

# **Citing and Referencing**

**Discussions and Exercises**

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**Note:**

This document has four sections.

Section 1 is an introduction to financial development and economic growth. It includes brief discussion on previous and recent works on the topic.

In section 2, positive link of financial development and economic growth identified by some economists has been provided. In addition, a diagram has been used to explain the link.

Section 3 has list of references. (You do not need to understand the contents of section 1 and 2. The reference list has more number of papers than those cited in the text. The text and list of reference is taken from Ghimire and Giorgioni, 2009).

The last section has three objective type exercises. The first one will be practiced with the instructor inside the class. The second and third are home assignments.

You are encouraged to do the following

1. First, in the list of reference, identify those works that are mentioned in the diagram of section 2 (inside the circle). How long did it take to find out and why?
2. Discuss and learn with the instructor. (This section will be supported by power point presentation)
  - 2.1 When should we cite?
  - 2.2 Why to cite and provide reference?

2.3 Learn to differentiate between various types of publications

2.4 How to cite and reference?

2.5 What is Plagiarism?

2.6 Consequences of a plagiarised work

3. Classroom Exercise and Homework: there are three pieces of small objective type exercises. It will not take more than 30 minutes to complete. For exercise 2 (4.2) and 3 (4.3), please provide your answer to Binam Ghimire next week.

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## 1. Financial Development and Economic Growth

Early literature (Bagehot, 1873, Schumpeter, 1912, Gurley and Shaw, 1955, Goldsmith, 1969, McKinnon, 1973) emphasised the positive role finance plays for growth. However, some economists considered the relationship as either unimportant (Robinson, 1952, Stern, 1989) or over stressed (Lucas, 1988).

In recent works, some studies have found consensus over a long run positive relationship (King and Levine, 1993a, Beck et al. 2000b&c, Rousseau and Wachtel, 2002, Beck and Levine, 2004, Loayza and Rancière, 2006) between finance and growth, but a negative relationship for the short run (Beck and Levine, 2004, Loayza and Rancière, 2006). The findings that promote positive relationship have been accompanied by various qualifications (Levine, 2005) and debates in the relationship (Driffill, 2003, Favara, 2003, Trew, 2006). Moreover, most of the studies confine financial development to banks' development ignoring the impact of stock markets' influence on growth. Some recent studies that have included both banks and stock markets in their analysis have found a positive effect of markets but unfavourable effect for banks (Atje and Jovanovic, 1993, Beck and Levine, 2004, Shen and Lee, 2006, Saci et al., 2009) which contradict the findings that banks and markets complement each other (Boyd and Smith, 1996, Demirgüç-Kunt and Levine, 1996, Garcia and Liu, 1999, Li, 2007) and both banks and markets are important for economic growth (Levine and Zervos, 1998, Levin et al., 2002).

## **2. Financial Development and Economic Growth: theoretical link**

Schumpeter (1912, p. 74) mentioned:

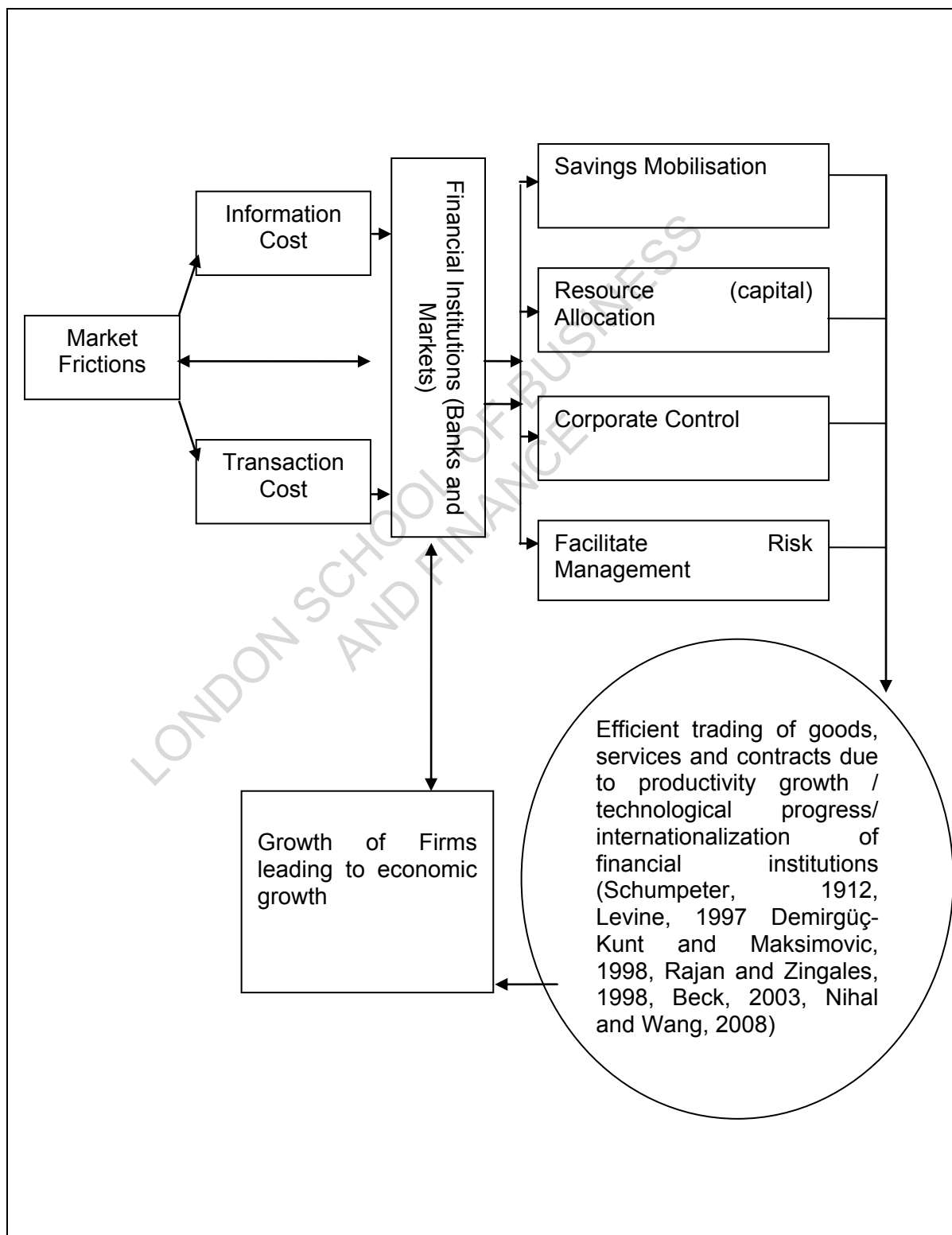
The banker..., since all reserve funds and savings to-day usually flow to him,... stands between those who wish to form new combinations and the possessors of productive means. He is essentially a phenomenon of development...He makes possible the carrying out of new combinations...in the name of the society as it were, to form them.

