Microeconomics for Urban Planning

Planning, Policy, and Design U206
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Fall, 2008
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SE U206 provides an introduction to microeconomics for students in the MURP program. Other Social Ecology students can enroll in the course, and students from other schools can enroll with the instructor's permission. No prior coursework in economics is required, and this course does not assume prior economics knowledge.

The goal of this course is to provide future policy-makers with a working knowledge of the importance and relevance of microeconomic concepts. The course covers most of the core topics found in an introductory economics class, although when possible applications and techniques relevant to urban planning and policy are stressed.

Texts


I have placed a few copies of Pindyck and Rubinfeld (5th and earlier editions) in the Planning, Policy, and Design department office (room 202 SEI). Alana Matzat, office administrative assistant, will place a sign-out sheet in the office. You can sign out a book for one day. Please use the honor system, sign out the book any time you take it, and return the book the next day.

The Pindyck and Rubinfeld texts is self-contained, in that no prior knowledge of economics is needed, although some discussions might seem brief, especially for students with no prior economics background. For students who desire an introductory presentation of microeconomics (as a supplement), I recommend the introductory economics texts by Lipsey and Steiner, or Baumol and Blinder. Both texts should be available in the library (although they might be on reserve for undergraduate economics classes.)
Assignments

This class will focus on distinct but closely related skills. The first goal is to teach students how economics can inform urban problems -- in other words, to learn to "think like an economist", to the extent that is possible in ten weeks. The second goal is to build problem-solving skills. There will be regular problem sets, exams, and brief memos. In addition to that, course assignments will likely include a longer memo assignment toward the end of the quarter.

The problem sets and exams will focus on solving problems that illustrate basic economic concepts and policy applications of those concepts. Solutions will require verbal, graphical, and algebraic expositions of economic arguments. Students are encouraged to work together on the problem sets, but each student must write their own answers. Consultation with other students is acceptable; copying someone else's work is not. Furthermore, if you work with other students in the class, please write the names of all students you consulted at the top of the problem set. Do not consult with other students when writing memos or essays. Only consult on the problem sets.

Grades

Assignments will be counted as follows:

Problem Sets and First Memo.................. 45%
Mini Exam, Oct. 22................................. 15%
Mid-Term Exam, Nov. 19......................... 25%
Second Memo Assignment ...................... 15%

Note: If the second memo is not assigned, the point percentage for that memo will be distributed equally among problem sets and the two exams.

Due Dates

Penalty will be assessed for late problem sets or other assignments. Penalty will equal 20% of total possible points for the assignment for each day late or, for assignments graded on a letter grade, one letter grade per day late.
(Tentative) Initial Problem Set and Memo Due Dates, subject to change
Memo 1 – due Tues., Oct. 8
PS 1 – due Tues., Oct. 13
PS 2 – due Thurs., Oct. 20
PS 3 – likely due Tues., Oct. 29 or Nov. 3

Expect approximately 4-6 problem sets and a possible second memo during the quarter. Exact number of problem sets is yet to be determined.

Each problem set and memo will list definitive due dates.
Schedule (Pindyck and Rubinfeld text denoted as P&R)

Week 1:  Introduction and Supply and Demand (9/29 and 10/1)
readings:  P&R, Chapters 1 and 2.

Week 2:  Consumer Theory (10/6 and 10/8)
readings:  P&R, Chapters 3 and 4.

Week 3:  More Consumer Theory, Introduction to Theory of the Firm (10/13 and 10/15)
readings:  P&R, Chapters 6 and 7.

Week 4:  More Theory of the Firm (10/20 and 10/22)
IN-CLASS MINI EXAM ON WEDNESDAY, OCT. 22
readings:  P&R, Chapter 8.

Week 5:  Perfect Competition (10/27 and 10/29)
readings:  P&R, Chapter 9.

Week 6:  Monopoly, Market Power, and Social Welfare (11/3 and 11/5)
readings:  P&R, Chapter 10, Chapter 11, pp. 375-380 (especially sections 11.1 through 11.4), Chapter 12, pp. 433-440 (section 12.1), Chapter 16.

Weeks 7-8:  Externalities and Public Goods (11/10, 11/12, 11/17, 11/19)
IN-CLASS MID-TERM EXAM, WEDNESDAY, NOV. 19
readings:  P&R, Chapter 18, possibly other readings, to be distributed.
Week 9: Cost-Benefit Analysis (if time permits) or continue externalities and public goods (11/24 and 11/26)

A second memo assignment might be distributed on or about November 24. This date and details are subject to change.

Note: Class might be cancelled on Nov. 26, due to Thanksgiving Holiday the next day. A definitive announcement, one way or another, will be made during the quarter.

Week 10: TBA and Catch-Up (12/1 and 12/3)

Final Exam during date and time allotted for Final Exam for this class.