

Microeconomics I Essay 2023

Economic Analysis of XY Pharmaceuticals

Essay Question:

Write an essay which answers these questions, about the scenario described below.

Assume the reader has completed first year Econ training.

Write a single essay which has an introduction and conclusion, and which flows coherently from start to end, with paragraphs linked to each other.

Do not use any section or subheadings and include a single word count (details below).

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Economic Analysis of XY Pharmaceuticals

XY Pharmaceuticals company is a price-taking firm which produces a single, liquid, drug 'painclear' which it sells at price=£300/litre. Each additional unit produced generates costs: the 1st litre adds £4 to costs, the second litre adds £8 to firm's costs, the third adds £12, etc over all quantities. (There are no costs it must pay when output is zero).

1. Create and explain a diagram which shows relevant costs, price, surplus going to XY, at the profit maximising position of the firm (explain how you calculated that point).

[15%]

It is discovered that production of *painclear* damages groundwater quality – this affects just one party: *Greenview* Nature Park (a park run by the local council which people can access, for free, for recreation). The value of the damage caused is £48 **per litre of paint produced – so the pollution damage caused when output is 1 litre=£48, the 2nd litre causes another £48 of damage, so pollution damage caused when output is 2 litres=£96**. This damage happens and is the same whenever XY produces, whatever the level of output (same if it produces 1 litre of or 1 000 000 litres of *painclear* - **each additional litre imposes an additional £48 of pollution costs**). The drug has no side effects on consumers.

(the clarifying information in red was added on 21/12/23)

2. Create and explain a new diagram which shows relevant costs, price and levels of output if XY produced the optimal quantity of *painclear* from a societal perspective.

[15%]

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Assume XY and *Greenview* can negotiate.

3. Create and explain 2 new diagrams which show the positions which may result if negotiations go perfectly (from an economic perspective) if:
 - *Greenview* has the Property Rights
 - XY has the Property Rights

[30%]

4. What factors in the real world affect the likelihood that these outcomes will be achieved?

[15%]

5. Will the public care as to which of them has the property rights – explain your answer?

[15%]

[10%] will be awarded for the quality of the writing and structure.

Reading:

The primary reading for this essay is [Core Chapters 8 and 12](#), and **lectures 13 - 15**.

Please ensure you have read those chapters and watched those lectures first.

You can also refer to other textbooks, for example:

- Chapters 6, 7 and 9 of Acemoglu et al (Global Edition, July 2021, available via Kortext)
- Goolsbee et al., Chapter 17 (available via Kortext)

Note:

This is an opportunity to develop and exhibit your understanding of, and ability to explain, Econ concepts.

We are not expecting you to do additional research on the topics covered by the essay.

The expectation is that:

- you use the concepts and frameworks covered in Micro I, especially Core Units 8 and 12, and lectures 13-15.
- any additional reading you do will be based closely on that material.

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Guidance and FAQ

You should submit your essay via Turnitin on Blackboard (Assessment folder) by

14:00 (2pm) UK time on 17 Jan 2024¹

Late submission incurs mark penalties.

The essay should be anonymous – your names should not appear anywhere, only your registration ID number.

Marking Criteria

You are strongly advised to consult the Economics UG marking criteria (See **Essay** folder on Bb)

My Learning Essentials

You are strongly advised to consult the advice and resources (direct and virtual) regarding academic writing and referencing available at MLE:

Assignment Project Exam Help
<https://www.library.manchester.ac.uk/training/my-learning-essentials/>

Length

https://tutorcs.com

Maximum Length: **1200** words excluding references (this is a precise limit, no + X%)

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A word count should be included before the Reference Section (see later in this document)

Further guidance is appended.

What if I have more queries?

Check:


- Piazza (search for the Essay tag)
- FAQ in this document with additions posted in the Essay area on Bb

You are welcome to post new queries on Piazza (but please check the FAQ and search Piazza first)

¹ Unless you have an extension authorised by DASS, in which case that later deadline will apply.

Econ Writing Resources

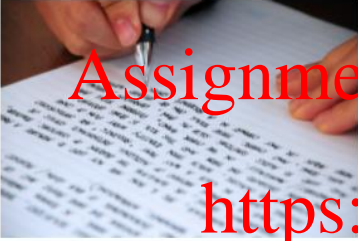
We have gathered a collection of resources on writing in general and writing in Econ particularly the **Study Skills** area on Micro 1's Bb space.



