Schar School of Policy and Government
George Mason University

PUAD 613.002 CRN 81314, Fall 2019
Economic Analysis in Public Administration
Thursday 7:20 – 10:00 PM, Founders’ Hall 310

Instructor: Marvin Phaup (marvinphaup@gmail.com, 202 531 1862)
Office hours: 6:30 PM before class, after class, and almost anytime by appointment. (We may also have review sessions on Saturday as needed).

Text: Mankiw, Principles of Microeconomics, 8th edition and Study Guide
The Mankiw text and Study Guide are included in Cengage Unlimited, a subscription service providing access to all Cengage e-books and digital learning products for $119.99 per term. You may purchase access to Cengage Unlimited in the Mason bookstore, or at www.cengage.com.

Objective: This course assists you in acquiring an understanding of the most important concepts of economics and their use in effective decision-making by public administrators. That knowledge includes an awareness of the power, and limitations, of economic analysis in evaluating alternatives, whether private or public, proposed or adopted, based on a specified understanding of factors affecting individual and social economic behavior.

Classes will consist of: a) discussion of “Economics in the News” (broadly defined) b) lecture/discussion of concepts and tools of analysis; c) applications to questions and problems mostly from Mankiw and Study Guide; d) in-class assignments and short quizzes; and e) assignment for next class.

NB: This is a study of the application of economics to social problems. Practice in “working” problems will receive heavy emphasis in class as well as homework.
Course grades will be determined by:

Short assignments and quizzes (questions provided in previous class): 10%

Mid-term exam: 25%

Policy Brief (3-5 pages): Your economic analysis of a topic TBD: 35% (An application paper, not a research paper. Details provided in Class 1)

Comprehensive Final Exam: 30%

Class Schedule (tentative): Aim is mastery of analysis in Mankiw, Chs. 1 - 12:

Note: Student in-class presentations on policy paper topics are not included here but will be scheduled once students have selected topics.

Part I: Introductions: Key Concepts and Principles,

Class 1, August 29: Introductions: All participants. Syllabus, including policy papers. Topics: Scarcity; Necessity of Choice; “Constrained Optimization,” Meaning of (Opportunity) Cost; Trade-offs; Gains from Trade; Marginal Analysis. Mankiw’s Principles (Micro/Macro)

Reading: Mankiw, Ch. 1.

Class 2, September 5: Part I (continued)

Our first three models (theories): Circular Flow, Production Possibility Frontier. Consumer Demand

Graphing in a coordinate system

First look: Gains from Trade

Reading: Mankiw, Ch. 2 and Appendix

Class 3, September 12: Part II: How Markets Work

Gains from trade (continued and extended). Frank and Ruby.
Comparative advantage, terms of trade
Reading: Mankiw, Ch. 3

Class 4, September 19: Supply and Demand
Equilibrium prices and quantities
Elasticity of Demand (and total revenue).
Reading: Mankiw, Ch. 4

Part III: Markets and Social Welfare
Class 5, September 26: Consumers, Producers, and an Efficient Allocation of Resources. More on Elasticities of Demand and Supply, and Gains from trade
Reading: Mankiw, Ch. 5

Class 6, October 3: Market Effects of Price Floors, Ceilings, and Per Unit Taxes
Reading: Mankiw, Ch. 6

Class 7, October 10: Catching up and Review for Mid-term
Mankiw, Ch. 1-6

Class 8, October 17: Mid-term Exam

Class 9, October 24: Mid-Term De-brief; Efficiency of Markets and Welfare
Mankiw Ch. 7
Class 10, October 31: The Cost “dead weight losses” of Taxation
Mankiw, Ch 8

Class 11, November 7: International Trade
Mankiw Ch. 9

Class 12, November 14: The Costs “dead weight losses” of Externalities
Mankiw, Ch 10

Mankiw, Ch. 11

November 28: Thanksgiving Day (no class)

Class 14, December 5: Design of Tax System and Exam Review
Mankiw, Ch 12

Final Exam, December 12 (tentative) Check Registrar’s Calendar for exact date
https://registrar.gmu.edu/calendars/Fall-2019/