According to Levine (1997, p. 699), "Financial institutions that are more effective at pooling the savings of individual can profoundly affect economic development."

Demirgüç-Kunt and Maksimovic (1998) showed that firms in countries with better functioning banks grew faster than would have been predicted by their individual firm characteristics. Rajan and Zingales (1998) also support this linkage as they found that industries that rely on external finance prosper more in countries with better developed financial markets. Sussman (1993) and Harrison et al. (1999) developed models where financial intermediaries facilitate the flow of resources from savers to investors in the presence of informational asymmetries with positive growth effects. Beck (2003) and Nihal and Wang (2008) show that financial development enhances international trade that are again important for growth. Figure 1.1 explains

various functions of banks and markets positively effecting innovation, technology and increase in production promoting growth.

**Figure:1 Market frictions eased by financial development as a channel to economic growth.**



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## 4. Exercise

### 4.1 Classroom Exercise on citing<sup>1</sup>

Using the information contained in the list of references below this text, fill in all the gaps and check your answers with the instructor. Remember, you will need to include punctuation marks such as commas and brackets as well as the citation information. Ask with the tutor, if you need further help.

According to the Environment Agency [ ], in 20 years time there will be 33 per cent more vehicles on our roads. There is conclusive evidence that road transport has a major impact on the environment. Traffic is responsible for 22 per cent of the UK's carbon dioxide output (Foley and Fergusson [ ] and emits significant amounts of other air polluting gases such as carbon monoxide and nitrogen oxide [ ] 1999) .

Cairns [ ] p. 75) argues that although "fuel and vehicle developments have made a huge difference to local air quality", measures to reduce traffic will also be required if the Government is to achieve its targets on air quality. One such measure is congestion charging which, according to a recent study by [ ] (2005), has been successful in reducing vehicle emissions in London.

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<sup>1</sup> Source: Cardiff University (2010)



Reference: Yes No

8. When including quotations

Reference: Yes No

9. When you copy and paste items from the Internet and where no author's name is shown

Reference: Yes No

10. When paraphrasing or summarising (in your own words) another person's work that you feel is particularly significant, or likely to be a subject of debate

Reference: Yes No

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6. You read a range of interesting summaries of different approaches to a subject on a number of Internet websites. You do not copy and paste, but you paraphrase in your own words the summaries into your assignment. You do not mention the website sources in your assignment

Plagiarism: Yes

No

7. You are part of a study group of four or five and you all discuss an assignment that all are required to submit individually. You all agree on the approach and arguments to use in the assignment. One of the students, with a little help from another, writes the assignment that all the members of the group submit individually

Plagiarism: Yes

No

8. You want to give a historical overview of something that has happened over a long period, for example, general employment trends. You read three or four general textbooks on the topic. They all say much the same thing so you summarise in your own words and do not cite the sources

Plagiarism: Yes

No

9. You see some statistics in a magazine that are relevant to a report you are writing. There is no author cited. You use the statistics in your assignment and do not give a source, e.g. the magazine

Plagiarism: Yes

No

10. You find an article summarising a particular model, theory of practice associated with a particular theorist Mr X. It is a secondary source, which means the writer is summarising him or herself what Mr X has said. You like this summary, as it says what you believe Mr X has accurately written. You cannot think of a better way of

summarising Mr X yourself, so you copy out this summary without referring to the secondary source author

Plagiarism: Yes

No

11. Your friend is better than you at writing assignments; your strengths are with statistics and mathematics and you have always find writing reports and essays difficult. You discuss a particular assignment together and you help your friend gain a better knowledge of the subject. Your friend is grateful for making things clearer and offers to write the assignment for you both. Your friend writes the assignment and you copy it. You both submit it as an individual assignment

Plagiarism: Yes

No

12. You have an assignment to write and you do the research for it. In the process of writing the assignment, a new way of looking at the subject suddenly occurs to you, which you feel is unique. You put forward this “unique” perspective on the subject and submit the assignment. However, you discover a day or two later that someone else has already published the same idea and perspective a few years earlier

Plagiarism: Yes

No