

PA 710 Economic Analysis for Public Policy and Administration

Dr. Anoshua Chaudhuri
Office: HSS 145
Phone: 338-2108
Email: anoshua@sfsu.edu
Office hours: Thurs 6-7pm or by appointment.

Class Web Page:

Please check regularly for postings on the class web page. This is how you can get there.
Go to <http://online.sfsu.edu/~anoshua> , click on 'courses', select PA 710 under Fall 2005.

Course Objective

We will learn to use some basic microeconomic tools to analyze how markets work, when markets fail and what are possible government policy responses when markets fail. We'll learn about how we can make the government more efficient and learn the principles which can help judge the effectiveness of various policy options facing the government and non-profit agencies. We will study applications and case studies related to tax policy, education and farm subsidies, rent control, minimum wage legislations, provision of public goods and welfare assistance, congestion, pollution and more.

Required Material:

Anne Steinemann, William C. Apgar and H. James Brown, Microeconomics for Public Decisions, Thomson/South-Western, 2005.

John M. Levy, Essential Microeconomics for Public Policy Analysis, Praeger, 1995 (paperback)

Roger Leroy Miller, Daniel K. Benjamin and Douglass North, The Economics of Public Issues, 14th edition, Pearson/Addison Wesley, 2005 (paperback)

Course Schedule (I may add extra readings as we go along)

1. Role of Government in a market economy

Readings: Steinemann et al Chap 1, handouts

2. Basic Tools of Microeconomic Analysis
 - Economic models
 - Basic tools of Demand and Supply
 - Market Interventions: Ceilings and Floors
 - Taxes and Subsidies

Readings: Steinemann et al Chap 2, 3.

Applications: Levy Chap 10, 13, 8, Miller et al Chaps 20, 13, 10

3. Consumer Behavior
 - Consumer Preference and constraints
 - Choice and demand analysis

Readings: Steinemann et al Chap 4, Levy Chap 3

Applications: Miller et al 5, 6, 7, 9

4. Production and Cost analysis
 - Production theory
 - Cost Theory
 - Firms: Competition vs monopoly

Readings: Steinemann et al Chap 4, 5, 8 Levy Chap 4

Applications: Miller et al Chaps 15-19

5. Government Intervention in Resource Allocation
 - Efficiency and Equity
 - Welfare economics

Readings: Steinemann et al Chap 6, 7, Levy Chap 5, 6, 7

6. Externalities and Public Goods

Readings: Steinemann et al Chap 9, 10,

Application; Levy Chap 12, Miller et al 27

7. Imperfect Information, Inequality and Poverty

Readings: Steinemann et al Chap 11

Applications: Miller et al Chaps 12, 4

8. Tools for Economic Policy Evaluation

Readings: Steinemann et al Chap 12, 13, 14, Levy Chap 9

Applications: Miller et al Chap 1, 2, 21, 22

9. Economic Analysis of Public Policy Issues

Discussion and Student Paper presentations

Grading:

2 Exams: 25% each

Cost-benefit analysis homework assignment: 10%

Paper: 30%
Presentation: 10%

Grading Scale:

>=90%: A	>=70%: C
>=85%: B+	>=60%: D
>=80%: B	<60%: F
>=75%: C+	

Exams

The two exams will be held after each major section of the material. The exams will consist of short answer questions. **Makeup Exams will be given only under extraordinary and verifiable circumstances.**

Paper

You are required to pick a topic of your interest related to a public policy issue/problem and write a 14-15 pages paper/policy brief using economic principles and analysis. You are encouraged to write the article on an issue related to your organization if you work in the public sector/non-profit agencies or on a public policy area in which you plan to work in the future.

You should think about potential topics and decide on one after consulting with me. You can meet me in my office hours or send me email. You are required to hand in a 2 page typed outline of your paper by the fourth class meeting (**September 22**) which should address the following:

1. The topic of your paper
2. Importance of this topic
3. Key questions/issues you plan to address
4. Methodology
5. Sources of information/data
6. Bibliography

Final paper is due by 7pm on Monday, December 12, 2005.

Presentation

You will be required to present your paper idea and analysis to the class and lead a 5 minute discussion on your paper. This discussion can include critique, ideas, comments, questions and suggestions from your fellow students which can help you improve your paper. You will be assessed on the content, your ability to collate and communicate all the information and analysis from your paper in the most effective way and your ability to lead a discussion.