

**George Washington University**  
**Economics for Public Decision-Making**  
**PPPA 6003, Sections 10 & 11**  
**Fall 2018 Syllabus**

**Section 10**

Time: Wednesdays, 11:10am-1:00pm

Location: 1776 G Street, Room C-106

**Section 11**

Time: Wednesdays, 6:10-8:00pm

Location: Rome Hall, Room 205

Professor: Stephanie Riegg Cellini

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Office Hours: Wednesdays, 3:00-5:00pm & by appointment

Online Booking: <https://srcellini.youcanbook.me>

Instructional Assistant: Kristin Blagg

Office Hours: Mondays, 5:30-7:30pm & by appointment

Location: MPA Building, Room 622

Email: [kblagg@gwmail.gwu.edu](mailto:kblagg@gwmail.gwu.edu)

**Course Description**

This course provides an introduction to microeconomics, emphasizing its applications to public management and policy analysis. Decision-making in the public sector involves fundamentally different—and often more complicated—considerations than decision-making in the private sector. This course is designed to help current and prospective professional administrators, managers, and practitioners in the public and non-profit sectors address real-world issues and problems from an economic perspective. No prior experience with economics or mathematics is necessary, although a familiarity with basic graphing, computation, and algebra is assumed. Central questions include: What is the economic justification for government? How should concerns about efficiency and equity be balanced? What policies should we undertake to improve well-being? How can public managers improve the efficiency and effectiveness of organizations?

## Learning Objectives

Through lectures, discussions, readings, assignments, and exams, students will develop knowledge and skills that will enable them to:

- Firmly grasp fundamental microeconomic theories and concepts.
- Apply microeconomic principles to real-world public sector problems.
- Conduct graphical and algebraic quantitative analyses.
- Articulate and evaluate opposing economic arguments on a current policy problem.
- Incorporate economic concepts and tools into their own writing, thinking, and work.

## Course Requirements

### Problem Sets (10%)

- There will be 10 problem sets due throughout the semester. While you must turn in your own solutions, you are encouraged to work with your classmates. Solutions will be posted on Blackboard after the due date. Problem sets will be graded on a rough “grade point” basis where 4 = A, 3.5 = A-/B+, 3 = B, 2.5 = B-/C+, etc. (and 0 if not turned in).
- You will need to turn in solutions electronically in pdf form, so you may want to download a scanning app on your phone (e.g., Scanbot) if you don’t have a scanner.

### Midterm Exam (20%)

- The midterm will be an in-class examination covering all of the course material up to that point.
- The exam is closed book and you are allowed to bring an old-school calculator (no phones). Please let me know if you don’t have one and I can bring one for you to borrow.
- I will consider the midterm a no-fault exam—that is, if you do better on the final than on the midterm, I will replace your midterm grade with your final grade when I calculate your overall grade for the course. If you do worse on the final, your midterm grade will stand.

### Policy Brief (30%)

- This is your chance to apply what you’ve learned to a policy problem. You will choose a policy issue from a list that I will provide and write a short (4-page) paper that will require a limited amount of outside research in addition to your knowledge of microeconomic concepts. Detailed instructions will be handed out in class on week 8.

### Final Exam (40%)

- The final will also be “in-class” during finals week. As the course is cumulative, the final will cover all of the course material.
- The final is closed book and you are allowed to bring an old-school calculator (no phones). Please let me know if you don’t have one and I can bring one for you to borrow.

## Required Texts

Mankiw, Gregory N. *Principles of Microeconomics*, 7th edition (USA: Thomson South-Western, 2015).

- I strongly encourage you to buy the 7<sup>th</sup> edition (NOT the 8<sup>th</sup> edition—you should be able to find the 7<sup>th</sup> one used). However, if you choose to get a different edition, you are responsible for ensuring that you have covered all of the required readings and problem set problems that correspond to the 7<sup>th</sup> edition.
- You do not need the “access code” for online content or any other supplemental materials.

Wheelan, Charles. *Naked Economics: Undressing the Dismal Science* (New York: W.W. Norton & Co., 2010).

- Simply the best econ book ever. Note that we will use the (newer) 2010 edition of the book.