Study skills

ECONOMICS

Essay Writing



Communicating through written words is an essential skill for every economist. Often you will be communicating to non-economists and what you write will have to convey a message in a clear manner without the use of unnecessary jargon. This may happen through the writing of policy briefs, company reports, blog posts, items, tweets or other media.

A classic piece of writing you may be asked to do at University is an essay. On the econ skills website you can find an entire section on [writing](#). The guidelines for writing essays at the University of Manchester are summarised in this document ([CommonEssayWritingGuidelines.pdf](#)).

"Writing" by jjpacres is licensed with CC BY-NC-ND 2.0.

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Referencing and Plagiarism

A full list of the references should be appended as a reference section.

Consult **My Learning Essentials** for guidance.

<https://www.library.manchester.ac.uk/training/my-learning-essentials/online-resources/?level2Links=referencing>

Plagiarism is presenting the ideas, work or words of other people without proper, clear and unambiguous acknowledgement. It also includes self-plagiarism and the submission of material from essay banks.

Make clear in your essay the distinction between:

- ideas and work of other people
- ideas or material that you have personally contributed.

To assist you, here are a few important dos and don'ts:

- Do not construct a piece of work by cutting and pasting or copying material written by other people.
- Quotations must be enclosed in quotation marks to show that it is a direct quote, and it must have the source properly acknowledged at that point. Include page numbers.
- Any URLs (website addresses) consulted must be included in the references and must be accurate and exact. If you have used information from many sites, list them all.
- References to journal articles must list year of publication, volume/issue number and page numbers.
- References to books must list author(s), year of publication and the exact title.
- If the book is an edited work with different authors contributing individual chapters, you must list the edited work and the specific chapter(s) used.
- Quotes should be accompanied by page numbers.

Essays will also be electronically submitted and scanned via **Turnitin**

More details at:

<http://www.regulations.manchester.ac.uk/guidance-to-students-on-plagiarism-and-other-forms-of-academic-malpractice/>

Referencing Style

A full list of the references should be appended as a reference section.

Use the **Harvard Referencing** style. This comprises:

1. **In-text citation.** Used when directly quoting or paraphrasing a source. They are in the body of the work and contain a fragment of the full citation. For example:

"After that I lived like a young rajah in all the capitals of Europe..." (Fitzgerald, 2004).

2. **Reference List.** At the end of the work which displays full citations for all sources used. For example:

Fitzgerald, F. (2004). *The great Gatsby*. New York: Scribner.

Marks will be deducted for not following this referencing format.

Proofread your work

Proofreading is an essential part of the writing process.

It is the final step you need to take to ensure that you are communicating your ideas clearly and to ensure that you are fulfilling the goals of your writing.

It is more than merely a spell check. It should involve double-checking your work against any criteria you have, making sure your references are accurate, your analysis sound, and clarifying any remaining questions or limitations of your work.

See the online guide at:

<https://tinyurl.com/MLEproof²>

<p>INTRODUCTION</p> <p>Proofreading your work</p>	<p>Proofreading is an essential part of the writing process. It is the final step you need to take to ensure that you are communicating your ideas clearly and to ensure that you are fulfilling the goals of your writing.</p>
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² https://www.escholar.manchester.ac.uk/learning-objects/mle/proofreading/story_html5.html

Word Count

State the Word count at the end of the essay, before the start of the Reference section

The word count covers everything after the title and up to the Reference section at the end (not including the Reference section) – see the example below with a word count of 16 words.

If you want to know how text in Figures etc. are used, then run a Word Count in Word or whatever software you are using.

Essay Structure

Put the full title at the top of your essay.

The Structure is:

- Title
- Essay content
- Word Count
- Reference Section

For example:

<https://tutorcs.com>

This is the Title of the Essay

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Bla bla
Bla bla
Bla bla
Bla bla
Bla bla
Bla bla
Bla bla
Bla bla

Word Count = 16 Words

References

Akerlof, G. (1970). The Market for "Lemons": Quality Uncertainty and the Market Mechanism
The Quarterly Journal of Economics 84(3), pp.488-500.

