

Microeconomics for Policy Analysis II.
EMPA U8216. Section 2
Spring 2015. Syllabus

Instructor: Emanuele Gerratana, IAB 1309A, eg198@columbia.edu, 212-854 8506

Lectures: Saturdays, 11:00am-12:50pm, IAB 411

Office Hours: Saturdays, 1:00pm-2:00pm and by appointment.

Teaching Assistant: Yuxi Wang, yw2563@columbia.edu

Recitations: Saturdays, 4:00pm-5:00pm, IAB 411

Office Hours: Saturdays, 3:00pm-4:00pm and by appointment.

Course description: This course is the second part of the one-year sequence Microeconomics for Policy Analysis. We will cover the following topics: General Equilibrium and Economic Efficiency. Introduction to Cost Benefit Analysis. Externalities and Public Goods. Non Competitive Markets. Asymmetric Information.

The final objective of this course is to show how economic analysis can be used to assess the merits of different policies.

Courseworks: This classes uses courseworks at <https://courseworks.columbia.edu/>. All the material will be posted there.

Textbook and other readings: The main textbook is Pindyck and Rubinfeld, *Microeconomics* (from now on PR). I will also make available my lecture notes on courseworks to integrate the notes that you take in class and the reading of the textbook. Other readings and learning material will also be made available on courseworks.

Prerequisites: You must have taken the course U8213 Microeconomics for Policy Analysis I, as we will use the concepts studied in that class extensively.

Grading: Grades are based on attendance (5%), in-class quizzes (through i>clicker, 5%), weekly problem sets (10%), a policy memo (20%), the midterm exam (30%) and the final exam (30%).

Exam dates: The midterm exam will take place in class on March 7 and the final exam will take place in class on May 2.

Policy memo: A list of topics will be handed out later in the course. The memo should contain a brief description of the policy followed by an economic analysis of the policy presented. The goal is to use the analytical tools acquired in class to shed light on the issue being discussed. Guidelines and grading policies will be distributed later.

Problem sets: Each Saturday you will be assigned a problem set that must be submitted to me **before** the beginning of the following class. The problem sets will be graded using the following scale: a check (✓) for problem sets that vary from almost perfect to fair; a check plus (✓+) for perfect problem sets and a check minus (✓-) for problem sets that have major flaws. If you get all check (✓), the grade for the problem set will be 93 out of 100. You are free to decide whether to work on the problem sets on your own or with other students (up to 4 students for each group). If you work in group, you must hand in only one problem set for each group, indicating the names and uni of all the members of the group.

i>clicker: i>clicker is a response system that allows you to respond to the in-class quizzes. We will hand you an i>clicker remote in the first class that *you must return* at the end of the spring semester. Each clicker has a unique serial number on the back of the remote. You will need to register your i>clicker remote online. You must have come to class at least once and voted on at least one question in order to complete the registration. Once you have voted on a question go to www.iclicker.com/registration. Complete the fields with your first name, last name, student ID, and remote ID. Your student ID should be your UNI. The remote ID is the series of numbers and sometimes letters found on the bottom of the back of your i>clicker remote. The i>clicker response system will be used in every class and you are responsible for bringing your remote.

Outline of the course. Updated on March 27

- **January 24. Class 1. General equilibrium and efficiency**
PR, chapter 16. Problem set 1 assigned
- **January 31. Class 2. General equilibrium and efficiency**
PR, chapter 16. Problem set 1 due before class. Problem set 2 assigned
- **February 7. Class 3. Cost benefit analysis in a competitive market (partial equilibrium analysis)**
PR, chapters 4.4, 8.6 and 9. Problem set 2 due before class. Problem set 3 assigned
- **February 14. Class 4. Cost benefit analysis in a competitive market (partial equilibrium analysis)**
PR, chapters 4.4, 8.6 and 9. Problem set 3 due before class. Problem set 4 assigned
- **February 21. Class 5. Externalities and public goods**
PR, chapter 18. Problem set 4 due before class. Problem set 5 assigned
- **February 28. Class 6. Externalities and public goods**
PR, chapter 18. Problem set 5 due before class.
- **March 7. Midterm exam. In class 11:00am-12:50pm**
Policy memo topics handed out.
- **March 14. No Class. Spring break 1**
- **March 21. Class 7. Externalities and public goods**
PR, chapter 18. Problem set 6 assigned.
- **March 28. Class 8. Game Theory**
PR, chapter 13. Problem set 6 due before class. Problem set 7 assigned
- **April 4. No Class. Spring break 2**
- **April 11. Class 9. Oligopoly and Antitrust**
PR, chapter 12. Problem set 7 due before class. Problem set 8 assigned
- **April 18. Class 10. Asymmetric information**
PR, chapter 17. Problem set 8 due before class. Problem set 9 assigned.
- **April 25. Class 11. Asymmetric information**
PR, chapter 17. Problem set 9 due before class. Policy memo due.
- **May 2. Final exam. In class 11am-12.50pm**