Prerequisites  This course follows 51. It is not intended for those who have taken 55 (and that will guide all teaching).

The Official Course Overview (various professors)  Development and application of analytical economic tools in a policy environment. Emphasis on application of economic methods in a variety of policy settings and developing testable hypotheses that might be used to guide economic policy. Analytical topics include willingness to pay, derived demand, multi-market interactions, comparative advantage, investment analysis, and decision making under uncertainty. Applications include tax analysis, including incidence, effective protection, shadow pricing, introduction to government expenditures, labor market policy, examples of regulation and pricing externalities.

My Additional Course Overview  Provide microeconomic perspectives to enhance studies of many fields and policies of interest to you. The point is to absorb logic you can carry with you in daily thinking while reading and discussing broadly. While giving exams is part of the teaching, it is not a goal. The goal is to better understand the newspaper at the least and, moving forward, to better understand how many scarcities drive behaviors and should shape policies. Scarities as constraints on achieving what people want to achieve, and how people respond, are the central issues. Such issues should be recognizable in daily lives everywhere. Economics is one helpful set of thoughts on them.

Readings


(A) Articles (PDFs on Blackboard and that you find yourself). These will be introduced as the course proceeds.

Requirements & Grading
You are asked: to attend class and to participate; and to complete problem sets and exams (during term & final). Weights for grading are:
- if ‘mid’terms grade higher than final (Class&ProblemSets 30%; Midterms 35%; Cumulative Final, 35%)
- if final grade higher than ‘mid’terms (Class&ProblemSets 30%; Midterms 20%; Cumulative Final, 50%)

Problem sets provide a chance to learn how to do the types of problems that will appear on both of the exams. All are required (penalty for skipping one to be determined but is larger than one F grade on that problem set). For problem sets (not exams), groups of three or fewer are perfectly acceptable and they are even encouraged. If all students within a group are turning in the same work, as is common, just turn in one copy for the group.

Teaching Assistants  [to whom electronic questions should go first – note these will be handled through Blackboard] Vanessa Holcombe & Rita Zota whose office hours are the Friday sections, i.e. that is their in-person helping time.

Duke’s Academic Integrity Policy  (which can be found at http://www.aas.duke.edu/trinity/treqs/integrity.html) “Intellectual and academic honesty are at the heart of academic life at any university. It is the responsibility of all members of our academic community to abide by Duke's strict expectations regarding proper citation of sources. It is also critically important to resist strenuously the temptation to cheat. Acts of academic dishonesty, including plagiarism and cheating, are considered very serious offenses. Students found guilty of plagiarism, cheating, or other forms of academic dishonesty are generally suspended. The academic and nonacademic offenses recognized at Duke and the range of sanctions imposed for them are explained in the Bulletin of Information and Regulations distributed to each incoming student. Please read the bulletin carefully and make sure you understand its content.” Any violation will result, at a minimum, in failing the course.
## I) INTRO TO CONCEPTS / METHODS

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wed 1/09 [01]</td>
<td>Syllabus, Overview Discussion, Your Ideas</td>
<td>Read: Ch.0/preface</td>
</tr>
<tr>
<td>Mon 1/14 [02]</td>
<td>Conversing About What We’ll Be Learning</td>
<td>Read: Ch.1/econ thinking</td>
</tr>
<tr>
<td>Wed 1/16 [03]</td>
<td>Reviewing The Market Basics You’ve Seen</td>
<td>Read: Ch.2/supply demand</td>
</tr>
<tr>
<td>Mon 1/21</td>
<td>(no class, MLK Jr Day)</td>
<td>Read: U.S. history</td>
</tr>
</tbody>
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## II) CONSUMERS DEMANDING GOODS

