? What is the rate? Based on this information, graphically analyze the welfare effects of a tariff on beer.

5. Apply existing knowledge

Example 10 [Homework assignment]

There are several major deductions that taxpayers can take if they "itemize" their deductions (as opposed to taking the standard deduction) in computing their Federal income tax liability. You are asked to select one of these deductions from the categories listed under Part Five of the contents section of the IRS publication, *Your Federal Income Tax* (publication 17), reproduced on the attachment to this assignment. The categories you can select from include: 23, 24 (except property tax), 26 and 27. For the deduction you select please respond to the following:

- a. Provide basic details of what the deduction is and what it covers. Among other places you can obtain this from Publication 17 which is downloadable (requires Adobe reader) from the IRS website. The address is at the top of the attached document.
- b. Provide an analysis of the deduction using the appropriate tools from class and in Hyman. Draw appropriate conclusions. Does this deduction represent good public policy?

Example 11 [Project required for class]

Instructions: For one of the candidates that ran for office in the 2000 election you are asked to:

- Identify a specific spending or tax proposal put forth by the candidate. The candidate can be for an office at any level of government. You will be expected to research all relevant details of the proposal and this will likely require the use of several sources. The proposal should be summarized in a way such that it can be understood by a *general audience*.
- Assess the proposal using the tools presented in class. Your overriding concern should be to address the following question: Why should government be involved in this? Consider both issues of *economic efficiency* (in the case of a spending proposal: is a public good involved? are there externalities?) and *equity* (what are the implications of proposal for rich versus poor). Use appropriate graphs and tools developed in class to supplement your discussion.
- Reach a conclusion as to whether the candidate's proposal constitutes good public policy. Your conclusion should be well thought out and directly tied to the above assessment of the proposal.

Example 12 [Exam question]

Reportedly, the White House is considering the elimination of federal subsidies to Amtrak in its 1999 budget. Opponents argue that cutting off Amtrak's \$344 million per year subsidy will lead to bankruptcy for the struggling passenger line. Amtrak is by far the most heavily subsidized form of intercity transportation: the average subsidy per rider is \$100 or 40 per cent of the cost. On some long-distance routes, such as the New York to Los Angeles run, the subsidy per passenger exceeds \$1,000.

You are a legislative staff-person for Senator Michael Nelson and he has asked for your advice as to whether he should support the White House budget proposal to eliminate Amtrak subsidies (assuming it is made to Congress). Outline what you would say to the Senator on this matter. You may find the following findings of a 1996 Cato study useful in preparing your outline:

- Amtrak carries .007 percent of daily commuter traffic and 0.4 percent of passengers making intercity trips.
- More than 73 percent of Amtrak riders made more than \$40,000 in 1990, while just 13 percent made less than \$20,000.
- If every Amtrak rider switched to driving a car U.S. energy consumption would rise by 0.1 percent.

Example 13 [Homework assignment]

The [European Central Bank](#) was formed in June 1998 with eleven member states. Information on Eurocurrency, including pictures of its design and discussion of the

changeover process, can be found at this home page. Go to the European Central Bank at www.ecb.int. With the introduction of the Euro, does this mean that there will be no further need for individual central banks in each of the member states? Explain the relationship.

Example 14 [Homework assignment]

The Bureau of Labor Statistics/Foreign Labor Statistics maintains a home page that shows how the hourly compensation of U.S. workers in manufacturing compares to that of workers in other countries. Visit the site by setting your browser to URL: <http://www.bls.gov/fls/>. Find the index of hourly compensation costs for workers in manufacturing. Over the 1990-2001 period, compare costs in the U.S. to those in Canada. In theory, does this imply that more automobiles should be produced in the U.S. and shipped to Canada, or vice versa? In practice, why might this not have happened?

Example 15 [Group work based on reading assignment]

This assignment is based on the article, "America's Bittersweet Sugar Policy, Cato Institute Trade Briefing Paper No. 13, 2001, that you were asked to read for today's class. Answer the following questions as clearly as possible.

- a. What type of protectionism does the sugar industry face in the US? Explain how it works.
- b. What has been the impact of US's sugar policy on the prices that U.S. consumers pay for the price of sugar? Approximately how much do US consumers pay compared to the world price of sugar?
- c. Give one argument made in the article by proponents of the US sugar policy.
- d. Give a counter-argument made in the article to the proponents' case for keeping the sugar policy.
- e. Give your argument for either keeping or removing USA's sugar policy. Base it on discussions we have had in class regarding arguments made for protectionism.

Example 16 (Research paper and oral presentation assignment)

Each student group will conduct a research project on a topic chosen by you, with my approval. It may deal with any aspect of international economics that interests you. The topic you choose should be neither too broad nor too narrow.

General instructions for the research project

- Each group will submit their paper topic in writing no later than Friday, October 10th. Your topic proposal should include a two-paragraph summary of the issue(s) to be investigated, as well as preliminary bibliography. Once paper topics are approved, you may not switch topics without obtaining my approval.
- The final research paper for the five undergraduate student groups formed in class should be 5 double-spaced pages, exclusive of the title page, endnote

page(s), bibliography, and exhibits, graphs or charts. It is required to be typewritten. Please use one-inch margins and number your pages. Use a 12-point Times New Roman font.

