

SIMON FRASER UNIVERSITY

S.74-163

MEMORANDUM

To..... SENATE

From..... SENATE GRADUATE STUDIES COMMITTEE

Subject..... NEW COURSES ECON 891-5, 895-5
896-5, 897-5

Date..... NOVEMBER 14, 1974

MOTION: 4

"That Senate approve the following courses:

ECON 891-5 The Economics of Public Choice
ECON 895-5 Marketing Measurement
ECON 896-5 Marketing Theory and Models
ECON 897-5 Consumer Behavior"

S.74-163

SIMON FRASER UNIVERSITY

To: Members of Senate

From: Office of the
Dean of Graduate
Studies

Subject: New Courses

Date: November 6, 1974

MOTION: That Senate approve the following courses:

Econ 891-5 The Economics of Public Choice
Econ 895-5 Marketing Measurement
Econ 896-5 Marketing Theory and Models
Econ 897-5 Consumer Behavior

These courses were approved by the Senate Graduate
Studies Committee on November 4, 1974.


Jon Wheatley
Dean of Graduate
Studies.

SIMON FRASER UNIVERSITY
New Graduate Course Proposal Form

Form GS.8

1. CALENDAR INFORMATION:

Department: Economics & Commerce Course Number: Econ 891-5
 Title: The Economics of Public Choice
 Description: The course will apply economic theory to the analysis of non-market, political choice. Some of the topics studied will be coalition formation and rational voter behavior; allocations under various property rights system; optimal constitutions; public goods, externality and market failure; social cost of public sector externalities; federalism; discrimination, nationalism and crime.
 Credit Hours: 5 Vector: 5-0-0 Prerequisite(s) if any: Econ.800 or permission

2. ENROLLMENT AND SCHEDULING:

Estimated Enrollment: 8 to 10 When will the course first be offered: Fall 1975 or Spring 76
 How often will the course be offered: Every year.

3. JUSTIFICATION:

Basically there are two. First, the field is a recognized scholarly area and addresses itself to the important question of how rational choice theory can be used to analyze public choice in a way analogous to orthodox price theory of the market sector. That such a field exists, is viable, and growing is suggested by the membership of its professional organization, the Public Choice Society, which from its origins in the early sixties has grown from a handful of economists to perhaps five hundred scholars. Many major universities including Toronto, Carleton, Western Ontario, Harvard, UCLA, Yale, Johns Hopkins, Texas, Virginia, Washington (St. Louis) and Virginia Polytechnic Institute offer graduate courses and a Ph.D. field in this subject.

The second justification is that this course along with Econ. 890 would provide the core for a Ph.D. field: Public Finance and Public Choice. Econ. 890 assumes that public choices are exogenously given and analyzes the effects of their alteration on private markets and individuals. Econ. 891 would consider the sources of alteration in the public choices themselves.

4. RESOURCES:

Which Faculty member will normally teach the course: Thomas E. Borcharding; Zane A. Spindler

What are the budgetary implications of mounting the course: None.

Are there sufficient Library resources (append details): Yes. All books and articles are available.

- Appended: a) Outline of the Course
b) An indication of the competence of the Faculty member to give the course
c) Library resources

Approved: Departmental Graduate Studies Committee: [Signature] Date: Sept 12/74
Faculty Graduate Studies Committee: [Signature] Date: 8 Oct 174
Faculty: [Signature] Date: Nov 6/74
Senate Graduate Studies Committee: [Signature] Date: 12-11-74
Senate: _____ Date: _____

GS.18/1/71

The Economics of Public Choice

Outline

- I Anarchy and the Establishment of Property Rights
 - (a) What are property rights?
 - (b) Hobbes's and the Contractarian approach to the creation of property rights
- II Competitive Allocations with Costless Enforcements of Property Rights
 - (a) Positive analysis
 - (b) Notion of optimal allocations
- III Some Forms of Market "Failures" under Positive Transactions Costs
 - (a) What is a Firm?
 - (b) Monopoly: natural and contrived
 - (c) Externalities
 - (d) Public Goods and the "free riding" problem
 - (e) Some applications
- IV Voting as an Alternative Institution for Social Choice
 - (a) Optimal constitutions, social welfare functions, and the positive theory of jurisprudence
 - (b) Coalition formation, parties and political entrepreneurs
 - (c) The logic of the citizen-voter
 - (d) The possibility of consistent social choice
 - (e) Externalities from government or "polity failure"
 - (f) Some empirical applications
- V The Economics of Income Redistribution
 - (a) Positive theory and empirical tests
 - (b) Normative implications
- VI Bureaucracy and the problem of Non-Competitive Supply of Public Services
 - (a) Why public supply?
 - (b) Theory and testing
 - (c) Alternatives to public supply of public services

Outline (con't.)

