

**Wollo University**  
**Institutes of Teachers Education and Behavioural Sciences**  
**Department of Pedagogical Sciences**  
**Course Title: Economics of Education**  
**Course Code: EdPM (211)** **Cr.Hr.:3**

## **I. Course Description**

This course is designed to provide students of Educational Planning and Management with basic economic concepts, the nature of economics of education, the essence of human capital theory, the relation between investment, education and national development, investment and returns in education, the role of public and private sectors in a free market economy, the concept of production function, production and allocation efficiency, cost benefit analysis in education, supply and demand analysis in education.

## **II. Course Objectives**

After studying this course, you should be able to:

- Define some basic economic concepts in relation to education and economics of education.
- Describe the relationship between education and economic growth, employment, productivity, and the quality of labor force and life.
- Distinguish between education as consumption and investment good.
- Discuss the theory of human capital and its relationship with economic development.
- Describe the benefits of education.
- Explain the production function applied to education.
- Discuss the production and efficiency in education.
- Discuss educational costs, educational returns and cost benefit analysis in education.
- Explain the supply and demand analysis in education.

## **III. Course Outline**

### **1. The Nature and Concepts of Economics of Education**

- 1.1 The Meaning of Economics and Economics of Education
- 1.2 Scopes and Major Issues in Economics of Education
- 1.3 Functioning of Economy
- 1.4 Factors of Production

### **2. Demand and Supply Analysis in Education**

- 2.1 The Demand for Education
- 2.2 The Supply of Education

### **3 Education and Human Capital**

- 3.1 The Meaning and Scope of Human Capital
- 3.2 Human Capital Formation
- 3.3 Classifying Types of Human Capital
- 3.4 Measuring Human Capital Formation

### **4 Education as Consumption and Investment View**

- 4.1 Consumption and Investment Views of Education
- 4.2 Characteristics of Educational Investment

- 5      The Benefits of Education
  - 5.1 Classification of Educational Benefits
  - 5.2 Education and Economic Development
- 6      Cost and Cost Benefit Analysis in Education
  - 6.1 The Meaning of Educational Cost
  - 6.2 Types of Educational Costs
  - 6.3 Measurement of Educational Returns
  - 6.4 Cost benefit Analysis
- 7      Production Function & Efficiency of Educational Systems
  - 7.1 Production Function
  - 7.2 Efficiency of Educational System

#### **IV. Course delivery**

The delivery of the course will be term paper works, assignments, classroom lecture, discussions and independent works

#### **V. Evaluation**

- Paper work 20                      - Mid Exam 30%                      - Final Exam 50%

#### **VI. References**

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- Mc Eachern, W. (2003). Economics: A Contemporary Introduction. Ohio: South Western Publishing Company.
- Parkin, M. (1994). Economics. New York: Wesley Publisher
- Sharp, M. Ansel ; Registe, A. Register; Grimes, W. paul. (1992). Economics of Social Issues. Boston: Irwin McGraw\_Hill
- Tregarthen, T. (2000). Economics. New York: Worth Publisher.