Economics 130: Public Policy
UCSD Spring 2013
MWF 12-12:50pm
Warren Lecture Hall 2005

Brief Course Description

     This course applies the tools of economics to study issues of public policy. Through the course, you will develop a basic set of tools for policy analysis, and gain a better understanding of several contemporary public issues.

Readings

Required Textbook: *The Economics of Public Issues 17th edition*
Required Supplemental Readings: available or linked from course website at Ted
Recommended Periodicals*:* New York Times, the Wall Street Journal, the Economist, Businessweek, some content available online, full content available at library; NPR's Planet Money blog and podcast http://www.npr.org/blogs/money/

Course Website

     I will post announcements, grades, brief notes, problem sets (which will not be collected but will be essential in your preparation for exams), practice exams and brief answer keys on our course website at Ted. http://ted.ucsd.edu

Office Hours/Contact Information

Course email (use this for all general questions about course content): econ130.ucsd@gmail.com

Instructor: Yuan Emily Tang, Ph.D.	yetang@ucsd.edu	W 3-5p	Econ Annex
TAs: Adam Greenberg	aegreenb@ucsd.edu	Th 4-6p	Sequoyah 205
Benjamin Miller	b5miller@ucsd.edu	M 9:30-11:30a	Sequoyah 235
Grader: Xiahua (Anny) Wei	xiwei@ucsd.edu		Sequoyah 227

Evaluation

     There will be three exams: two midterms (one held out of class, one held in class) and one final exam. Each midterm will be worth 25% of your grade and the final will be worth 50% of your grade. Midterms will cover incremental material, while the final exam will be cumulative, but will place a heavier emphasis on material from the last third of the course.

Midterm 1:	Friday 4/19	12-12:50p	Warren Lecture Hall 2005
Midterm 2:	Wednesday 5/15	12-12:50p	Warren Lecture Hall 2005
Final Exam:	Wednesday 6/12	11:30a-2:30p	TBA

Policies

     Exam dates are not negotiable. If you miss a midterm because of documented illness, sports, or legal reasons, then the weight of the missed midterm will be added to the weight of the final exam. If you miss the midterm for any other reason, you will receive a score of zero on the midterm. There are no acceptable reasons for missing the final-- if you miss the final, you will receive a failing grade for the course. Exams are closed-book and closed-notes. If you believe that an exam has not been properly graded, you must discuss this with the TA whom graded the relevant part of the exam within two weeks of when exams were first returned to class. A random subset of graded exams will be photocopied, and altering an exam after we have handed them back will be considered academic misconduct. Any student found guilty of academic misconduct will earn a failing grade for the course. In addition to this academic sanction, the Council of Deans of Student Affairs will impose a disciplinary penalty. The final weighted points earned will be curved in the assignment of letter grades; the following apply as the *minimum* of the letter grade you can expect to earn based on the total weighted % of points you earn in the course: 98-100%= A+, 93-97=A, 90-92=A-, 88-89=B+, 83-87=B, 80-82=B-, 78-79=C+, 73-77=C, 70-72=C-, 50-69=D, <50% = F

<u>Course Content</u>

Preliminary Course Outline (Subject to Change)

I. Introduction
       Tradeoffs, Incentives, and Unintended Consequences
       Applications: Patents, Homeownership, Trade Restrictions

II. Competitive Markets
       Pareto Efficiency
       Taxes and Subsidies
       Aggregating Individual Supply and Demand
       Applications: Illegal Drugs, Ethanol, Rent Control, Agricultural Subsidies

III. Market Power and Natural Monopoly
       Market Failure
       Application: Utilities

IV. Externalities
       Market Failure
       Coase Theorem
       Pigouvian Taxes and Tradeable Permits
       Applications: Obesity, Pollution, Spam

V. Public Goods and Common Property Resources
       Aggregating Individual Marginal Benefit
       Market Failure
       Optimal Provision
       Applications: Endangered Species

VI. Imperfect Information and Uncertainty
       Imperfect Information
       Uncertainty and Insurance
       Applications: Health Care, Interpreting Statistics

VII. Benefit-Cost Analysis
       Philosophical Basis
       Valuation of Benefits and Costs
       Discounting Future Benefits and Costs
       Applications: Safety Regulation

VIII. Income Redistribution
       Equity Criteria
       Applications: Trends in Inequality, Wage Differentials, Minimum Wage,
       Social Security, Education