

Course information

Lectures: MW 11am - 12.50pm (407 IAB)  
Office Hours: MW 1 - 2pm  
<http://www.columbia.edu/itc/sipa/u8213-03/>

Contact information

807B IAB  
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PA: Jennifer Sly (js1069@columbia.edu)

TA's and Tutorials

The teaching assistant will run a weekly session to review class material and help with the problem sets, and in addition will schedule weekly office hours.

Texts

Robert S. Pindyck and Daniel L. Rubinfeld (2000), *Microeconomics*, 5<sup>th</sup> edition (required). Also recommended is the accompanying study guide. Some chapters of *Policy Analysis: Concepts and Practice* by Weimer and Vining will be assigned.

Problem sets

There will be six problem sets. Note that there are no late submissions; a late is a zero.

Group assignments

Individuals will be assigned into groups. Each group will be given their topic two to three weeks prior to their presentation date (dates will be spread throughout the term). The group is responsible for making a 45 minute in-class presentation, followed by a 15 minute question-and-answer period. The group must submit a written (sentences and paragraphs, one to two page) brief, which summarizes their presentation. The briefs will be forwarded to me two days before the presentation. Presentations will be judged on content (well-informed use of the appropriate economic concepts) and presentation (diction, rhetoric, locution). You will also be graded on your participation in other groups' presentations.

Term paper

A list of topics will be distributed in class. The paper should be at most 9 pages including figures, tables, and references. This is a policy paper, not a research paper. The primary aim is to offer an economic analysis of the issue using the concepts you know. Research may help to flesh out details, but should not be the basis of your analysis.

Grading:

There are four forms of evaluation: the final exam (35%), the term paper (25%), the group project (20%), and problem sets (20%). There are no make-ups.

## Schedule

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January 17	Production review Reading: Review PR chapters 6-8.
January 22	What is a firm? Not-for-profit firms Reading: "Organization of the Firm", Holmstrom/Roberts, Hart/Moore, Hansmann (2).
January 24	General equilibrium and welfare with production Reading: PR chapter 16.
January 29	Trade Reading: PR chapter 16.5, Krugman/Obstfeld, Bhagwati.
January 31	Input markets Reading: PR 14.1-14.2, Ehrenberg and Smith, chapters 3-5.
February 5	Income inequality and discrimination Reading: Ehrenberg, chapters 8, 12, 15.
February 7	More on capital markets.
February 12	Auctions (or Selling the kitchen sink) Handout: Schotter. Readings: O'Flaherty, Milgrom, Thaler, McMillan.
February 14	Surplus Reading: PR chapters 4.1, 9.1-9.4, Eaton, chapter 4.
February 19	Taxes and tax incidence Reading: PR chapter 9.5-9.6.
February 21	Cost benefit analysis. Reading: Wiemer and Vining ch. 12, Schelling, Hubin.
February 22	Special Lecture: Affirmative action: The role of auctions, rent, and comparative advantage
February 26	Stadia: Spillovers.. Reading: PR chapter 8, Mishan. Unemployment. Reading: Ehrenberg, chapter 15.
February 28	Monopoly. Reading: PR chapter 10, 14.3-14.4
March 5	Regulating market power/price discrimination/deregulation Reading: PR chapter 11, Winston, Train.
March 7	Time consistency, further ruminations Readings: Dixit and Nalebuff.
March 12,14	Midterm break
March 19	Open
March 21	Externalities: Fisheries, parks, and the common kitchen Readings: "The Tragedy of the Commons".
March 26	Dealing with externalities: Threats (and the law); the Coase Theorem Readings: Coase, Medema.
March 28	Government failures. Readings: Tullock, Hillman.
April 2	Group 1 presents. Group 2 presents.
April 4	Oil (and other non-renewable resources) Reading: PR chapter 15.7, "Nonrenewable Resource Use".
April 9	Sewage Reading: Lewis.
April 11	Group 3 presents. Group 4 presents. <b>Papers due.</b>
April 16	Hotels in Mecca, an umbrella in the rain...Peak-load pricing. Reading: Vickrey.
April 18	Group 5 presents. Group 6 presents.
April 23	Group 7 presentation.
April 25	Final review.
<b>April 30</b>	<b>Final Exam</b>

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