

PA 393K: Applied Microeconomics for Policy Analysis (unique #62120)

Spring 2012
Tuesday 9-12, SRH 3.221

Instructor: Jane Lincove
lincove@mail.utexas.edu
(512) 232-2561

Office hours: Wednesday 12-2
or by appointment
SRH 3.240

TA: Rebecca Breedon
rkbreedon@gmail.com

Office hours: TBD

Objective

This course provides an analytic framework for policy analysis with a focus on understanding economic markets and mitigating market failures in a global policy context. At the end of the course students will be able to:

- Apply economic theory to policy problems
- Use economic efficiency as a criteria for evaluating government interventions
- Identify sources of market failure and appropriate government interventions
- Identify governance problems that limit government interventions in markets

Grading

Problem Sets 8 @ 10 pt. each

Weekly homework assignments covering new material. You are encouraged to work together on these assignments. However, each student must hand-in original work. You will not receive credit if your answers are identical to another student's.

Midterm Exams 2 @ 100 pt. each

Two open-book take-home midterms. You may use the textbook and any other sources. Please cite all sources other than the textbook. You will have one week to complete each midterm. You may discuss exam questions with other students, but your answers must be unique.

Case Project 80 pt.

One case project to be completed by groups of 4 students. Finished product is a 4-page paper (max!) plus graphs and an in-class presentation.

Final Exam 150 pt.

Closed-book in-class exam covering all course material.

Class Participation 20 pt.

Class participation includes leading one issue discussion and participating in other weekly discussion.

Problems sets and midterm exams are due at the beginning of class. LATE ASSIGNMENTS WILL NOT BE ACCEPTED AND ASSIGNMENTS ARE NOT ACCEPTED BY E-MAIL.

Readings

Microeconomics by Pindyck & Rubinfeld (any edition) – available at UT Coop

Additional weekly required readings and assignments posted on Blackboard.

Academic Integrity

Students are encouraged to work together on problems sets and the case assignment. However, you must turn in original work that is your own. You will not receive credit for problem sets that are identical to another student's work. If you use outside sources for the case assignment, you must cite them using LBJ School guidelines.

Midterm exams are take-home assignments. You may use the textbook and any other sources. You must turn in original work. Do not plagiarize from other students or outside sources!

Students are expected to respect the LBJ School's standards regarding academic dishonesty. A discussion of academic integrity, including definitions of plagiarism and unauthorized collaboration, as well as helpful information on citations, note taking, and paraphrasing, can be found at the Office of the Dean of Students web page. (http://deanofstudents.utexas.edu/sjs/acint_student.php) and the Office of Graduate Studies (<http://www.utexas.edu/ogs/ethics/transcripts/academic.html>). The University has also established disciplinary procedures and penalty guidelines for academic dishonesty, especially Sec. 11.304 in Appendix C of the Institutional Rules on Student Services and Activities section in UT's General Information Catalog.

For further information, please visit the Student Judicial Services website at:

www.utexas.edu/depts/dos/sjs/

Student Disability Services

The University of Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-6441 TTY.

No late assignments are accepted.

Course Schedule

Date	Topic	Assignments
Jan 17	Prices & Markets	Read: P & R Chapter 1-2
Jan 24	Demand Theory	Discussion: Policies to promote fertility Read: P & R Chapter 3-4 Due: Problem Set #1
Jan 31	Theories of Production	Discussion: Terrorism target list Read: P & R Chapter 6-7 Due: Problem Set #2
Feb 7	Competitive Market Supply	Read: P& R Chapter 8 Due: Midterm #1

Feb 14	Competitive Equilibrium	Discussion: Pricing Music Downloads Read: P & R Chapter 9 Due: Problem Set #3
Feb 21	Non-Competitive Markets	Discussion: EU Farm Subsidies Read: P & R Chapter 10-12 Due: Problem Set #4
Feb 28	Efficiency and Trade	Discussion: I-books and kindles Read: P & R Chapter 16 Due: Problem Set #5
Mar 6	General Equilibrium	Read: P & R Chapter 16 Due: Midterm #2
Mar 13	Spring Break	
Mar 20	Public Goods	Discussion: Regulating the energy market P & R Chapter 18
Mar 27	Externalities	Discussion: Regulating pollution Read: P & R Chapter 18 Due: Problem Set #6
Apr 3	Uncertainty & Risk	Discussion: Where have all the bees gone? Read: P & R Chapter 5 Due: Problem Set #7
Apr 10	Asymmetric Information	Discussion: TBD Read: P & R Chapter 17
Apr 17	Distributional Equity	Discussion: Teacher incentive pay Read: Weimer & Vining, Chapter 7 Due: Problem Set #8
Apr 24	Governance	Discussion: Global trade of antiquities Read: Weimer & Vining, Chapter 8
May 1	Case Project Presentations	Due: Case Project Paper
May 9-15	Cumulative Final Exam	DATE AND TIME TBD