

ECONOMICS 4999
Public Choice Economics
Spring 2008

Professor: Billy Mertens

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Office Hours: T 9-9:30am & 3:20-5:35pm; W 1-2pm; R 9-9:30am & 3:20-4:05pm; and by appointment.

Course Overview:

Public choice economics can be defined as the analysis of decision-making in non-traditional market settings, specifically political market settings, using economic models. Essentially, the individual utility-maximizing agent that acts in economic markets also acts in the political arena. Therefore, any policy outcomes are the product of interactions among individuals in political markets. In this framework, it is apparent that governmental decisions are the result of rational optimizing behavior, even if they do not lead to policies that maximize national welfare. The public choice field can be roughly divided into two subfields, institutional political economy and social choice theory. The former takes a look at the role of institutions in government outcomes from a positive (in the economic sense) point of view. The latter examines how different voting procedures affect incentives and thus results in a normative (welfare-oriented) sense.

The issues we discuss are complex but they do lend themselves extremely well to critical thinking and rational inquiry, which are the guiding principles of this course. Our goal is to become and remain informed about the issues related to public choice economics and, even more importantly, acquire the ability to think about complex issues in a logical objective manner. Thinking critically is what permits us to differentiate between the illogical and the sensible, between the misleading use of statistics and anecdotal evidence, the reasonable presentation of information.

This is an upper level undergraduate course that demands a lot of work (reading and writing), but that work should result in a good understanding of the topic and fulfillment from learning. The course is designed to meet a student's "critical thinking" graduation requirement, and as a result, the structure of the course will differ from the lecture/homework/test format that is typical of classes at CU. The class will focus on student participation and student presentations. Grades are largely based on the quality of presentations and participation in the discussions of the material presented.

[A more detailed outline of covered material is posted separately.](#)

Prerequisites:

Students must have completed ECON 2010, 2020 and 3070. I assume that you did not only take the class, but also that you understand and remember the content. It is also helpful to have some understanding of simple econometric analysis. The prerequisites must be strictly enforced.

Grading:

Class participation and attendance	10%
Article critique and presentation (4)	20%
Term paper	30%
Presentation of term paper	10%
Two exams (15% each)	30%

I adhere strictly to the University guidelines on Incompletes (“An IF is given only when studMCI

There will be two exams. Tests will consist of short-answer questions and some longer problems. The exams will not be cumulative, but the material does build on itself so it is important to understand all of the concepts as we go. **Exams will be given in class on the days listed. Do NOT miss an exam. There will be NO makeup exams, and NO EXAMS WILL BE DROPPED!!**

Exam Schedule:

Exam I: Thursday, February 28th

Exam II: Saturday, May 3rd at 4:30pm in HUMN 1B70

If you have three or more final exams scheduled on the same day, you are entitled to arrange an alternative exam time for the **last** exam or exams scheduled on that day. To qualify for rescheduling final exam times, you must provide evidence that you have three or more exams on the same day, and arrangements must be made with your instructor no later than the end of the sixth week of the semester (Friday, February 22, 2008).

If you do have 3 or more finals on one day, then you should be sure to talk to your professor for the **last** final scheduled on that day **before** 02/22/08 – I will not allow you to switch the final for this class just because you were late in notifying your other professor.

Grading Scale:

<u>Your score</u>	<u>Grade</u>
92% to 100%	A
90% to 91%	A-
88% to 89%	B+
82% to 87%	B
80% to 81%	B-
78% to 79%	C+
72% to 77%	C
70% to 71%	C-
68% to 69%	D+
62% to 67%	D
60% to 61%	D-
Below 59.5%	F

Additional Notes:

Honor Code

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Additional information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode>

Disabilities

If you qualify for accommodations because of a disability, please submit a letter to the instructor from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, or

<http://www.Colorado.EDU/disabilityservices>

Religious holidays

A comprehensive calendar of the religious holidays most commonly observed by CU-Boulder students can be found at <http://www.interfaithcalendar.org/> Review this list and the class syllabus. After reviewing the syllabus, please see the instructor if you believe that you need an accommodation for religious reasons. The instructor should be notified within the first two weeks of classes. Campus policy regarding religious observances states that faculty must make *reasonable* accommodation for them and in so doing, be careful not to inhibit or penalize those students who are exercising their rights to religious observance. For more information see

http://www.colorado.edu/policies/fac_relig.html

Code of Behavior

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at

http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

Policy on Sexual Harassment

The University of Colorado Policy on Sexual Harassment applies to all students, staff and faculty. Sexual harassment is unwelcome sexual attention. It can involve intimidation, threats, coercion, or promises or create an environment that is hostile or offensive. Harassment may occur between