- VII The Theory of Clubs and Federalism
 - (a) The notion of optimal jurisdictions
 - (b) Revenue sharing and tax exportations in the U.S. and Canada
- VIII The Social Imbalance Hypothesis
 - (a) Galbraith and his critics
 - (b) The growth of government in Canada, the U.S., and the U.K., and its causes.
- IX Some Other Applications of Non-Market Decision Making
 - (a) The economics of the university
 - (b) Nationalism as an economic phenomenon
 - (c) Discrimination, forced integration and separatism
 - (d) Health care and hospitals under alternative institutions
 - (e) Rationing as a political exercise in consumer monopsony
 - (f) The economics of custom and manners

Selected Readings from Bibliography

(Outline available from Library)

- I. Gordon Tullock (ed.), Explorations in the Theory of Anarchy (1972)
- II. Francis Bator, "The Simple Analytics of Welfare Maximization", Am. Econ. Rev. (Sept. 1957).
- III. Ronald Coase, "The Problem of Social Cost," J. of Law and Econ. (Oct. 1960).
- Paul A. Samuelson, "A Diagrammatic Exposition of a Theory of Public Expenditures," Rev. of Econ. and Stats. (Nov. 1955).
- Harold Demsetz, "Why Regulate Utilities," J. of Law and Econ. (April. 1968).
- John McManus, "The Organization of Production," Can. J. of Econ. (forthcoming).

- 3.
- IV. James Buchanan and Gordon Tullock, The Calculus of Consent (1962).
Anthony Downs, An Economic Theory of Democracy (1957).
William Riker, The Theory of Political Coalitions (1962).
Albert Breton, The Theory of Representative Government (1973).
Mancur Olson, The Logic of Collective Action (1965).
Kenneth Arrow, Social Choice and Individual Values (2nd ed., 1963).
Gordon Tullock, Towards a Mathematics of Politics (1967).
- V. George Stigler, "Director's Law of Public Income Distribution,"
J. of Law and Econ. (Apr. 1970).
Gordon Tullock, "The Charity of the Uncharitable," West. Econ. J.
(Dec. 1971).
Harold Hochman and James Rodgers, "Pareto Optimal Redistribution,"
Am. Econ. Rev. (Sept. 1969).
D.M. Winch, "Pareto, Public Goods and Politics," Can. J. of Econ.
(Nov. 1969).
- VI. William N.iskanen, Bureaucracy and Representative Government (1971).
Armen Alchian and Reuben Kessel, "Competition, Monopoly and the
Pursuit of Pecuniary Gain," in Aspects of Labor Economics
(1962).
J.L. Migue and G. Belanger, "Toward a General Theory of Managerial
Discretion," Public Choice (forthcoming)
Gordon Tullock, The Politics of Bureaucracy (1965).
- VII. J.C. Weldon, "Public Goods and Federalism," Can. J. of Econ. (May, 1966).
Albert Breton and Anthony Scott, The Economics of Federalism
(forthcoming).
Charles Goetz, What Is Revenue Sharing? (1973).
- VIII. J.K. Galbraith, The Affluent Society (1958).
Thomas E. Borcherding (ed.), Budgets and Bureaucrats: The Sources of
Government Growth (forthcoming).
Allan T. Peacock and Jack Wiseman, The Growth of Public Expenditure
in the United Kingdom (1961).

Richard Bird, The Growth of Government Spending in Canada (1970).⁴

IX. Armen Alchian, "Private Property and the Relative Cost of Tenure,"
in The Public Stake in Union Power (1958).

Albert Breton, "The Economics of Nationalism," J. of Pol. Con.
(Aug. 1964).

C.M. Lindsay, The Economics of Medical Care in the U.S.:
Vetrans' Administration Hospital (forthcoming).

T.E. Borcharding, "The Economics of Segregation and Forced
Integration: Public Choice with Tie-Ins," ms.

James M. Buchanan and Nicholas Tideman, "The Political Economy
of Rationing," J. of Pol. Econ. (forthcoming).

Roland McKeon, "The Economics of Courtesy," in Essays in Honor of
Milton Friedman (forthcoming).

