

Term paper ECON1001

Introduction

The assessment task for this component of ECON1001 requires you to write a short term paper. You must answer the question set out below (for either topic 1 or 2). In answering the question, you should:

- ✚ use appropriate economic concepts and techniques to address the issues that you are asked about.
- ✚ you need to provide a clear, logical and succinct argument.
- ✚ you are expected to do some independent research.
- ✚ you are required to fully reference the piece of writing that you submit. This requires that where an idea has been drawn from a scholarly source, you identify that source. Referencing should be complete, comprehensive and consistent. That is, any reference that you list should allow the reader to go to that source and confirm that the arguments espoused in the writing are in fact derived from that source. Harvard referencing is recommended. A Harvard Referencing Guide is provided on Blackboard. *NOTE: there is no need to refer to ECON1001 lecture notes. The material covered in lecture notes is general economics knowledge.*
- ✚ you need to use appropriate language and submit a professional piece of work. Avoid slang or colloquial terms; check spelling and grammar; use appropriate language given who you are being asked to write for. *If your English language knowledge is limited, it is a good idea to have an English native speaker correct spelling and grammar errors.*
- ✚ **IS TO BE NO MORE THAN 750 WORDS IN LENGTH.** Any essay exceeding the word limit will be penalised. Markers will have the right to stop marking after 750 words. The word count must be stated at the beginning of the essay.
- ✚ You need to use a **font size of 11 or 12, 1.5 line spacing and normal margins (1 inch at top, bottom, left and right).** *Keep in mind that a marker faced with a nice-looking and well-presented text starts off marking with a positive attitude towards the essay (and vice versa).*

Structure

The structure should be:

- ✚ Executive Summary (not exceeding 150 words) on a separate front page;
- ✚ Introduction;
- ✚ Body (Analysis);
- ✚ Conclusion;
- ✚ Reference list and a clear listing of data or other sources and definitions at the end. (**N.B.** Reference list and executive summary are not included in the 750 word limit; but everything else is.)
- ✚ Footnotes should be avoided. If any figures and/or tables are used, they should be placed in the body of the essay, and be numbered sequentially. Any illustrations used must be very clear and easy to understand.

Example Essay:

An example of a good essay submitted by a student in the past year will be posted on BB to provide more information on what is expected.

Due date: Friday May 30, 11.59 AM

Aim of the essay

The essay aims to help you develop your research, analytical, and professional writing skills. Good writing skills are one of the most important graduate attributes sought after by leading employers. You will need to become adept at finding relevant resources. **You are expected to apply or make use of economic concepts/theories/models that you have learned in class to the topic you are writing the essay on, and write an essay in a succinct and professional manner as would professional economists, columnists, or advisors.**

Submission process: Submission is done twice.

Students first have to complete the online Academic Honesty/Plagiarism declaration on BB (Assignment folder). Once that is submitted, the assignment dropbox for the ECON1001 term paper will appear in that same Assignments folder.

- 1. Students will be required to submit an electronic version onto Blackboard (see Assignment folder). Full details about are announced on Blackboard.*
- 2. Students will need to submit a hard copy of their assessment to the Essay collection boxes at the Foyer (2nd floor) entrance to the Merewether Building by the due time and date. Submitted work needs to have the usual "Individual Assessment Cover Sheet" stapled to it (available on BB). This includes a signed statement of compliance with the University Policy on Academic Dishonesty and Plagiarism.*

PENALTIES FOR LATE SUBMISSION WILL APPLY

NO SIMPLE EXTENSIONS ARE ALLOWED FOR THIS ESSAY. STUDENTS NEED TO APPLY FOR SPECIAL CONSIDERATION IF THEY MISS THE SUBMISSION DEADLINE FOR REASONS OF ILLNESS OR MISADVENTURE (with supporting formal evidence). See Unit of Study outline for more info on Special Consideration.

TOPIC 1: Why are gas prices set to rise for New South Wales households?

In this essay, you should identify and explain the economic factors behind the increase in the price of natural gas being experienced by households in New South Wales.

For some background information, read the article “*NSW households to pay more for gas*”. A link to this article can be found in the eReadings for the course:

<http://opac.library.usyd.edu.au/search/r?SEARCH=ECON1001>

In particular, in your essay you should address the following questions:

- (1) Background questions to answer: Where does NSW get most of its natural gas supplies from up to now? What is happening to total domestic gas production in Australia?
- (2) Describe the structural change that is taking place in the Australian gas market.
- (3) Describe what is happening to (and expected to happen to) gas prices for households and businesses in NSW. Explain why this is happening.
- (4) What are potential ways out of this problem? What type of policy could address this issue, and why?

IMPORTANT: You need to use the economic tools learned in the course to illustrate and support your claims. A summary of ideas from a few articles is not sufficient. Clearly state all your assumptions and use well-labelled diagrams to illustrate your discussion. Discussions not using economic model/theory will earn low marks. Figures without a guiding explanation in the body of the essay are not helpful.

You are expected to undertake some independent research for this paper. A useful article may be one like [“Getting gas right - Australia’s energy challenge”](#) (by Grattan Institute) and [“Gas lobby working on a scam on NSW citizens”](#) (by R. Gittins).

NOTE: retail gas prices in NSW are regulated by IPART (the Independent Pricing and Regulatory Tribunal of New South Wales). This is not the focus of this essay, so please ignore this aspect and focus on the market price (or wholesale prices) arising in the gas market. In turn, regulated retail prices are obviously affected by what is happening in the gas market.

TOPIC 2: Competition and services in the New South Wales taxi industry.

Recent news reports have identified the rise of App-based taxi or “ride-sharing” services such as Uber. The taxi services industry objects strongly to these alternative taxi services being allowed in the market. Identify and explain the economic factors (a) behind this opposition and (b) describe the expected market implications.

For some background information, read the articles: “Apps poised to drive change in taxi industry” (The Age, 3 May 2014) and “Low cost service a danger to public, say furious taxi drivers” (SMH, 24 April 2014). Links to these articles can be found in the eReadings for the course:

<http://opac.library.usyd.edu.au/search/r?SEARCH=ECON1001>

In particular, in your essay you should address the following questions:

- (1) Briefly describe the existing taxi services industry in NSW. What type of market structure does it represent?
- (2) What are the welfare (efficiency) implications of this market structure?
- (3) What are the expected implications of allowing App-based ride-sharing services or otherwise allowing greater competition in the provision of taxi services?
- (4) Is there any evidence from Australia or other countries about the benefits of allowing greater competition in these services?

IMPORTANT: You need to use the economic tools learned in the course to illustrate and support your claims. A summary of ideas from a few articles is not sufficient. Clearly state all your assumptions and use well-labelled diagrams to illustrate your discussion. Discussions not using economic model/theory will earn low marks. Figures without a guiding explanation in the body of the essay are not helpful.

You are expected to undertake some independent research for this paper. A useful article to start off may be one like [“Governance and Economics of the Taxi Industry with Special Reference to Sydney”](#) (by P. Abelson). You should also consult Econlit for other studies that have examined the economics of the taxi industry in Australia and other countries. (Econlit is accessible through the library website – databases and electronic resources)