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wed 1/23 [04]</td>
<td>A Seriously Stripped Down Model of A Person</td>
<td>Read: Ch.3/rational consumer</td>
</tr>
<tr>
<td>Mon 1/28 [05]</td>
<td>Making The Person Model Work, i.e. Predicting</td>
<td>Read: start Ch.4/individual D</td>
</tr>
<tr>
<td>Wed 1/30 [06]</td>
<td>Adding Up &amp; Characterizing Person Predictions</td>
<td>Read: finish Ch.4/market D</td>
</tr>
<tr>
<td>Mon 2/04 [07]</td>
<td>Applying Person Models To Real Situations, I</td>
<td>Read: Ch.5/applications !!!!</td>
</tr>
<tr>
<td>Wed 2/06 [08]</td>
<td>Applying Person Models To Real Situations, II</td>
<td>Read: start Ch.6/econ of info</td>
</tr>
<tr>
<td>Mon 2/11 [09]</td>
<td>Persons Lacking Info (vs. others +/or vs. nature)</td>
<td>Read: finish Ch.6/uncertainty</td>
</tr>
<tr>
<td>Wed 2/13 [10]</td>
<td>Persons Actually Thinking About Other Persons</td>
<td>Read: Ch.7/non-egoistic behavior</td>
</tr>
<tr>
<td>Wed 2/20 [12]</td>
<td>first exam -- on all of I/II above</td>
<td>Read: your notes, many times</td>
</tr>
</tbody>
</table>

## III) PRODUCERS SUPPLYING GOODS

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon 2/25 [13]</td>
<td>A Seriously Stripped Down Model of A Firm</td>
<td>Read: Ch.9/inputs into outputs</td>
</tr>
<tr>
<td>Mon 3/03 [15]</td>
<td>The Firm Chooses Output Given Other Firms</td>
<td>Read: Ch.11/through page 382</td>
</tr>
<tr>
<td>Wed 3/05 [16]</td>
<td>Comparing ‘long run’ To ‘short run’ Choices</td>
<td>Read: finish Ch.11/from p.383</td>
</tr>
<tr>
<td>Mon 3/10</td>
<td>(no class, Spring Break)</td>
<td>Read: directions on sunscreen</td>
</tr>
<tr>
<td>Wed 3/12</td>
<td>(no class, Spring Break)</td>
<td>Read: insides of your eyelids</td>
</tr>
<tr>
<td>Mon 3/17 [17]</td>
<td>The Firm Chooses Output As The Only Firm</td>
<td>Read: Ch.12/monopoly</td>
</tr>
<tr>
<td>Wed 3/19 [18]</td>
<td>Few Firms Choose Output, Watching Others</td>
<td>Read: Ch.13/oligopoly &amp; games</td>
</tr>
</tbody>
</table>

## IV) INPUT MARKETS (FIRMS DEMAND, PEOPLE SUPPLY)

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon 3/24 [19]</td>
<td>Individuals Sell Their Time/Effort To Firms</td>
<td>Read: Ch.14/labor</td>
</tr>
<tr>
<td>Wed 3/26 [20]</td>
<td>Individuals/Firms Loan Their Funds To Firms</td>
<td>Read: Ch.15/capital</td>
</tr>
<tr>
<td>Mon 3/31 [21]</td>
<td>review III/IV above (driven by your questions)</td>
<td>Read: again, all the material</td>
</tr>
<tr>
<td>Wed 4/02 [22]</td>
<td>second exam -- on all of III/IV above</td>
<td>Read: again, all your notes</td>
</tr>
</tbody>
</table>

## V) RELATED PERSPECTIVES ON PUBLIC POLICIES

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon 4/07 [23]</td>
<td>General Equilibrium &amp; Market Efficiency, I</td>
<td>Read: start Ch.16/it all iterates</td>
</tr>
<tr>
<td>Mon 4/14 [25]</td>
<td>When Actions Affect Others Not In The Deal</td>
<td>Read: start Ch.17/externalities</td>
</tr>
<tr>
<td>Wed 4/16 [26]</td>
<td>A Crucial Background Role For Government</td>
<td>Read: finish Ch.17/prop.rights</td>
</tr>
<tr>
<td>Mon 4/21 [27]</td>
<td>When Goods Can Be Enjoyed By Many Folks</td>
<td>Read: start Ch.18/public goods</td>
</tr>
<tr>
<td>Wed 4/23 [28]</td>
<td>If You Decide That Efficiency Is Not Enough</td>
<td>Read: finish Ch.18/distribution</td>
</tr>
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</table>

**FINAL EXAM**