Essay Formatting

You must format your document so that it is:

- Double line spaced
- Font = Arial
- Font Size = 12pt
- 2.5cm margins – left and right, top and bottom
- Left justified
- Page numbers (bottom right of page)

Marks will be deducted for deviations from this formatting.

Do not put your name anywhere on the essay, just your student ID.

Essay Submission

When submitting you will be asked to enter a **Submission Title** – this must be your Registration ID number and the text “**Micro1 Essay**”

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For example:

The screenshot shows a web form for submitting a paper. The form includes a dropdown menu for 'choose a paper item submission needed:' with 'single file upload' selected. Below this are input fields for 'first name' (containing 'Humanities'), 'last name' (containing 'Humanities eLearning'), and 'submission title'. The 'submission title' field contains '987654321 Micro1 Essay' and is highlighted with a red rectangle. A blue callout box on the right contains the text: 'Note that even though your name is supplied the assignment marking is anonymous (your name is not visible to the marker).' Red text overlays the form, providing contact information: 'https://tutorcs.com' and 'WeChat: cstutorcs'.

submit paper by file upload (step 1 of 3)

choose a paper item submission needed:
single file upload

first name •
Humanities

last name •
Humanities eLearning

submission title •
987654321 Micro1 Essay

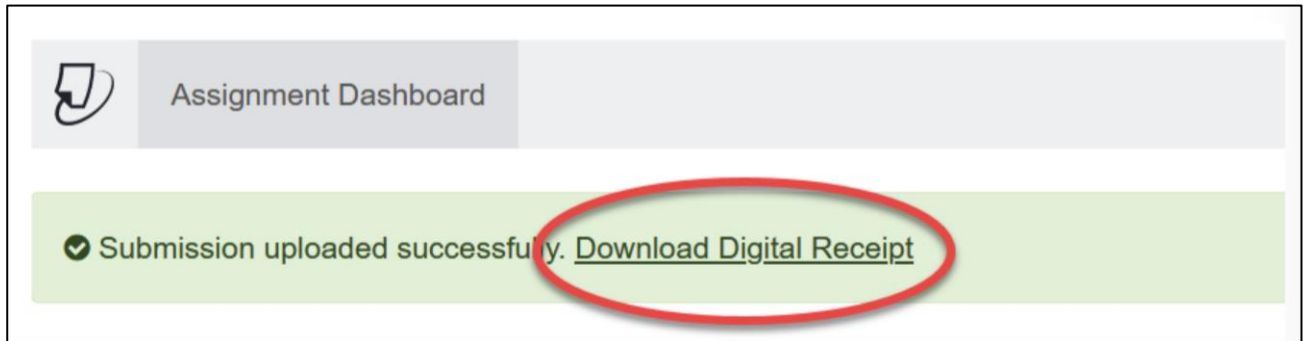
<https://tutorcs.com>

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Note that even though your name is supplied the assignment marking is anonymous (your name is not visible to the marker).

Digital Receipt of Submission

Once your assignment has been submitted, you will be prompted to download your submission receipt. If this is not done at the time of submission, you can return to the submission inbox at any time and click the 'download digital receipt icon'.



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Do not leave submission until very close to the deadline – this risks a late submission and late penalties

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FAQ

(this FAQ will be updated on Bb)

Do I have to use a particular font?

See *this essay document* which sets out the requirements on fonts, spacing etc.

How do I reference the CORE textbook?

Use:

Bowles, S., Carlin, W., & Stevens, M. (2017) *The Economy. Economics for a Changing World*. Oxford: Oxford University Press.

Should I reference Lecture notes/slides?

No

Should I write in 1st or 3rd person?

Use first or third person, it is up to you.

Can I include an Appendix / Appendices?

No, there is no need for them in this essay.

Do I have to explain Economic terms I use?

Assume the reader is someone with training to first year Uni level in Economics - not someone who needs to have Supply, Demand, Consumer Surplus etc. explained to them

Is there a minimum Word length?

No, you can be as brief as you wish.

Can I use Diagrams and Tables?

They are perfectly acceptable, and some diagrams are required. Beyond that, you must judge what to include.

Provide a source for all Tables and Figures – give each a title and a number – *see below for some examples*.

Can I include (photos of) hand drawn diagrams?

The essay must be typed, and all diagrams must be electronically produced (**not photos of hand drawn diagrams**).

