

PA 5021, Fall 2016
Economics for Policy Analysis and Planning I
Lecture: Mondays, 6:00-8:45 PM, Blegen 205
Discussion: Wednesdays, 6:00-7:15, Blegen 205

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CLASS FORMAT AND WORKLOAD

Lectures will occur once a week on Mondays from 6:00 to 8:45 pm. Lectures will cover material similar to the textbook and will go into more detail in certain areas and cover topics the textbook misses. There will be plenty of opportunities for questions and some in-class problems and exercises. The majority of the in class exercises will be done in groups. During half of the lecture sessions there will be short memo presentations. The class lectures are reinforced with homework problem sets and policy memos. Printed slide handouts will be provided to you at each class and posted on the Moodle site for note-taking.

Discussion sections will occur once a week on Wednesdays from 6:00-7:15. Discussion sections will focus on reviewing concepts that the class finds difficult and going over practice problems. Please let your TA know if there are specific concepts you would like covered.

You should be prepared to spend about **6-9 hours per week** outside of the class time on this course.

The discussion will not meet the Wednesday before Thanksgiving, but there will be a homework assignment due the Monday before Thanksgiving.

PREREQS

PA 5021 is taught at an intermediate microeconomics level. If you have never taken an economics class before or if it has been a while, you should be sure to go through the Humphrey's School Foundation for Success Online Econ and Math Review.

OBJECTIVES

The primary objective of this course is to improve your ability to apply microeconomic reasoning to public issues, policies and programs. We will study the forces of supply and demand that determine prices and the allocation of resources in markets for goods and services, markets for labor, and markets for natural resources. The focus is on how and why markets work, why they may fail to work, and the policy implications of both their successes and failures. We will develop the basic tools of microeconomic analysis and then applying those tools to topics of policy interest such as pollution control, competition policy, health care, international trade policy, income distribution, tax policy, and the role of government in a market economy.

This course is intended for masters' students in public affairs and planning. It will help you develop quantitative skills that are essential to assess the impacts of public policies. We will focus on skills such as understanding the algebraic representation of graphs, solving for numerical solutions and working with elasticities to predict the impact of shifts in supply and demand curves. Since some of this material may be new to you, we will reinforce classroom lectures with problem sets and policy memos based on published articles.

COURSE REQUIREMENTS

Class Participation (10%)

You will be graded on your participation in lecture and discussion. Participation includes attendance at lectures and discussion sections, active participation (by asking and responding to questions), and respect shown to peers and instructors. You are not guaranteed to receive all 10 percentage points.

Homework problem sets (10%)

You will receive problem sets regularly throughout the semester (8 total). They will be posted on Moodle on Tuesdays and due by the following Monday in class. Please type your problem sets and turn in a printed copy at the beginning of lecture. Problem sets are graded by TA with check, check minus, or check plus. The lowest problem set grade will be dropped. The problem sets are important to your learning and will be the best way to learn and understand the material and prepare for the exams. **I strongly recommend that you work in small groups and/or check your work with other classmates but everyone must submit their own completed problem set.**

Short memo and presentation (10%)

Students will work in groups that will be determined at the beginning of the semester. Each group will prepare a presentation for an in-class discussion on a policy or decision-making issue. Presentations will be based on your use of relevant economics tools and your informed opinions. In addition, each member of the group will write an individual memo - no longer than five pages double spaced- that summarizes his or her position on the issue. The memo will be due by noon the day of in-class discussion.

Midterm Exams (Two at 20% each, total midterms are 40% of final grade)

The in-class exams will cover material presented in lecture and discussion, problem sets and in the policy discussions. Exams will test concepts developed in class, as well as your ability to analyze and solve problems similar to those in your problem sets. I will give you sample test questions with answers to help you prepare for each exam. **Midterm exams will be held during discussion section.**

Final Exam (30%)

The final exam will be the same format as the in-class exams and problem sets. It will be cumulative, although more heavily weighted towards the material in the final part of the course. The final exam is scheduled according to the University's **Final Exam Calendar and will be held on Monday, December 19, 6:30-8:30.**

REQUIRED TEXT

We will make extensive use of the following textbook:
Austin Goolsbee, Steven Levitt, and Chad Syverson (2012), *Microeconomics*, 1st edition, Worth Publishers

Please make sure you get the correct edition of this book. There is a newer 2nd edition but I wanted to make sure you could buy the book used if you want to.

