

## Fulbright School of Public Policy and Management

Academic year 2019-2020  
Spring Term

MICROECONOMICS II  
(4 credits)

### Teaching Team

Instructors: Christopher Balding E-mail: [christopher.balding@fulbright.edu.vn](mailto:christopher.balding@fulbright.edu.vn)  
Le Thai Ha E-mail: [ha.le@fulbright.edu.vn](mailto:ha.le@fulbright.edu.vn)  
Teaching Asst: Thạch Phước Hùng E-mail: [hung.thach.fsppm@fulbright.edu.vn](mailto:hung.thach.fsppm@fulbright.edu.vn)

### Class Meetings

Monday, Wednesday, Friday: 8:30 – 10:00

### Office Hours

	Monday	Tuesday	Wednesday	Thursday	Friday
Le Thai Ha		3:00-4:30		3:00-4:30	
Christopher Balding	3:00-4:00		3:00-4:00		3:00-4:00
Thạch Phước Hùng	3:00-4:30		3:00-4:30		

Members of the teaching team are also available at other time by appointment.

### Course Objectives

1. Students will be exposed to and expected to have the ability to perform a variety of types of microeconomic analysis and utilize different methodologies in different settings.
2. Provide you the tools, skills, and back ground to perform international standard microeconomic analysis across a variety of public policy topical areas.
3. Improve critical thinking and creative problem solving skills to be able to analyze research problems in the work place and arrive at well reasoned solutions to problems.
4. To comprehend and be able to apply foundations of public policy and management in the Vietnamese context
5. To comprehend and be able to apply principles of market economy to a transition economy like Vietnam

6. To contribute effectively to the public policy reform in Vietnam
7. To contribute to knowledge about developing and transition countries

### **Learning Outcomes:**

Upon completion of this course, the students are expected to:

1. Apply the knowledge of the subject in advanced policy research and analysis
2. Be able to read research articles in important economic and policy journals
3. Critically evaluate research in areas introduced in this course, in particular economic development, institutional economics, and finance.

### **Expectations of the Student:**

1. Come to class COMPLETELY prepared. This means having completed and studied all readings, being prepared to discuss the readings, ask questions, of presenters, and answer questions when called upon. Additional, expectations of students are presented below.
2. All work must be turned in on time. There will be no extensions granted. If you know you will be absent, then arrange to turn the assignment in early.
3. Students must be able to critically analyze and present independent thought about the material covered in class. Simply regurgitating the material will not earn the student a good grade.
4. The student MUST perform their own work. Any student caught cheating, plagiarizing, or using others work will receive a failing grade for the course automatically. Please refer to the Students' Handbook for guidelines on plagiarism and other related issues.

### **Grading Structure**

1. In-class participation: 10%
2. Team presentation: 20%
3. Paper proposal: 20%
4. Data proposal and model: 40%
5. Weekly paper analysis 10%

### **Class Resources:**

Students will be required to visit the website to obtain the readings and join online class discussions.

1. Students must go to the website and apply for membership to the group. Because the group is private, only students of the class will be admitted as members and allowed to access class resources.
2. All readings will be available online through the group in the “Files” section for easy downloading.
3. Instructors will be sending out regular emails to the class via the email list in the group. If you are not a member of the group, you will not receive emails and important information.

### **Class Readings:**

You are expected to have completed the reading, prepared questions, and be ready to engage in discussion about the material before attending class.

Each class will consist of one academic research paper. These are selected readings of some of the best recent research in development economics, institutional economics, and finance with a micro focus.

The student must be able to analyze the text and decide based upon the given information such questions as: which facts are more important, what additional information might be helpful in making a decision, how might I act differently, why would my actions be differently, does culture play a role in the decision made?

All papers are available for free download on Google Scholar and in the class website.

**Merely being able to restate the facts will not give the student a good grade!**

### **Class Presentations:**

Every class will have 1 team presentation depending on the number of students. **The team presentation will be responsible for 20% of your grade.**

The presentation must present a critical analysis of the text and not simply restate what was written. Everyone is coming to class having read the text, the student giving the presentation must be able to provide additional information or analysis in their presentation. Poor presentations will simply restate what the text states without providing critical analysis.

The presenter should do things such as stating what the problem being analyzed is, what the methodology used is, whether the researcher is able to convincingly demonstrate their point, was their methodology appropriate?

Students are encouraged to use computer resources such as PowerPoint, handouts, or other materials in making their presentations.

### **Weekly Paper Analysis:**

Every week on Friday, you must analyze one of the papers we have read that week. The paper can be of your choice but must come from that week's readings. The paper should be one page and analyze the paper. Do not just restate what the paper says but analyze the paper for questions like how well the authors demonstrated their findings, their use of data, their methodologies, its applicability to public policy, and strengths or weaknesses of the study design to give but a few potential examples. The student *must* analyze the paper and not merely report what the paper says.

### **Writing Assignments:**

April 13: Paper proposal

June 01: Data proposal and model

### **Class Participation:**

**Class participation will count for 10% of your final grade.** Class participation is very important, and you are expected to arrive at class prepared to work through the foundational readings and case studies presented.

**You are required to prepare three questions about each reading focus on the basic research question and methodology used by the author.** You should be prepared to ask these questions in class so we can work through the questions and so you gain a better understanding of the material being presented. You should prepare the questions though you may decide not to ask questions, though participation is strongly encouraged. I will not make a habit of collecting questions and grading them. However, if I do not feel that students are coming to class prepared, ready to ask questions, and discuss the material I will collect and grade questions.