- In preparing these papers, students are expected to supplement their research with research involving relevant academic literature. You are required to use as references at least four to six academic (economic) journal articles that you find by using the *Econ Lit* database. We will discuss the nature of academic journal articles and how they differ from other types of publications in class.
- Accurate documentation of your sources is required. If you obtain materials from the Internet, include full identification of the website and the source and title of the material you obtained there.
- Papers will be graded on form as well as substance. Organization, spelling, grammar, and word usage are important aspects of your written presentation that will be evaluated. Some of the other factors that play a role in the paper's evaluation are the clarity of exposition and flow of the paper, the structure of the paper, and economic analysis.
- Plagiarism is unacceptable under any circumstances and will result in a failing grade on your paper. Always use quotation marks and cite your source if you want to use another author's words, even if it is only a short phrase that you are using. We will discuss more on this in class.
- Each of the undergraduate student groups will present their research results in class. The presentation dates are November 24th and 26th, and December 1st, 3rd and 5th. The final paper is due by Friday, December 5th.
- You must hand in a copy of each of your reference articles when you submit your paper. Also, please include a copy of your original paper proposal with your completed name. It is helpful if you submit all of these items in a 10x13 manila envelope with your name(s) on the front (so I don't lose anything!).

Example 17 (Employer statement assignment)

In this assignment you will need to:

1. Identify a firm (if possible) in an industry in which you might like to be employed. You can if you wish choose an employer that interacts with an industry or industries (eg. an NGO like Consumer Reports or a regulatory government agency like FTC), in which case you will also need to choose an industry or product to investigate.
2. Find economic information on this firm and industry. For example:
 - What kind of market type is the industry you have identified?
 - What are the market characteristics of this industry?
 - What are the factors affecting demand and supply in this industry?
 - What has been the performance of your firm in this market (Sales, costs profits)?
 - What kind of problems face the firm and industry?
 - Do they relate to demand?
 - Production issues? Cost issues?
 - Effect of competitors? Strategic problems?
 - Effects of regulation or deregulation?

Problems of uncertainty? Problems of information, or asymmetric information?

(Note this list relates to the topics of the text chapters)

Write an introductory report on the firm and industry incorporating this information and identifying a decision making issue or issues that you plan to help analyze for the firm, using your skills in managerial economics.

3. Prepare an organized clearly written analysis of the problem or problems you have identified, showing clearly:
 - a. what quantitative analysis or analyses you would carry out, with what data sources, if you cannot obtain them at the moment. Illustrate with data from a similar problem analysis, as second-best alternative.
 - b. how the economic principles you have learnt in managerial economics can be of use in more qualitative analyses of the problems
Include a one page memorandum that suggests action on one or more managerial issue, with reasons.

4. With this two-part report & analysis and the material you have developed for this course, develop a portfolio to be provided to your employer, representing why he or she should consider you for employment. You should show that you are proficient in economics, especially managerial economics and it should include examples of what you can do. Remember that your employer has to see that anything you provide might be relevant to your work for their firm. The important part therefore is the piece you put in explanation. The objectives for the course should help you with this task.

AN EXAMPLE OF HOW A COURSE HAS BEEN STRUCTURED IN ORDER TO HELP YOU MEET YOUR PORTFOLIO REQUIREMENTS:

In the **Managerial Economics** course the syllabus includes the following information on how the materials in the course can meet the Hansen proficiencies.

A. GOALS OF MANAGERIAL ECONOMICS COURSE

- To develop an understanding of the role of economics in managerial decision-making
- To apply that understanding to decision-making issues facing firms.

B. OBJECTIVES OF MANAGERIAL ECONOMICS COURSE: SKILLS & CONTENT

I have set out below the 6 Hansen proficiencies and under each I have listed how that proficiency could apply in managerial economics, plus the work in the class that could show it.

1. Access existing knowledge

- A. To retrieve information on managerial economics topics and issues

Finding articles from the press on managerial issues, perhaps also useful web-sites that relate to managerial issues.

2. Display command of existing knowledge

B. Explain key economic concepts in managerial economics and how they can be used in practice

Homework assignments and written exam questions that explain and apply concepts.

C. State the dimensions of a decision-making or policy issue in managerial economics

Part of the employer statement assignment.. Also part of group analysis of text book issue.

3. Interpret existing knowledge

D. Explain & evaluate what economic principles and concepts are used in analyses of managerial economics topics published in sources like the *Wall Street Journal, New York Times, The Economist, The Financial Times* and how these principles and concepts aid in the understanding of these analyses.

Assignment relating to analysis of articles

4. Interpret and manipulate economic data

E. Explain how to understand and interpret data developed by firms

Homework assignments

F. Construct tables and graphs from firm's data to illustrate economic issues in managerial economics

Excel homework assignments

G. Explain the relationship between several economic variables facing the firm

Homework assignments and written exams

H. Perform and interpret regression analysis of data for a firm and be able to explain what you have done

Homework assignments and written exam questions

I. Perform and explain optimization techniques on variables faced by a firm

Homework assignments

5. Apply existing knowledge

J. Prepare an organized clearly written analysis of a current problem/issue in managerial economics

Assignment for potential employer

K. Prepare a one to two-page memorandum that recommends action on a managerial issue
Assignment for potential employer.

C. GRID OF CLASS ASSIGNMENTS AND HOW THEY SATISFY THE HANSEN PROFICIENCIES

Class Assignments	Hansen proficiencies satisfied
1. Homework	2,4
2. EXCEL spreadsheet homework	4
3. Exams	2,4
4. Articles	1,3
5. Employer statement	2,5