

News analysis: articles and discussion questions

Note: This document will be updated regularly. If a news link and the corresponding discussion questions have been chosen for a certain number of times, I will mark them in red (instead of deleting them).

If you are a presenter, please check this document on (or after) the **Saturday** before your presentation and make sure you are NOT choosing any news link and discussion questions in red. If you decide to use presentation slides, please send the presentation slides to me (han.613@osu.edu) by **2:00pm on the day of your presentation.**

If you are not a presenter, you are encouraged to read the news and think about the discussion questions. You will have the opportunity to share your thoughts with the presenter and the rest of the class at the end of the news analysis presentation.

As mentioned in the syllabus:

“5 minutes of each class will be devoted to the section of in-class news analysis. News articles and corresponding discussion questions will be provided on Carmen and regularly updated. The presenter is expected to:

- *Summarize the news*
- Explain the classroom material related to the news
- Respond to the discussion questions with solid argument
- Be ready to defend his/her position when challenged”

1. European Parliament Rejects China's Bid for Market Economy Status

<http://search.proquest.com.proxy.lib.ohio-state.edu/docview/1788224835/E2A0997A214E4139PQ/1?accountid=9783>

Discussion questions:

- a. Do you consider Chinese Economy to be market economy based on what we learned in class? Why?
- b. How does China's Bid for Market Economy Status matter to China and EU?

Note:

The term “market economy” in newspapers usually refers to “mixed economy” we discussed in class.

2. Google flight CMH to LAX on Oct 13

<https://www.google.com/flights/#search;f=CMH;t=LAX;d=2016-10-13;r=2016-10-20;tt=o>

Discussion questions:

Use the marginal analysis to show the class what is your optimal choice if you are going from OSU to LA on Oct 13 and want to get there on the same day. Please present 4 different choices, and use the marginal analysis to show the class how you

find the optimal choice for you. You are expected to present to the class the real-time prices of each travel option (using travel-booking tools such as Google flight) as if you were booking everything during the presentation. Your possible choices can be:

- a. Fly from cmh to lax;
- b. Fly from cmh to other airports in LA (e.g. bur, sna, lgb);
- c. Drive to a different airport (using a rental car) and then fly to LA;
- d. Fly to a different airport and then drive to LA (using a rental car).

3. Human Behavior Trove Lures Economists to U.S. Tech Titans

<http://www.bloomberg.com/news/articles/2014-01-02/human-behavior-trove-lures-economists-to-u-s-tech-titans>

Discussion questions:

- a. What factors have created the need for economists in this industry? (What **incentives** were the firms responding to when they decided to hire more economists?)
- b. What other factors on the demand side for economists are pushing some new Ph.D. economists to look at jobs in the tech industry? (What **incentives** were the economists responding to when they decided to work for the firms instead of pursuing more traditional jobs?)
- c. Should the tech demand for economists increase or decrease in the next 10 years?

4. Stanford researcher creates method to measure resource tradeoffs in times of drought

<http://news.stanford.edu/2016/01/14/food-energy-tradeoff-011416/>

Discussion questions:

- a. How to use PPF to show the tradeoff Sri Lanka faces? (show the PPF on the board)
- b. What are the major findings of the researchers?

Note:

The term “tradeoff frontier” can be considered as “production possibilities frontier” we discussed in class.

5. Yes, trade with China took away blue-collar jobs. And there’s no getting them back

<http://www.pbs.org/newshour/making-sense/trade-china-blue-collar-jobs/>

Discussion questions:

- a. According to the news, what is China’s comparative advantage?
- b. Do you think the loss of blue-collar jobs in US is mainly caused by China’s unfair trade practices? If not, what do you think is the main cause?

Note:

We are trying our best to select articles that are unrelated to politics or politically unbiased. However, in the case where a news article discusses a certain policy, the discussion may involve both economics and politics. Please focus on the economic part of the discussion as a reader/presenter.

