Economics 130: Public Policy
UCSD Winter 2014
MWF 3-3:50pm
Robinson Auditorium

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

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 Annex
TAs:	Travis Brayak	tbrayak@ucsd.edu	Tu 2-4p	Sequoyah 224
	Denise Clayton	dhammock@ucsd.edu	M 4-5p	Econ 117
	Sarojini Hirshleifer	shirshle@ucsd.edu	Tu 11a-noon	Sequoyah 226
	Ben Miller	b5miller@ucsd.edu	Th 1-2p	Sequoyah 235
Reader:	Paul Bloom	pbloom@ucsd.edu	by appt	Sequoyah 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 1/24
Midterm 2 (in class):	Friday 2/21
Final Exam:	Wednesday 3/19 3-6p
No class:	Monday 1/20; Monday 2/17

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

Course Content

Preliminary Course Outline (Subject to Change)

I. Introduction
        Tradeoffs, Incentives, and Unintended Consequences
        Applications: 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: Obesity, Pollution

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