

**COLUMBIA UNIVERSITY**  
**School of International and Public Affairs**  
**U8213 Colloquium on Policy Analysis**

**Fall 2002 Saturday 11:00am-12:50pm**

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**Office Hours:** Saturday 1-2pm, or by appointment

**TA:** Sangeeta Goyal, sg264@columbia.edu. Sangeeta will run a weekly help session on the problem sets and other course work as well as hold office hours. If you are struggling, you will want to visit her often.

**Texts:** Pindyck and Rubinfeld, *Microeconomics, 5th edition*. A study guide is available as well. I recommend it due to our limited class time. If you have not have economics recently, I also recommend picking up a new or used introductory economics textbook. In addition, Weimer and Vining's *Policy Analysis: Concepts and Practice* is recommended.

**Grading:** Grades are based on six problem sets (25%), a take-home midterm exam (30%), and a final (45%). Failure to complete the midterm, the final, or the problem sets will result in a failing grade. All problem sets must be handed in on time, though you may skip one. If you turn in all problem sets, the grade on the lowest one will be counted as extra credit (worth up to 2% of the final grade). Exceptional performance on the problem sets, the midterm, or the final will cause your grade to be rounded up one step if your overall grade is below par.

***READINGS and PROBLEM ASSIGNMENTS:***

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<b>SEPT</b>	7:	Preliminaries. Why study Micro? Inflation adjustments & introduction to supply and demand. <i>PR Ch.s. 1 and 2.</i>	<i>WEEK 1</i>
	14:	Supply and demand (continued). Consumer theory. <i>PR Ch. 3.</i>	<i>WEEK 2</i>
	21:	Consumer choice/math review <i>PR Ch. 4. <b>Problem Set #1 assigned.</b></i>	<i>WEEK 3</i>
	28:	Individual demand & market demand.	<i>WEEK 4</i>
<b>OCT.</b>	5:	Individual demand & market demand. <i>PR Ch. 9:</i> (i) Finish demand. (ii) Labor supply <i>Handout.</i> <b><i>Problem Set #2 assigned.</i></b>	<i>WEEK 5</i>
	12:	(i) Labor supply (continued). (ii) Exchange & welfare theorem. <i>PR 16.1-16.2, 16.6-16.7 (skim 16.4-16.5).</i> <b><i>Problem Set #3 assigned.</i></b>	<i>WEEK 6</i>
	19:	(i) Finish exchange. (ii) Time, discounting, & the basics of private cost-benefit analysis. <i>PR Ch 15.1-15.4, 15.6, 15.8.</i>	<i>WEEK 7</i>
	26:	(i) Finish discounting & time. (ii) Behavior in uncertain environments. <i>PR Ch. 5.</i>	<i>WEEK 8</i>

<b>NOV. 2:</b>	No Class (university holiday). <b>TAKE-HOME MIDTERM EXAM.</b>	<b>WEEK 9</b>
9:	(i) Finish uncertainty. (ii) Asymmetric uncertainty insurance markets, problems of management; how an information scarcity can hinder market efficiency. <i>PR Ch. 17. Problem Set #4 assigned.</i>	<b>WEEK 10</b>
16:	(i) Asymmetric uncertainty. (ii) Firms: the supply side of goods & services markets. <i>PR. Ch. 6 &amp; handout.</i> <b>Problem Set #5 assigned.</b>	<b>WEEK 11</b>
23:	No Class.	<b>WEEK 12</b>
30:	Production in the short-run & long-run. <i>PR. Ch. 7 and 8.</i> <b>Problem Set #6 assigned.</b>	<b>WEEK 13</b>
<b>DEC. 7:</b>	Various measures of firm costs: opportunity, total, average, variable, marginal, fixed, & sunk which measures do we care about? (Continued next semester)	<b>WEEK 14</b>
<b>14:</b>	<b>FINAL EXAM</b>	<b>WEEK 15</b>