New Graduate Course Proposal Form

Form GS.8

CALENDAR INFORMATION:

Department: Economics and Commerce Course Number Econ 895-5Title: Marketing MeasurementDescription: The course will focus on the generation and analysis of non-accounting measurements from sources both internal and external to the firm, with the purpose of the understanding of the use of such measurements in market segmentation.Credit Hours: 5 Vector: 5-0-0 Prerequisite(s) if any: Econ 333-3 and Econ 835-5

ENROLLMENT AND SCHEDULING:

Estimated Enrollment: 6 - 10 When will the course first be offered: 75-3, 76-1 or 76-2How often will the course be offered: once a year when justified by demand
(on a readings basis until then)JUSTIFICATION: This course will be part of a three course sequence constituting an approved marketing field for graduate study within the department. The combination of Economics and Commerce fields in graduate study would be unique in Canada, and is made possible by the nature of our department.

RESOURCES:

Which Faculty member will normally teach the course: B. Schoner, D. MannWhat are the budgetary implications of mounting the course: NoneAre there sufficient Library resources (append details): Yes

- Appended:
- a) Outline of the Course
 - b) An indication of the competence of the Faculty member to give the course
 - c) Library resources

Approved: Departmental Graduate Studies Committee: B. A. Johnson Date: Oct 3/74Faculty Graduate Studies Committee: J. M. H. Date: Feb. 22/74Faculty: W. G. P. Brown Date: Oct. 30, 1974Senate Graduate Studies Committee: H. F. Miedelhoff Date: 12-11-74

Senate: _____ Date: _____

Marketing Measurement

This course will focus on the generation and analysis of non-accounting marketing measurements from sources both internal and external to the firm, with the ultimate goal of understanding the use of such measurements in market segmentation.

Major Topics

1. Fundamentals of Measurement
 - a. Measurement in the physical sciences
 - b. The problems of representation and uniqueness
 - c. Measurement in the social sciences
2. Construction of scales
3. Sources of Measurement error
 - a. Experimental Design to minimize error
 - b. Analysis of validity
 - c. analysis of reliability
4. Multidimensional methods
 - a. Factor analysis
 - b. Multidimensional Scaling
 - c. Discriminant analysis
5. Market Segmentation measures
 - a. Use of socio-demographic and economic characteristics
 - b. Use of personality and life-style characteristics
 - c. Situation specific characteristics
 - d. Relation to micro-economics
6. Design of segmentation studies

BIBLIOGRAPHY

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- Alpert, L., and R. Gatty, "Product Positioning by Behavioral Life-Styles," Journal of Marketing, XXXIII (April 1969), 65-69.
- Andreasen, A.R., "Geographic Mobility and Market Segmentation," Journal of Marketing Research, III (November 1966), 341-48.
- Asseal, H., "Segmenting Markets by Group Purchasing Behavior: An Application of the AID Technique," Journal of Marketing Research, VII (May 1970), 153-58.
- _____, and G.S. Day, "Attitudes and Awareness as Predictors of Market Share," Journal of Advertising Research, VIII (December 1968), 3-10.
- Axelrod, J.N., "Attitude Measures That Predict Purchase," Journal of Advertising Research, VIII (March 1968), 3-17.
- Banks, S., "Some Correlates of Coffee and Cleanser Brand Shares," Journal of Advertising Research, I (June 1961), 22-28.
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- Barclay, W., "The Semantic Differential as an Index of Brand Attitude," Journal of Advertising Research, IV (March 1964), 30-33.
- Barton, S.G., "The Life Cycle and Buying Patterns, in L.H. Clark, ed., Consumer Behavior, Vol. II New York: New York University Press, 1955.
- Bass, F.M., D.J. Tigert, and R.T. Lonsdale, "Market Segmentation: Group versus Individual Behavior," Journal of Marketing Research, V (August 1968), 264-70.

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- _____, and W.F. Massy, "Innovation and Brand Choice: The Folger's Invasion," In S.A. Greyser, Toward Scientific Marketing, pp. 96-107. Pro-

ceedings of American Marketing Association Winter Conference, Boston, December 1963.

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_____, and W.F. Massy, "Market Segmentation and the Effectiveness of a Brand's Price and Dealing Policies," Journal of Business, XXXVIII (April 1965), 186-200.

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New Graduate Course Proposal Form

Form GS.8

CALENDAR INFORMATION:Department: Economics and Commerce Course Number: Econ 896-5Title: Marketing Theory and ModelsDescription: This course will consist primarily of analysing and applying marketing models and theory toward a better understanding of economic exchange. The philosophy and methodology of model building will be emphasized throughout the course.Credit Hours: 5 Vector: 5-0-0 Prerequisite(s) if any: Econ 333-3 and Econ 835-5ENROLLMENT AND SCHEDULING:Estimated Enrollment: 6 - 10 When will the course first be offered: 75-3, 76-1 or 76-2How often will the course be offered: once a year when justified by demand (on a readings basis until then)JUSTIFICATION:

This course will be part of a three course sequence constituting an approved marketing field for graduate study within the department.
The combination of Economics and Commerce fields in graduate study would be unique in Canada, and is made possible by the nature of our department.

