



THE OHIO STATE UNIVERSITY

JOHN GLENN COLLEGE OF PUBLIC AFFAIRS

Autumn 2015

Public Affairs 6030: Public Sector Economics

Mon. & Wed. 3:00-4:50PM—Hagerty Hall 046

Review/Recitation Sessions: Sundays 2:00PM—3:00PM Page Hall 040¹

Professor

Noah Dormady, Ph.D.

Email: dormady.1@osu.edu

Office Hours

Time: Wednesdays 9-10:30AM

Place: Page Hall 210Q

& by appointment

Teaching Assistant

Alfredo Roa-Henriquez, M.A.

Email:

Office Hours

Time: Thursdays 4:00PM—5:30PM

Place: Page Hall 240A

& by appointment

Course Description:

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. The course also provides an introduction to basic macroeconomic concepts, which concerns the aggregate economy. We will study some basic ways in which aggregate measures of the economy and economic policy are related. It is assumed that students have a basic level understanding of microeconomics, such as an undergraduate introductory class.

Course Objectives:

Upon successful completion of the course, students will have gained a basic understanding of core concepts, methods and theories of microeconomics, basic macroeconomics, and their relevant application to current issues in public policy. Students who successfully complete the course should:

- understand key microeconomic concepts such as efficiency, opportunity costs, comparative advantage, preferences, elasticity, public goods, externalities...,
- be able to apply tools and theories 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,
- be able to apply the basic concepts learned in the class to other more applied classes taken in the school, such as public budgeting and finance.

¹ Due to the Labor Day holiday schedule, the first review session will be held on Thursday, September 3rd only.

Course Format:

Classes will meet for lecture, problem solving, and discussion on Mondays and Wednesdays from 3:00pm until 4:50pm. The lecture schedule will observe university-scheduled holidays (see lecture schedule below).

Lectures will focus on the assigned reading material. Sometimes this will include materials pertaining to supplementary ad-hoc readings that will be distributed electronically or via the course website. These may include newspaper or relevant magazine articles, op-ed pieces, or well-composed blog pieces that may serve to highlight current debates of relevance to core course concepts.

Students are expected to have completed the assigned readings prior to class. Well prepared students are students who have completed the reading prior to class, attend class on time, and fully engage with the lecture material. Power point (course slides) will be available on the class website prior to each lecture. Student assessment will consist of examinations, graded homework, and quizzes. While student attendance at lectures is not a graded component of the course grade, students are highly encouraged to attend lectures. Students who regularly attend lecture and engage with the material fully, tend to be students who get the most from the course material.

Course Texts:²

Robert Pindyck and Daniel Rubinfeld, *Microeconomics*, 8th Edition, Prentice Hall.³

(ISBN978-0-13-287045-0) –Accompanying study guide highly recommended.

Also available as discounted package with study guide; discounted package includes looseleaf book and study guide bundled for discounted price. ISBN-13: 9780133258226

Tony Cleaver, *Economics: The Basics*, 2nd Edition, Routledge.

(ISBN 978-0-415-57109-8)

Higher Education Opportunity Act (HEOA) Statement:

Students can access textbook information via the Barnes & Noble bookstore website: www.shopOhioState.com as well as from their Buckeye Link Student Center. This information is disseminated by B&N to all area bookstores. You may buy from a store of your choice and/or shop for books (always use ISBN# for searches) on line.

Course Website:

The class website will be provided via Ohio State University's Carmen system, at <https://carmen.osu.edu/>. Students are required to check Carmen regularly for class announcements, updates, etc.

Recitation/Review Session:

The TA will provide regular recitation sections. Your professor will indicate the time and schedule for these sessions early in the semester. Although attendance at the sessions is optional, students are highly encouraged to attend. These are provided for student benefit, to give students another

² Students are also strongly encouraged to stay apprised of current events through regular reading of local and national newspapers, including the Columbus Dispatch, New York Times, Wall Street Journal, among others.

³ A flexible electronic version of Pindyck and Rubinfeld (ISBN 0132870444) is available from <http://www.coursesmart.com/>

opportunity to engage with the material, and to assist them in applying the concepts, tools and theories to the homework assignments, as well as for purposes of examination review.

Course Requirements, Grading and Evaluation:

Student course grades will be based upon performance on homework assignments, quizzes, a midterm examination, and a final examination. Final course grades will be based upon the following 350 point system:

<i>Assignment</i>	<i>Points</i>
Homework #1-10	100
Quizzes	25
Midterm Examination	100
Final Examination	100
TOTAL	325 Points

The following letter grade scale will be applied for purposes of providing the final semester grade:

<i>Points</i>	<i>Percentage</i>	<i>Grade</i>	<i>Points</i>	<i>Percentage</i>	<i>Grade</i>
303	93	A			
293	90	A-	238	73	C
283	87	B+	228	70	C-
270	83	B	218	67	D+
260	80	B-	195	60	D
251	77	C+			E

The professor may also offer extra credit opportunities, not listed. These may include participation in a learning activity outside of class, supplementary questions on homework or exams, etc.

Policy on Grading Disputes:

Your professor understands that grading errors, mistakes, and omissions can occur. To facilitate an orderly and respectful process for the settlement of grading disputes, students must notify the professor of the dispute in writing within one week of the returned assignment. The preferred method for submitting grading disputes is electronic mail (email address provided above). The written correspondence should detail the reason for the dispute and thorough reasoning for the correction requested.

Homework Submission Protocols:

Homework is to be submitted electronically in the appropriate dropbox on the course website on Carmen. It is due by COB (5:00PM Eastern time) the day it is due. Note that the dropbox timestamps all homework submissions and it is unforgiving. You will be held to the submission time, and any submission after that time (e.g., 5:01 PM) will be considered one day late. Email submission is not permitted unless extenuating circumstances occur.