### **COURSE READING LIST:**

March 02: **Introduction and Decision Under Risk**

March 04: Clemes, Michael D., Christopher Gan, and Junli Zhang. "An empirical analysis of online shopping adoption in Beijing, China." *Journal of Retailing and Consumer Services* 21.3 (2014): 364-375.

Outreville, J. François. "Risk aversion, risk behavior, and demand for insurance: A survey." *Journal of Insurance Issues* (2014): 158-186.

March 06: TA Review Session

March 09: **General Equilibrium and Economic Welfare**

March 11: Golosov, M., Hassler, J., Krusell, P., & Tsyvinski, A. (2014). Optimal taxes on fossil fuel in general equilibrium. *Econometrica*, 82(1), 41-88.

Petri, Peter A., Michael G. Plummer, and Fan Zhai. "ASEAN economic community: A general equilibrium analysis." *Asian Economic Journal* 26.2 (2012): 93-118.

March 13: TA Review Session

March 16: **Externality and Public Goods**

March 18: Jotzo, Frank. "Australia's carbon price." *Nature Climate Change* 2.7 (2012): 475-476.  
Becker, Bettina. "Public R&D policies and private R&D investment: A survey of the empirical evidence." *Journal of Economic Surveys* 29.5 (2015): 917-942.

March 20: TA Review Session

March 23: **Consumer Welfare and Policy Analysis I**

March 25: Baulch, Bob, Thuy Duong Do, and Thai-Ha Le. "Constraints to the uptake of solar home systems in Ho Chi Minh City and some proposals for improvement." *Renewable energy* 118 (2018): 245-256.  
Herbst, Chris M., and Erdal Tekin. "Child care subsidies and child development." *Economics of Education review* 29.4 (2010): 618-638.

March 27: TA Review Session

March 30: **Consumer Welfare and Policy Analysis II**

April 01: Rätzel, Steffen. "Labour supply, life satisfaction, and the (dis) utility of work." *The Scandinavian Journal of Economics* 114.4 (2012): 1160-1181.  
Saez, Emmanuel, Joel Slemrod, and Seth H. Giertz. "The elasticity of taxable income with respect to marginal tax rates: A critical review." *Journal of economic literature* 50.1 (2012): 3-50.  
Zidar, Owen. "Tax cuts for whom? Heterogeneous effects of income tax changes on growth and employment." *Journal of Political Economy* 127.3 (2019): 1437-1472.

April 03: TA Review Session

April 06: **Firm Pricing**

April 08: Chandra, Ambarish, and Mara Lederman. "Revisiting the relationship between competition and price discrimination." *American Economic Journal: Microeconomics* 10.2 (2018): 190-224.  
Simshauser, Paul, and Patrick Whish-Wilson. "Price discrimination in Australia's retail electricity markets: An analysis of Victoria & Southeast Queensland." *Energy Economics* 62 (2017): 92-103.

April 10: TA Review Session

### MID-TERM WEEK

April 20: Vincent Somville and Lore Vandewalle, *Savings by Default: Evidence from a Field Experiment in Rural India*, *American Economic Journal: Applied Economics*, 10(3), pp. 39-66

April 22: Lucie Gadenne, *Tax Me, But Spend Wisely? Sources of Public Finance and Government Accountability*, *American Economic Journal: Applied Economics*, 9(1), pp. 274-314

April 24: TA Review Session

April 27: Claudia Martinez, Esteban Puentes, and Jaime Ruiz-Tagle, *The Effects of Micro-Entrepreneurship Programs on Labor Market Performance: Experimental Evidence from Chile*, *American Economic Journal: Applied Economic*, 10(2), pp. 101-124

April 29: Rema Hanna and Shing-Yi Wang, *Dishonesty and Selection in Public Service*, *American Economic Journal: Economic Policy*, 9(3), pp. 262-290

May 04: Quoc-Anh Do, Kieu-Trang Nguyen, and Anh N. Tran, *One Mandarin Benefits the Whole Clan: Hometown Favoritism in an Authoritarian Regime*, *American Economic Journal: Applied Economics*, 9(4), pp. 1-29

May 06: Quy-Toan Do and Ting Phung, *The Importance of Being Wanted*, *American Economic Journal: Applied Economics*, 2(4), pp. 236-253

May 08: TA Review Session

May 11: Ruben Enikolopov, Maria Petrova, and Konstantin Sonin, *Social Media and Corruption*, *American Economic Journal: Applied Economics*, 10(1), pp. 150-174

- May 13: Monica Martinez-Bravo, *The Local Political Economy Effects of School Construction in Indonesia*, American Economic Journal: Applied Economics, 9(2), pp. 256-289
- May 15: TA Review Session
- May 18: Sharon Barnhardt, Erica Field, and Rohini Pande, *Moving to Opportunity or Isolation? Network Effects of Randomized Housing Lottery in Urban India*, American Economic Journal: Applied Economics, 9(1), pp. 1-32
- May 20: Karthik Muralidharan and Nishith Prakash, *Cycling to School: Increasing Secondary School Enrollment for Girls in India*, American Economic Journal: Applied Economics, 9(3), pp. 321-350
- May 22: TA Review Session
- May 25: Guojun He and Shaoda Wang, *Do College Graduates Serving as Village Officials Help Rural China?*, American Economic Journal: Applied Economics, 9(4), pp. 186-215
- May 27: Rukmini Banerji, James Berry, and Marc Shotland, *The Impact of Maternal Literacy and Participation Programs: Evidence from Randomized Evaluation in India*, American Economic Journal: Applied Economics, 9(4), pp. 303-337
- May 29: TA Review Session