RESOURCES:Which Faculty member will normally teach the course: D. Mann, B. SchonerWhat are the budgetary implications of mounting the course: NoneAre there sufficient Library resources (append details): Yes

- Appended:
- a) Outline of the Course
 - b) An indication of the competence of the Faculty member to give the course
 - c) Library resources

Approved: Departmental Graduate Studies Committee: R.D. Johns Date: Oct 3/74Faculty Graduate Studies Committee: J.M. H. Date: Oct 22 1974Faculty: W.A.C. Brown Date: Oct. 30, 1974Senate Graduate Studies Committee: H.E. Rieckhoff Date: 12-11-74

Senate: _____ Date: _____

Marketing Theory and Models

This course will consist primarily of analysing and applying marketing models and theory toward a better understanding of economic exchange. The philosophy and methodology of model building will be emphasized throughout the course.

Major Topics

1. Elements and Characteristics of a Model:
assumptions, postulates and observations;
consistency; complexity; level of symbolic
abstraction; (operational) significance;
identifiability.
2. Categories of models: intertemporal state;
stochasticity; explicitness; exactness.
3. Components in a Theory of Marketing: utility; value;
specialization and market size; comparative
advantage; scarcity; substitution; the individual's
desire for a multitude of goods.
4. Review of current marketing theory and models:
optimizing models - pricing, promotion, life cycle;
distribution channels - logistics;
marketing research; environment; consumer behavior -
attitude formation and change; learning; market
segmentation.
5. Developing and Testing New Models

U. Mann

Bibliography for Proposed Course in Marketing Theory and Models

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New Graduate Course Proposal Form

Form GS.8

1. CALENDAR INFORMATION:Department: Economics and Commerce Course Number: Econ 897-5Title: Consumer BehaviorDescription: A study of the results of consumer interactions with the forces affecting purchase decisions. The influence of environmental, corporate and governmental factors on consumer behavior and the processes of consumer decision making will be examinedCredit Hours: 5 Vector: 5-0-0 Prerequisite(s) if any: Econ 333-3 and Econ. 835-52. ENROLLMENT AND SCHEDULING:Estimated Enrollment: 6 - 10 When will the course first be offered: 75-3, 76-1 or 76-2How often will the course be offered: once a year when justified by demand (on a readings basis until then)3. JUSTIFICATION:

This course will be part of a three course sequence constituting an approved marketing field for graduate study within the department.
The combination of Economics and Commerce fields in graduate study would be unique in Canada and is made possible by the nature of our department.

4. RESOURCES:Which Faculty member will normally teach the course: R. Wyckham, R. AndrewsWhat are the budgetary implications of mounting the course: NoneAre there sufficient Library resources (append details): Yes

Appended: a) Outline of the Course
 b) An indication of the competence of the Faculty member to give the course
 c) Library resources

Approved: Departmental Graduate Studies Committee: [Signature] Date: Oct 3 / 74Faculty Graduate Studies Committee: [Signature] Date: 5 7 22 / 74Faculty: [Signature] Date: Oct 30, 1974Senate Graduate Studies Committee: [Signature] Date: 12-11-74

Senate: _____ Date: _____

Consumer Behavior

A study of the results of consumer interactions with the forces affecting purchase decisions. The influence of environmental, corporate and governmental factors on consumer behavior and the processes of consumer decision-making will be examined.

Topics

- 1) Models of consumer behavior
- 2) Factors affecting consumer purchasing decisions
- 3) The consumer decision process
- 4) Industrial buying behavior
- 5) Social issues concerning consumer behavior

Readings

Models of Consumer Behavior

Engel, Kollat, Blackwell, Consumer Behavior, Holt, Rinehart & Winston, 1968.
Day & Ness, Marketing Models: Behavioral Science Applications, International
1971.

Massy et al, Stochastic Models of Buying Behaviour, M.I.T. Press, 1970.

Howard & Sheth, The Theory of Buyer Behavior, Wiley 1969.

Bettman & Jones, "Formal Models of Consumer Behavior: A conceptual Overview",
Journal of Business, (October 1972), 544-562.

Schewe, "Selected Social Psychological Models of Analyzing Buyers", Journal of Marketing, (July 1973), 31-40.

Myers et al, "Correlates of Buying Behavior", Journal of Marketing,
(October 1971), 8-15.

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(January 1970), 18-21.