## Class Schedule & Outline

Week 1 (Aug. 29)

- Overview of Economics: Why the dismal science may be worthwhile...
  - Wheelan, Foreward & Introduction & Ch. 9 (yes, Ch. 9)
  - Mankiw, Ch. 1 & 2 (including Ch. 2 appendix)
  - Case Study: Olympic Uniforms

~~~~~ Unit I: The Power of Markets ~~~~~

Week 2 (Sept. 5)

- How Markets Work: Who feeds D.C.?
  - Wheelan, Ch. 1 & 12
  - Mankiw, Ch. 3 & 4
  - Case Study: Avocados
  - **Problem Set #1 Due**

Week 3 (Sept. 12)

- Consumers & Demand: Shopaholics Unite!
  - Mankiw, Ch. 5
  - Case Study: Congestion Pricing & Uber
  - **Problem Set #2 Due**

Week 4 (Sept. 19)

- Firms & Supply: What Average Joe’s Hot Dog Stand & Pepsi Co. have in common
  - Wheelan, Ch. 2
  - Mankiw Ch. 13 & 14

- Case Study: Airline Costs & Competition
- **Problem Set #3 Due**

Week 5 (Sept. 26)

- Why Markets Work: Efficiency—not just for washing machines
  - Mankiw, Ch. 7
  - Case Study: Cost-Benefit Analysis
  - **Problem Set #4 Due**

~~~~~ Unit II: The Role of Government ~~~~~

Week 6 (Oct. 3)

- Government Interference in Efficient Markets: What's so bad about taxes (aside from having to pay them)?
  - Mankiw, Ch. 6 & 8
  - Case Study: Minimum Wage
  - **Problem Set #5 Due**

Week 7 (Oct. 10)

- **Midterm Exam**

Week 8 (Oct. 17)

- Market Failure & Government Intervention: Monopoly & Oligopoly—gaining a new appreciation for board games
  - Hand out and discuss policy brief assignment
  - Mankiw, Ch. 15 & 17
  - Dixit & Skeath, “Simultaneous-Move Games with Pure Strategies I: Discrete Strategies,” Ch. 4 of *Games of Strategy*.
  - Case Study: Antitrust

Week 9 (Oct. 24)

- Market Failure & Government Intervention: Externalities and Public Goods—what's mine is yours
  - Mankiw, Ch. 10 & 11
  - Wheelan, Ch. 3 & 4
  - Case Study: Environmental Economics
  - **Problem Set #6 Due**

Week 10 (Oct. 31)—A Halloween treat: **No class meeting this week!** But, I will provide an online lecture to watch or listen to sometime this week. The readings and problem set will still be due.

- The Role of Government in Promoting Equity: It's not the size of the pie, but how you slice it

- Mankiw, Ch. 19-20
- Wheelan, Ch. 6
- Case Study: Poverty & Income Inequality
- **Problem Set #7 Due**

Week 11 (Nov. 7)