Additional readings, PowerPoint slides and handouts will be available on Moodle.

COURSE OUTLINE

The following outline is an approximate class schedule. Chapters indicated below are in the Goolsbee textbook. At times, the class will move somewhat faster or slower than indicated on the schedule. However, we will still hold the exams on dates shown below.

Date	Topic	Reading	Problem Sets	Memo
7-Sep	Course Introduction	Ch. 1		
12-Sep	Supply and Demand	Ch. 2		
14-Sep	PS1 Discussion, Review			
19-Sep	Elasticities	Ch. 2	PS 1 Due	
21-Sep	PS 2 Discussion, Review			
26-Sep	Using Supply and Demand	Ch. 3	PS 2 Due	Gas Tax/ Fat Tax
28-Sep	PS 3 Discussion, Review			
3-Oct	Externalities and Public Goods	Ch. 16	PS 3 Due	Pollution
5-Oct	Midterm Review			
10-Oct	Consumer Behavior	Ch. 4		
12-Oct	Midterm Exam 1			
17-Oct	Individual and Market Demand	Ch. 5		Small Business
19-Oct	PS 4 Discussion, Review			
24-Oct	Producer Behavior	Ch. 6	PS 4 Due	Rent Control
26-Oct	PS 5 Discussion, Review			
7-Nov	Costs	Ch. 7	PS 5 Due	
9-Nov	PS 6 Discussion, Review			
14-Nov	Supply in a Competitive Market	Ch. 8	PS 6 Due	
16-Nov	PS 7 Discussion, Review			
21-Nov	Monopolies, Pricing Strategies	Ch. 9, 10	PS 7 Due	Monopoly
23-Nov	No Discussion Section - Thanksgiving			
28-Nov	Imperfect Competition	Ch. 11		
30-Nov	Midterm Exam 2			
5-Dec	Game Theory, Asymmetric Information	Ch. 12, Ch. 15		Health Care
7-Dec	PS 8 Discussion, Review			
12-Dec	International Trade, Review	TBD	PS 8 Due	Trade
14-Dec	Final Review			
19-Dec	FINAL EXAM 6:30-8:30			

Policies

Grading

The exams grades will be based on a "curve". I don't use a curve where you compete against your classmate. I use a curve that adds points to everyone's grades but bumps those at the bottom more than those at the top. After each exam, I will give you an estimate of your grade with the curve; however in the calculation of final course grades I will curve at the end, not each individual exam.

Late and Missed Assignments and Exams

If you have to miss an exam for a justifiable reason, you need to let me know as soon as possible. The make up exam will need to be scheduled within a few days of the original exam date. If your absence from an exam is not justified, you will receive a grade of zero. Late assignments are not accepted.

Academic Misconduct

Students found to be guilty of academic misconduct will receive an F for the quiz, or exam and may receive an F for the course. Serious cases of academic misconduct may necessitate the involvement of higher levels of the university administration. Academic misconduct includes cheating on problem sets or exams. Students may work together on problem sets, but each student should write their own problem set.

Disabilities:

The University of Minnesota is committed to providing equitable access to learning opportunities for all students. Disability Services (DS) is the campus office that collaborates with students who have disabilities to provide and/or arrange reasonable accommodations. If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact DS at 612-626-1333 to arrange a confidential discussion regarding equitable access and reasonable accommodations. If you are registered with DS and have a current letter requesting reasonable accommodations, please contact your instructor as early in the semester as possible to discuss how the accommodations will be applied in the course. For more information, please see the DS website, <https://diversity.umn.edu/disability/>.

Mental Health and Stress Management:

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. University of Minnesota services are available to assist you with addressing these and other concerns you may be experiencing. You can learn more about the broad range of confidential mental health services available on campus via the Student Mental Health Website at <http://www.mentalhealth.umn.edu>.

Remember that there are advisors in the Humphrey Student Services office who are trained and experienced counselors. They are available at very short notice to address any concerns you have and provide further resources within the University. Humphrey Student Services, HHH 280, 612-624-3800