

ECON 345: Public Policy toward Business

Spring 2016

Instructor: Ben Labe

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Class Hours: M/W/F 9:05-9:55 am, Gardner Hall 308

Office Hours: Mondays & Wednesdays, 10 am-1 pm (or by appointment),
Phillips Annex 104

Final Exam: Thursday, May 5, 8:00-11:00 am, Gardner Hall 308.

Readings: To be announced and posted on Sakai.

Course Summary: By exploring and discussing a variety of sources regarding the regulation and treatment of businesses within capitalist economies, we will seek to better understand of the history and present context of business practices, the social issues on which they bear, and the regulations that are erected in response to them. We will build a conceptual framework for assessing policymakers' goals, constraints, and ideological commitments. Further, we will consider the role that public policy can play in determining how businesses are perceived within an economy.

Course Topics

Time permitting, we will cover the following topics:

1. Perspectives on Public Policy and Economics
2. Economic Systems
3. Theories of the Firm
4. Market Structures
 - (a) Perfect Competition
 - (b) Externalities and the Coase Conjecture
 - (c) Monopolies, Natural and Otherwise
 - (d) Price Discrimination, Product Differentiation, Search, Switch, and Bundling
 - (e) (Introduction to Game Theory)

- (f) Oligopolies
 - (g) Networks
 - (h) Public Goods
 - (i) Adverse Selection
5. Anti-trust and Intellectual Property
 6. Consumer Protection
 7. Labor Policy
 8. Environmental Protection
 9. Financial Regulation
 10. Globalization and International Business Regulation

Grading and Course Policies

- Final grades will be determined by:
 - Midterm Exam 1 20%
 - Midterm Exam 2 20%
 - Final Exam (Cumulative) 30%
 - Final Paper 20%
 - Participation 10%

A	93-100%	C	73-76%
A-	90-92%	C-	70-72%
B+	87-89%	D+	67-69%
B	83-86%	D	60-66%
B-	80-82%	F	0-59%
C+	77-79%		

- **Test Policy**

I do not allow makeup tests for the midterms. If you miss a midterm for any reason, then its weight will be added to your final exam so that your final will be worth $30\% + 20\% = 50\%$ of your total grade. (Missing both midterms would make the final worth 70%.) Furthermore, if your final exam score exceeds either midterm score, then I will automatically drop the midterm score and add its weight to the final, giving those who have attended the midterms a slight advantage. It is the policy of UNC to have a mandatory final exam. You may not miss the final and receive credit for this class. If you have an emergency which causes you to miss the final, then you will need to provide a documented excuse to the Deans office (not to me) in order to be able to make it up.

- **Final Paper**

Each student will be required to hand in a written assignment at the end of the semester. An official description of it will be released on Sakai.

- **Attendance and Participation Policy**

As a student in this course, you should try to engage with both the readings and the material presented during lectures. This can occur through a variety of avenues. Contributions to class discussions, regular attendance at lectures, visits during office hours, and even emails regarding class content are all meaningful signs that you are grappling with the material. Although I will not be taking regular attendance, I do suspect that those who neglect to come to class will fare worse on the exams and the paper than they would otherwise and that they will inevitably fail to participate in conjunction. If you know that you will not be able to attend a given lecture, that is not a problem; I do not need to be forewarned. But if you are chronically absent, it will most likely demonstrate a lack of engagement with the material.

- **Honor System**

The University of North Carolina has a proud tradition of maintaining and upholding an Honor System that binds its members, among other things, to a promise not to lie, cheat, or steal. As willing members of the university, we are all bound by the Honor Code, I as well as you.