Economics 130: Public Policy
UCSD Spring 2015
MWF 3-3:50pm
Peterson Hall 108

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 18th edition*
Required Supplemental Readings: available or linked from course website at Ted

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 9-11a	Econ 109
TAs:	Kayiu Chui	kychui@ucsd.edu	Th 2-4p	Seq Hall 231
	Denise Clayton	dhammock@ucsd.edu	Tu 9-11a	Econ 117
	Elizabeth Hastings	ehasting@ucsd.edu	F noon-2p	Seq Hall 224
	Marina Kutyavina	mkutyavi@ucsd.edu	M 4-6p	Seq Hall 238
	Halbert Mun	hmun@ucsd.edu	Tu 3-5p	Seq Hall 206

Evaluation

I will assign letter grades based on your performance on two midterms and one final exam, weighted as follows: Midterm 1: 20%, Midterm 2: 30%, Cumulative Final: 50%

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 (in class):	Friday, April 17	in class
Midterm 2 (in class):	Friday, May 15	in class
Final Exam:	Wednesday, June 10	3-6p

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 who 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: International Trade Restrictions, Patents

II. Competitive Markets
 Pareto Efficiency
 Taxes and Subsidies
 Aggregating Individual Supply and Demand
 Applications: Illegal Drugs, 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: Pollution, Obesity

V. Public Goods and Common Property Resources
 Aggregating Individual Marginal Benefit
 Market Failure
 Optimal Provision
 Applications: Fisheries, Fire Pits

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