Factors Affecting Consumer Purchasing Decisions

Kassarjian & Robertson, Perspectives in Consumer Behavior, Scott Foresman 1968 -
selected readings.

Holloway, Mittelstaedt, Venkatesan, Consumer Behavior: Contemporary Research in Action, Houghton Mifflin - selected readings.

Zimbardo, Ebbesen, Influencing Attitudes and Changing Behavior, Addison-Wesley 1969.

Carman, The application of Social Class in Market Segmentation, University of California, Berkeley Graduate School of Business Administration, 1965.

Foot (editor), Household Decision-Making, New York University Press, 1961.

Factors Affecting Consumer Purchasing Decisions (cont'd)

Clark (editor), Consumer Behavior, Vol. I, Vol. II, New York University Press, 1954, 1955.

Alderson & Halbert, Men, Motives and Markets, Prentice Hall, 1968.

Frank, Massy & Wind, Market Segmentation, Prentice Hall, 1972.

Katona, The Powerful Consumer, McGraw Hill, 1960.

Katona, The Mass Consumption Society, McGraw Hill, 1964.

Schary, "Consumption & the Problem of Time", Journal of Marketing, (April 1971), 50-55.

Myers & Alpert, "Determinant Buying Attitudes", Journal of Marketing, (January 1968), 13-20.

Kassarjian, "Personality & Consumer Behavior: A Review", Journal of Marketing, (November 1971), 409-419.

Webster, "Dimensions of Martial Roles in Consumer Decision-Making", Journal of Marketing Research, (May 1970), 180-189.

Kollat et al, "Current Problems in Consumer Behavior Research", Journal of Marketing Research, (August 1970), 327-332.

Murray, "Canadian Consumer Expectational Data", Journal of Marketing Research, (February 1969), 54-61.

Greeno et al, "Personality & Implicit Behavior Patterns", Journal of Marketing Research, (February 1969) 63-69.

Anderson, "Identifying the Convenience-Oriented Consumer", Journal of Marketing Research, (May 1971), 179-183.

Fry, "Personality Variables & Cigarette Brand Choice", Journal of Marketing Research (August 1971), 298-304.

Witt, "Informal Social Group Influence on Consumer Brand Choice", Journal of Marketing Research, (November 1969), 473-476.

Rich & Join, "Social Class & Life Cycles as Prediction of Shopping Behavior", Journal of Marketing Research, (February 1968) 41-49.

The Consumer Decision Process

Nicosia, Consumer Decision Processes, Prentice Hall.

O'Brien, "Tracking Consumer Decision-Making", Journal of Marketing, (January 1971) 34-40.

Tanber, "Why do People Shop?", Journal of Marketing, (October 1972), 46-49.

Reynolds & Darden, "Intermarket Patronage: A Psychographic Study of Consumer Outshoppers", Journal of Marketing, (October 1972), 50-54.

O'Brien, "Stages of Consumer Decision-Making", Journal of Marketing Research, (August 1971) 233-289.

Berey & Pollay, "The Influencing Role of the Children Family Decision-Making", Journal of Marketing Research, (February 1968), 70-72.

Rao, "Consumer's Purchase Decision Process: Stockastic Models", Journal of Marketing Research, (August 1969), 321-329.

The Consumer Decision Process (continued)

Tayler, "The Role of Risk in Consumer Behavior", Journal of Marketing, (April 1974) 54-60.

Industrial Buying Behavior

Wilson, "Industrial Buyers' Decision-Making Styles", Journal of Marketing Research, (November 1971), 433-436.

Martilla, "Word-of-Mouth Communication in the Industrial Adoption Process", Journal of Marketing Research, (May 1971), 173-178.

Ozanne & Churchill, "Five Dimensions of the Industrial Adoption Process", Journal of Marketing Research, (August 1971), 322-328.

Cardoza & Cagley, "An Experimental Study of Industrial Buyer Behavior", Journal of Marketing Research, (August 1971), 329-334.

Webster, "New Product Adoption in Industrial Markets", Journal of Marketing, (July 1969), 35-39.

Weigand, "Why Studying the Purchasing Agent is Not Enough", Journal of Marketing, (January 1962), 41-45.

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The Twentieth Century Fund, Does Distribution Cost Too Much?, The Twentieth Century Fund, 1939.

Bazzell, Value Added by Industrial Distributors, Ohio State University, 1959.

Journal of Marketing, July 1971, entire issue deals with social marketing problems.

Gist, Marketing & Society, Holt, Rinehart & Winston, 1971.

Gist, Readings: Marketing and Society, Holt, Rinehart & Winston, 1971.

Preston, Social Issues in Marketing, Scott, Foresman, 1968.