

## **GPA 424 Market Economy and Government**

**Pre requisites:** None

### **Learning objectives:**

This course is aimed at developing a critical understanding of the role of government in a market economy. We will look at possible reasons for market failure, the justification for government intervention, and the effects of various government policies in particular sectors of the economy. This course explores the market order, its institutional foundation, and the role of government.

### **Learning outcomes:**

After completing the course, students should be able to:

1. Understand the role of government in market economy and reason for market failures.
2. Describe and explain the characteristics of various policies with regard to government interventions in markets.

### **Course Contents:**

Property ownership and property right, how does a market economy work? – a first look at market order, Managerialism, Market order – a closer look, Role of Government and concepts such as price mechanism, competition, division of labour, freedom, justice, equality, rule of law, etc. and their bearings on the market order will be examined.

### **Text books:**

1. Bethell, Tom, The Noblest Triumph: Property and Prosperity through the Ages, New York: St. Martin's Griffin, 1998
2. Coase, R. H., The Firm, the Market and the Law, Chicago: The University of Chicago Press, 1988
3. Hayek, Friedrich A. von, Law, Legislation and Liberty, London: Routledge & Kegan Paul, 1982
4. Olson, Mancur, Power and Prosperity, New York: Basic Books, 2000

5. Hayek, Friedrich A. von, *Fatal Conceit: The Errors of Socialism*, Chicago: The University of Chicago Press, 1988
6. North, Douglas, *Institutions, Institutional Change and Economic Performance*, Cambridge: Cambridge University Press, 1990
7. Pipes, Richard, *Property and Freedom*, New York: Knopf, 1999