Late policy: Homework is considered late if it is not submitted in full by the time it is due. Late submissions will receive a 50 percent grade reduction (five of ten points) for each day (24 hour period) that they are late.

Collaboration on Homework:

Your professor does not consider collaboration on homework to be a violation of the below policy on originality. However, all students must submit their own homework on the due date. Students who collaborate are still fully responsible for any errors or omissions in their own homework that may arise in the course of collaboration. Collaboration on examinations and quizzes is expressly prohibited, and constitutes a violation of the below policy on originality.

Class Policy on Originality

Plagiarism is defined as the submission of material authored by another person but represented as the student's own work, whether that material is paraphrased or copied in verbatim or near-verbatim form. This includes the improper acknowledgment of sources in essays or papers. Culpability is not diminished when plagiarism occurs in drafts which are not the final version.

The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's [Code of Student Conduct](#), and that all students will complete all academic and scholarly assignments with fairness and honesty. Failure to follow the rules and guidelines established in the University's Code of Student Conduct may constitute "Academic Misconduct." Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

Originality means that the student is the sole author of the work. Thoughts and ideas taken from other sources or from official content are permitted, but this must not constitute the bulk of the student's submission. This means that it is not acceptable for a student to simply submit work completed by another person or institution (such as an online paper purchasing site) and cite it as the source of the work. A student's work must be his/her own. Students are encouraged to see the OSU Code of Student Conduct, Section 3335-23-04 that defines academic misconduct further. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct.

Cases of cheating or academic dishonesty will be promptly reported to the university committee on academic misconduct. They will be handled according to university policy:

http://studentaffairs.osu.edu/resource_csc.asp

Other sources of information on academic misconduct (integrity) to which you can refer include:

The Committee on Academic Misconduct web page: <http://oaa.osu.edu/coam.html>

Ten Suggestions for Preserving Academic Integrity: <http://oaa.osu.edu/coamtensuggestions.html>

Eight Cardinal Rules of Academic Integrity: www.northwestern.edu/uacc/8cards.html

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact your professor.

Disability:

Students requiring disability accommodation should contact the Ohio State University Office of Student Life's Disability Student Services office.

Office of Disability Services

The Ohio State University

Office of Student Life

150 Pomerene Hall

1760 Neil Avenue

Website: <http://ods.osu.edu/>

Email: ods@studentlife.osu.edu

Exam Accommodations:

odsexam@osu.edu

Phone: 614-292-3307

Fax: 614-292-4190

Students with disabilities are responsible for making their needs known and for seeking the available assistance in a timely manner. This material is available in alternative formats upon request. The Office of Disability Services provides assistance in verifying the need for accommodations and developing accommodation strategies. Disable students who have not previously contacted the Office of Disability Services are encouraged to do so.

Syllabus Revision:

During the course of the semester, your professor will regularly review student progress, and may revise the syllabus to meet class needs if necessary. This may result in minor changes of due dates, scheduled course content, or deadlines for homework assignments. Students will be given advance notice of any changes that are made to the course.

Acknowledgements:

The course, its content and much of the lecture material is borrowed from professors at the John Glenn College who have taught this course throughout the years. The following individuals deserve recognition in this area: Professor Robert Greenbaum, Professor Tricia Petras, Professor Neal Hooker, as well as others who preceded them.

Course Schedule:

Week	Date	Topic	Readings	Hwk Assignments (Due Date)
1	8/26	Introduction, Begin Supply and Demand	PR: 1, 2.1-2.3, 2.7; C: 2,3	Homework 1 (9/8)
2	8/31	Supply and Demand cont.		
	9/2	Consumer Choice	PR: 3	Homework 2 (9/15)
3	9/7	Labor Day-No Class		
	9/9	Consumer Choice cont.		
4	9/14	Demand, Demand Elasticity	PR: 4, 2.4-2.5	Homework 3 (9/22)
	9/16			
5	9/21	Short Run and Long Run Production Costs	PR: 6.1-6.4; 7.1-7.4; 4.4	Homework 4 (9/29)
	9/23			
6	9/28	Perfect Competition, Profit Maximization	PR: 8; C: 73-85	Homework 5 (10/6)
	9/30			
7	10/5	Uncertainty and Consumer Behavior	PR: 5	No Homework
	10/7			
8	10/12	Midterm Exam Review	Review prior materials	
	10/14	MIDTERM EXAM		
9	10/19	Analysis of Competitive Markets, Market Power	PR: 9, 10, 11.1-11.4; C: 86-92	Homework 6 (10/27)
	10/21			
10	10/26	Market Power cont., Games, Competitive Strategy	PR: 12.1-12.4, 12.6, 13.1-13.7; C: 93-102	Homework 7 (11/3)
	10/28			
11	11/2	General Equilibrium, Gains from Trade	PR: 16	Homework 8 (11/10)
	11/4			
12	11/9	Externalities and Public Goods	PR: 18	Homework 9 (11/24)
	11/11	Veterans Day-No Class		
13	11/16	Externalities and Public Goods cont.		
	11/18			
14	11/23	Investment, Time, Capital Markets	PR: 15	Homework 10 (12/8)
	11/25	Day before Thanksgiving-No class		
15	11/30	Investment, Time, Capital Markets cont.		
	12/2	Intro to Macroeconomic Concepts	C: ch1, ch5-7	No homework
16	12/7			
	12/9			
Fri. 12/11		Final Exam 12:00-1:45PM	Review prior materials	