READINGS:
Readings are listed on the following pages. All of the papers listed will be discussed in the lectures to some degree. Those marked (*) are papers which the students are expected to read, while those marked (**) the students are expected to know especially well.

TEXTS:
The following books are recommended:


PAPER:
Each student will be required to prepare a short 7 page paper that summarizes the results in a single area of the literature discussed in the class. The papers not *ed or **ed will be a guide to what else should be included in the summary, although additional papers will likely be needed to supplement the discussion. Note: 7 pages is an absolute maximum number of pages. Use single-spacing and 12 point fonts with no less than 1 inch margins. I also strongly encourage the use of TeX or ScientificWord (i.e. LaTeX) in preparing the papers. [For a free TeX compiler and previewer, see MiKTeX http://www.miktex.org/ , and also buy the *TeXBook* by Donald Knuth. Or check with SSCC for other options.]

STUDENT PRESENTATIONS:
During the course of the semester, all students will be expected to make one presentation each in class of course material, which I expect will be related to their papers in topic. This can be presentation of a particular paper, or a synthesis of several similar papers on a particular topic. Presentations should be about 45-60 minutes in length. In addition, students will also submit one exam question on their topic to be considered for the final exam.

EXAM:
The course will have a final exam. The date and format of the exam will be determined by the class through an appropriate social choice mechanism.

FIELD PAPER:
There is a separate requirement of a field paper for all Public Econ majors, due June 15, 2005. You will get other instructions for this later in the semester.
Econ 741: Course Outline
Fall 2004
James Andreoni

0. Introduction

Laffont, Introduction

Mueller, Public Choice, Chapter 10


1. Public Goods

1.1 Neoclassical Theory


Laffont, Chapter 2.1 -- 2.4, 2.7


1.2 Privately Provided Public Goods


### 1.3 Fund-raising


1.4 Experimental Studies


1.5 Econometric Studies


2. Externalities

Laffont, Chapter 1.


3. Collective Choice and Majority Voting

Laffont, Chapters 2.5, 2.6, 4, “Collective Choice Theory.”

* Mueller, Public Choice, Chapters 4, 5 and 6.


4. Preference Revelation and Implementation


Mueller, Public Choice II, Chapter 8.

** Laffont, Chapter 5, “Incomplete Information in Public Economics.”


5. Local Public Finance

5.1 Theoretical Issues: The Tiebout Hypothesis


5.2 *Empirical Issues: Tiebout Sorting, Federalism*


5.2 Empirical Issues: Education


6. Economics of the Family


7. **Public Intervention in Markets for Private Goods**

7.1 **Transfers In-Kind**


7.2 **Mandated Benefits**
7.3 Public Provision of Private Goods


7.4 Preferences for Redistribution


8. The Theory of the Second Best

8.1 Optimal Commodity Taxation

** Laffont, Chapter 7.


8.2 Optimal Income Taxation


8.3 Pigou, Samuelson and Distortionary Taxation


9. Law and Economics


10. Tax Compliance


11. The Political Economy of Career Advancement  (Independent Reading)