- Imperfect Information: What you don't know CAN hurt you
  - Wheelan, Ch. 5
  - Stiglitz & Walsh, "Imperfect Information in the Product Market," Ch. 15 of *Principles of Microeconomics*.
  - Case Study: Health Care
  - **Problem Set #8 Due**

~~~~~ Unit III: The Economics of Human Behavior ~~~~~

Week 12 (Nov. 14)

- Managerial Economics: How to get someone to do what you want them to
  - Mankiw, Ch. 22
  - Dixit & Skeath, "Games with Sequential Moves," Ch. 3 of *Games of Strategy*.
  - Case Study: Behavioral Economics
  - **Problem Set #9 Due**
  - **Policy Brief Due**

No class Nov. 21—Happy Thanksgiving!

Week 13 (Nov. 28)

- Political Economy: The Problem(s) with Politicians
  - Wheelan, Ch. 8
  - Case Study: Nudge
  - **Problem Set #10 Due**

Week 14 (Dec. 5)

- Recap, review, special topics, and/or some new material if we are behind

**Final Exam: \*\*\* TBD: Probably Wed. Dec. 12, during scheduled class time + 30 min. \*\*\***

**Additional Policies & Information**

- Blackboard: The course website is accessible with your GW email address through GW's Blackboard academic software at <http://blackboard.gwu.edu>. The most important link for

this class is the “Outline” on the main menu. There you will find all non-textbook readings, copies of class handouts, problem sets, and solutions organized by week.

- Attendance: Please try not to miss class! Lectures are perhaps your most important source of information for exams, assignments, etc. If you are late or have to miss class, please make sure you get notes from a classmate and download all relevant materials from Blackboard (but you do not need to let me know).
- Turning Things In: Problem sets and the policy brief should be turned in electronically as a single pdf document on Blackboard by the start of class on the day they are due. Since you will need to draw graphs (and hand drawing is MUCH easier than computer drawing), you will likely need to scan your homework in. I recommend downloading Scanbot, Adobe Scan, or a similar app for your phone if you do not have a scanner.
- Deadlines: This syllabus provides all relevant due dates for assignments. It is your responsibility to ensure that I receive them on time. All assignments must be turned in on Blackboard by the start of class on the day they are due. Late problem sets will not be accepted. Late policy briefs will be marked down for each day they are late (only extreme circumstances warrant exception).
- Collaboration: You are welcome to work together on the problem sets under the conditions outlined above. However, the policy brief and both exams must be done completely on your own!
- Electronics: While you are welcome to use a laptop to take notes, I do not recommend it, since the class involves a large amount of graphing. If you choose to use a laptop, please use it only for notes (no surfing). Please consider putting cell phones away during class and (at the very minimum) refrain from texting/emailing/surfing or otherwise using your phone, during class. Exceptions are allowed if you are directly responsible for another person’s life.
- Academic Integrity: Academic dishonesty is defined as cheating of any kind, including misrepresenting one's own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information. I regularly check exams and assignments for signs of academic dishonesty. You are responsible for knowing and following all of the definitions and policies in the Code of Academic Integrity, see: [studentconduct.gwu.edu/code-academic-integrity](http://studentconduct.gwu.edu/code-academic-integrity)
- Credit Hours: Over 14 weeks, students will spend 1 hour and 50 minutes (110 minutes) per week in class. Required readings, problem sets, exam review, and the policy brief are expected to take up, on average, 7 hours (420 minutes) per week. Over the course of the semester, students will spend 25.67 hours in instructional time and 98 hours preparing for class, for a total of 123.67 hours.
- Respect for Diversity: It is my intent that students from all backgrounds and perspectives be well-served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength, and benefit. I strive to create an inclusive classroom and present materials and activities that are respectful of diversity including gender, sexuality, disability, age,

socioeconomic status, ethnicity, race, culture, and political affiliation. Your suggestions are encouraged and appreciated.

- **Conduct:** Higher education works best when it becomes a vigorous and lively marketplace of ideas in which all points of view are heard. Free expression in the classroom is an integral part of this process. At the same time, higher education works best when all of us approach the enterprise with empathy and respect for others, irrespective of their ideology, political views, or identity. We value civility because that is the kind of community we want, and we care for it because civility permits intellectual exploration and growth.
- **Religious Holidays:** In accordance with University policy, students should notify me the first week of the semester of their intention to be absent from class on their day(s) of religious observance: the courtesy of an absence without penalty will be extended. For details and policy, see: [students.gwu.edu/accommodations-religious-holidays](http://students.gwu.edu/accommodations-religious-holidays).
- **Accommodation for Students with Disabilities:** Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information see: [disabilitysupport.gwu.edu/](http://disabilitysupport.gwu.edu/)
- **Mental Health Services:** The University's Mental Health Services offers 24/7 assistance and referral to address students' personal, social, career, and study skills problems. Services for students include: crisis and emergency mental health consultations confidential assessment, counseling services (individual and small group), and referrals. For additional information call 202-994-5300 or see: [counselingcenter.gwu.edu/](http://counselingcenter.gwu.edu/)
- **Safety & Security:** In the case of an emergency, if at all possible, the class should shelter in place. If the building that the class is in is affected, follow the evacuation procedures for the building. After evacuation, seek shelter at a predetermined rendezvous location (MPA building).
- **Extra Help:** Please be sure to contact me or Kristin if you are struggling with course materials. I encourage you arrange appointments or come to office hours early in the semester if you are having trouble. Also, please first contact Kristin for all questions related to the problem sets. If she can't answer your question, she will pass it along to me.
- **Feedback:** I welcome your feedback on my teaching and the course in general. I am particularly interested in your thoughts on how the content of the class fits in with your other MPA courses. Also, if you happen to come across any interesting articles or other materials that may be useful for future classes, please send them my way!