

PP5403: Economic Foundations for Public Policy (Microeconomics)

Module Code: PP5403
Lecturer: Dr. Sonia Akter [sonia.akter@nus.edu.sg]
Semester: Semester 1, 2019/20
Faculty: Lee Kuan Yew School of Public Policy
Module Schedule: Thursdays, 9 am–12 pm
Lecture Venue: MM SR 3-1

Office Hours: By appointment
Office location: OTH, Wing B, Level 3

Tutorial: Fridays, 10am–12pm
Teaching Assistant: Shaleen Khanal [shaleen@u.nus.edu]
TA Office Hours: By appointment

Course Description

Microeconomics is the study of individual decision making by consumers and businesses. This component of the module begins with a discussion of the basic economic problem of choice and scarcity, and the concepts of opportunity cost and efficiency. It then covers other key microeconomic concepts including demand, supply, production, market models and market failure.

Learning Outcomes

Upon completion of this course students are expected to:

1. Gain understanding of key concepts and theories of economics and critically appraise and adapt them to the context of public policy.
2. Demonstrate the cause and consequence of market failure.
3. Apply economic theories to qualitatively evaluate the impacts of public policy on social welfare and equity outcomes.
4. Appreciate the underlying drivers of macroeconomic stabilization.

Prerequisites

It will be helpful if students have done basic courses in Economic Principles and are comfortable with computing basic summary statistics and do descriptive data analysis (i.e. calculate means, variances, standard deviation etc.).

Bibliography

Our main textbook is N. Gregory Mankiw (2018) Principles of Economics, 8th Edition, Cengage Learning. The following book will be used in a couple of occasions: Richard H. Thaler and Cass R. Sunstein (2008) Nudge: Improving Decisions about Health, Wealth, and Happiness. Yale University Press, USA. Additional readings will be assigned during the course.

Lecture Format

The modes of teaching and learning will form a mixture of lectures and open discussions. Lectures will be accompanied by pre-class and in-class exercises. The objective of the exercise is to apply the theories to analyze real life policy problems. Tutorials aim to reinforce the theories and concepts covered in the class through review of key concepts and in-class problem solving

<p>exercises. Note: I may adjust the lecture topics slightly based on class dynamics/level of understanding.</p>		
<p>Tutorials</p>		
<p>Tutorial will be held every Friday from 10:00 am to 12:00 pm, venue MM SR 3-1. Tutorials will be used:</p> <ul style="list-style-type: none"> (i) to explain or elaborate on certain concepts that build into the lecture session; (ii) for preparation of exam, and to address queries of students; and (iii) for guiding research paper assignment, etc. (iv) to administer the quiz (Week 4) 		
<p>Assessment</p>		
<p>The course requirements consist of two quizzes, two individual assignments, and a final examination. The grades will be distributed as follows:</p> <ul style="list-style-type: none"> ✓ Quiz–Microeconomics (Week 4) 10% ✓ Quiz–Macroeconomics (Week 11) 10% ✓ Individual Assignment–Microeconomics (due on 9th October) 20% ✓ Individual Assignment–Macroeconomics (due on 15th November) 20% ✓ Final Examination (during exam week, closed book) 40% 		
<p>Policy on Plagiarism</p>		
<p>“The NUS and the LKY School regard academic integrity as a very important value. To avoid giving the impression that you are passing off other people’s work as your own, you will need to acknowledge conscientiously the sources of information, ideas, and arguments used in any of your assignments. In order to understand what counts as plagiarism and why it is wrong, students at the LKY School had taken the NUS online module on Academic Culture during the Orientation Program and formally acknowledged that they had understood the contents. Students who would like an introduction to the different referencing styles can refer to the following website, among others: https://www.citethisforme.com/guides. You will be required to submit all written assignments that are uploaded on IVLE for plagiarism check.”</p>		
<p>Course Outline</p>		
Time	Topic	
Week 1	<ul style="list-style-type: none"> • Introduction to economics • The market forces of supply and demand 	Chapters 2 & 4 (Mankiw)+ Introduction (Thaler and Sunstein)
Week 2	<ul style="list-style-type: none"> • Consumers, producers and efficiency of the market • Elasticity and its applications 	Chapters 5, 7 (Mankiw) + Weekly Reading
Week 3	<ul style="list-style-type: none"> • Supply, demand and government policies 	Chapters 6, 8 (Mankiw) + Weekly Reading
Week 4	<ul style="list-style-type: none"> • Externalities 	Chapters 10 (Mankiw) + Chapter 12 (Thaler and Sunstein)
Week 5	<ul style="list-style-type: none"> • The costs of production • Firms in competitive markets 	Chapters 13 & 14 (Mankiw) + Excel exercise
Week 6	<ul style="list-style-type: none"> • Monopoly 	Chapters 14 & 15 (Mankiw) + Weekly Reading

Week 13: Review of Micro & Macro (Nov 14, 2019, Thursday, 9 am to 12 noon)