6. Low Gas Prices Are Bad News for Prius Sales
<http://fortune.com/2016/09/06/prius-toyota-sales/>

Discussion questions:

- a. In the class we discussed the following: if A and B are complements, then the demand for A would increase when the price of B decreases. Given that Toyota Prius and gasoline are (apparently) complements to each other, why do we see a decrease of the demand for Toyota Prius when the price for gasoline became cheaper? Does it contradict what we learned in class?
- b. How do US consumers and Japanese consumers differ in terms of the tastes/preferences for cars? Given the difference(s), does it make sense for one country (US or Japan) to specialize in the production of (all kinds of) cars?

Note:

Link to a related article: <http://search.proquest.com.proxy.lib.ohio-state.edu/docview/1817049708?OpenUrlRefId=info:xri/sid:wcdiscovery&accountid=9783>

7. World's Top Rubber Producers Curbing Exports to Raise Price
<http://search.proquest.com.proxy.lib.ohio-state.edu/docview/1762261768/13C04C4560314A77PQ/1?accountid=9783>

Discussion questions:

- a. Use demand and supply graph to show how a decrease in the export (supply) of rubber may help raise the rubber price;
- b. What would happen to the supply of tires if the price of rubber goes up?

8. Notable & Quotable: D.C. Minimum Wage; '... the largest loss of District food jobs during a 6-month period in 15 years.'
<http://search.proquest.com.proxy.lib.ohio-state.edu/docview/1816213344/fulltext/3CD7EA1D41304F50PQ/1?accountid=9783>

<https://www.aei.org/publication/minimum-wage-effect-dc-restaurants-have-lost-more-jobs-since-january-than-any-6-month-period-since-2001/>

Discussion questions:

- a. Use the demand and supply model to explain the economic impact of an effective price floor;
- b. Can we be sure that the minimum wage law caused DC restaurants to lose more jobs since January than any 6-month period since 2001 recession? Could there be other explanations?

9. 6 ways you're wasting gas
http://money.cnn.com/2008/05/19/autos/gas_wasting_habits/index.htm?postversion=2008052210

Discussion questions:

- a. Pick two of the six tips offered by the article and discuss whether the methods suggested by the article are also the optimal decisions we derive the marginal analysis. For example, if you decide to cover the second point in the article “racing up to red lights”, you are going to:
 - I. Perform marginal analysis (compared with “not racing up to red lights”, the MB of “racing up to red lights”, is..., the MC of “racing up to red lights”, is...)
 - II. Compare MB and MC to derive the optimal decision
- b. Does everyone follow the tips mentioned in the article? What does it mean to the economic assumption that “people are rational”?

10. EU Slaps Tariffs on Two Chinese Steel Products; European steel makers accuse China of exporting steel at unfairly low prices

<http://search.proquest.com.proxy.lib.ohio-state.edu/docview/1826429439/9CA10C85E2B34AF1PQ/2?accountid=9783>

Discussion questions:

1. Use what we learned from Chapter 7 to discuss how compared with free trade, the implementation of tariff may affect CS, domestic PS, and quantity imported,
2. What is dumping? (do some research on your own) Is it bad? Why?
3. Would the implementation of tariff be able to discourage the dumping behavior? Do you think it is an effective policy?

11. Third Estimate of Gross Domestic Product for the Second Quarter of 2016

<https://www.whitehouse.gov/blog/2016/09/29/third-estimate-gross-domestic-product-second-quarter-2016>

Discussion questions:

1. Use what we learned from Chapter 8 to explain the formula $Y=C+I+G+NX$;
2. Summarize the key characteristics of the GDP growth in the second quarter of 2016. What were the components that contributed to the GDP growth?

12. Discouraged Workers Dog Europe’s Recovery

<http://www.bloomberg.com/news/articles/2016-03-17/discouraged-workers-dog-europe-s-recovery>

Discussion questions:

1. What is the economic definition of “discouraged workers”?
2. What is the “the discouraged-worker syndrome” mentioned in the article?
3. How is the size of the discouraged worker population affected by a country’s unemployment-insurance system? Why?