You can download Office 365 via instructions at:

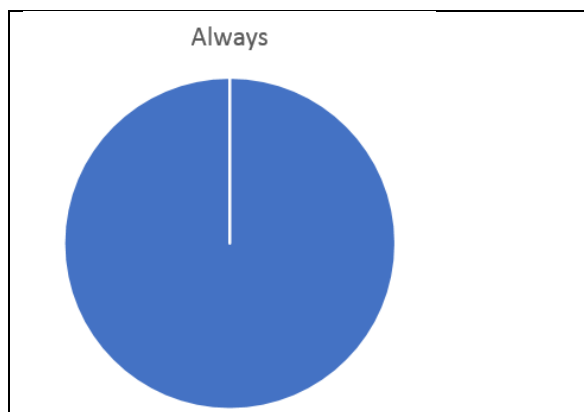
<https://www.itservices.manchester.ac.uk/students/office365>

Do I have to use Diagrams and Tables?

Some are required, you can include additional ones if you think it useful.

Provide a source for all Tables and Figures – give each a title and a number:

Figure 1: When is a pie chart the wrong chart to use?



source: xxxxxxxxxxxxxx

Table 1. Greatest Cities in the UK

City	Ranking
Manchester	1

source: xxxxxxxxxxxxxx

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Can I use Section Headings?

No.

In a long piece, subheadings are more likely to be needed.

But in an essay of this length they are not necessary – so do not use them.

<https://tutorcs.com>

WeChat: estutores

Do I need to use a counter argument at the end of each paragraph?

No, such a formulaic approach is not required nor recommended.

Does the Word Count include...X, Y or Z?

As the essay document states:

The word count covers everything after the title and up to the Reference section at the end (not including the Reference section)

See example above

If you want to know how text in Figures etc. are used, then run a Word Count in Word or whatever software you are using

Should I include page numbers?

Yes - include them at the bottom right of the page.

Should we use Left or Full justification for essay text?

Please use Left justification

Can I see some sample essays?

Two essays were made available on Bb for the essay writing clinics earlier in the course – they are still there for you on Bb

What File Format should I use?

Upload a word processing document (e.g., from MS Word) or a PDF file.

You can download Office 365 via instructions at:

<https://www.itservices.manchester.ac.uk/students/office365>

How do we cite a source for a Table or Figure which we created ?

Use “source: original” to indicate you created it. If there are values included in it from a secondary source, then indicate the source(s) of those values/content.

What referencing format should I use?

Harvard referencing is to be used.

How do I cite/reference foreign language materials?

See this guide to using the Harvard system with foreign language material.

<https://library.leeds.ac.uk/referencing-examples/9/leeds-harvard/105/foreign-language-material>

Can I use abbreviations?

Yes. Some abbreviations, such as *ie.* and *e.g.* can be used without explanation.

For most abbreviations use the full term on first use and indicate the abbreviation that will be used thereafter, for example:

The body mass index (BMI) is a measure that uses your height and weight to work out if your weight is healthy. The BMI calculation divides an adult's weight in kilograms by their height in metres squared.

Do we need to give the essay a specific title?

Use the title exactly as given - do not change or paraphrase it.

Where do we include the title?

At the start (eg on a title page, or above the start of the essay)

- in full : “Economic Analysis of XY Pharmaceuticals”

Will someone review my essay plan or first draft?

No, this is not something we do - we will help you understand what the question is asking, but we will not review your draft essay.

SUBMISSION

How do I submit my Essay?

Submit via Bb – go to the Essay area of Bb (in the **Assessment** folder) and follow the link to submit the essay.

How do I know if my essay was submitted?

You can download a digital receipt of submission – see instructions above – please do this to be sure you submitted.

I am entitled to an extension (ie later submission date) – do I submit in a different way?

No, use the same upload/submission process – the delayed submission date (i.e. no late submission penalty) will be handled by us.

Can you give me an extension on the submission date?

Dan/Alex cannot give extensions for tests or the essay.

These are handled by your Degree's Undergraduate Office (this is referred to as **Mitigating Circumstances**). So please contact your home department and they will advise on the process.

What is my ID number?

It is the number on your UoM ID / library card.

Where do we include our ID number?

Either on title page or in a header on each page - is it up to you - we just need to be able to see it easily.