



**John Glenn School of Public Affairs 830  
Economics of Public Policy and Management  
Autumn 2009**

**Instructor:** Andy Keeler  
310C Page Hall (PA)  
688-4325  
keeler.29@osu.edu

**Office Hours:**  
T: 3:30-5:00 (PA 310C) and by  
appointment

**Credit hours:** 4  
**Day Section:** W: 1:30-4:18p  
Room: PA 40

**Evening Section:** W: 5:30-8:18p  
Room: PA 10

**Assistants:** Ketra Rice

Dae Joong Kim

**Required Textbook:**

- Robert Pindyck and Daniel Rubinfeld, *Microeconomics*, 7<sup>th</sup> Edition, Prentice Hall. (6<sup>th</sup> edition will work fine)

**Optional Books:**

- Tim Harford, *The Undercover Economist*. 2006. Oxford University Press
  - Highly readable book about how economists view the world, with engaging examples

**Course web-based materials:** [carmen.osu.edu](http://carmen.osu.edu)

**Note:** Log into Carmen using your OSU username and password, then click on the PUBPOLM 830 course link.

- The Carmen website will contain links to weekly lecture outlines, course news, additional readings, homework assignments, and answer keys.
  - The website also allows for threaded discussions and makes it easy for you to send email to your classmates and to me.
- Lecture outlines (abridged versions of the class Power Point presentations) will be available no later than the morning of class days. Students are encouraged to bring a copy of the outline with them to follow along in class. If you miss a class, please get notes from a classmate, as I do not share the full presentations.

**Supplemental Materials:**

- The textbook's website contains a study guide with extra problems: <http://www.pearsonhighered.com/pindyck/>. Right now this is only available for the 6<sup>th</sup> edition, but they tell me that the 7<sup>th</sup> edition website will be ready soon. The study guide for the textbook is available at SBX bookstore.

**Course Objectives:**

This intermediate-level class focuses on microeconomic topics that are relevant to public policy analysis. Microeconomics is the study of how individuals and firms make decisions and how these decisions lead to markets. We will examine how markets allocate scarce resources and how government policy affects efficiency and equity.

Upon completion of the course, students will have gained a basic understanding of some core microeconomic concepts and methods of analysis. Students will

- Understand key concepts such as efficiency, opportunity costs, elasticity, public goods, and externalities.
- Be able to apply tools from microeconomics to improve managerial and policy decision-making.
- Be able to use economic analysis to evaluate public policy issues.
- Be able to comprehend and critically evaluate arguments made in public policy debates. You should be able to read and understand the economics sections of publications such the *Wall Street Journal*, *New York Times*, or *The Economist*.
- Be able to apply the basic concepts learned in the class to other more applied classes taken in the program such as public finance and public budgeting.

**Course Format:**

Classes will meet for lecture, learning through experiments, problem solving, and discussion on Wednesdays September 23<sup>rd</sup> through December 2<sup>nd</sup>, except for November 25<sup>th</sup> (the Wednesday before Thanksgiving). Lectures will focus on the assigned reading material from the textbook. Some additional discussion reading material (newspaper/magazine articles or op-ed pieces focusing on relevant economic topics) will also be distributed or placed on the course website. Students are expected to prepare all reading assignments *prior* to each class so that they can fully contribute. Homework will be assigned weekly and students will generally have one week to complete each assignment.

**Course Requirements and Evaluation:**

The course grade will be based upon a mid-term examination (35%), a final exam (35%), graded problem sets (20%), and class participation (10%). Problem sets are due at the *beginning* of class on the specified day. Late assignments will receive no credit. The lowest problem set grade (including late or missed) will be dropped.

Answer keys for assignments are made available. If you believe that you unfairly lost points on an assignment or exam, you must turn in a written appeal that briefly explains why you believe that points should be restored.

While students may work together on preparing homework assignments, each student is required to turn in his or her own work. Collaboration on exams is strictly forbidden, and violators are subject to all Ohio State rules on academic misconduct:

[http://studentaffairs.osu.edu/resource\\_csc.asp](http://studentaffairs.osu.edu/resource_csc.asp)

### Preliminary Course Outline

<u>Class</u>	<u>Day</u>	<u>Date</u>	<u>Topics</u>
1	Wed	23-Sep	Introduction: Thinking like an economist (Ch 1); Supply and Demand (Ch 2.1-2.3, 2.
2	Wed	30-Sep	Consumer Choice (Ch 3) ( <i>skim 3.6</i> ); <b>HW1 due</b>
3	Wed	7-Oct	Demand (Ch 4) & Demand elasticity (2.4-2.5); <b>HW2 due</b>
4	Wed	14-Oct	Short Run Production & Costs (Ch 6.1-6.3 & Ch 7.1-7.2); ) <b>HW3 due</b>
5	Wed	21-Oct	Finish up Short Run Production & Costs <b>Midterm Exam</b>
6	Wed	28-Oct	Long Run Production and Costs (Ch 6.4 & Ch 7.3-7.4)
7	Wed	4-Nov	Perfect Competition and Profit Maximization (Ch 8); Perfect Competition and Profit Maximization (Ch 8) Analysis of Competitive Markets (Ch 9); <b>HW4 due</b>
8	Wed	11-Nov	No Class – Veterans Day
	Thur	12-Nov	<b>HW5 due</b>
9	Wed	18-Nov	Market Power: Monopoly (Ch 10.1-10.4, 10.7, 11.1-11.4); Games and Competitive Strategy (I) (Pp. 441-442, 12.4)
	Wed	25-Nov	<i>No class: Thanksgiving</i>
10	Wed	2-Dec	Games and Competitive Strategy (II) (Ch 13.1-13.5) Externalities (Ch 18.1-18.4) <b>HW6 due</b>
			Finish Up and Review;
Final Exam	Wed	9 - Dec	Common Final Examination, 5:30 pm, Location TBA

THIS MATERIAL IS AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST. PLEASE CONTACT THE SCHOOL'S OFFICE AT 292-8696 FOR ASSISTANCE. STUDENTS WITH DISABILITIES ARE RESPONSIBLE FOR MAKING THEIR NEEDS KNOWN AND FOR SEEKING THE AVAILABLE ASSISTANCE IN A TIMELY MANNER.