

# SPEA-V517: Public Management Economics

Spring Semester 2025 Syllabus \*

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<b>Professor:</b>	Alberto Ortega	<b>Time:</b>	M & W– 2:20pm-3:35pm
<b>Email:</b>	<a href="mailto:alorte@iu.edu">alorte@iu.edu</a>	<b>Location:</b>	PV-277

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**Make sure to read the footnotes<sup>1</sup>**

## **Course Description:**

This course presents the economic concepts, relationships, and methods of analysis that are relevant for public sector management decisions and policy analysis. Basic concepts and principles such as demand, production, cost, and pricing are discussed. The course builds on these concepts to demonstrate the importance and usefulness of economic analysis in public sector decision-making.

**Requirement:** To succeed in this course you should have completed the math prep program.

**Course Page(s):** IU Canvas. Important announcements are distributed through Canvas or email. You should check your IU email and the canvas inbox regularly. All assignments will be submitted through Canvas.

**Office Hours:** You can book an appointment with me via this link <https://calendly.com/alorte>. **You must book an appointment at least 48 hours before the meeting times.** If you want to meet via zoom, let me know as soon as you book a time to meet. I am also very responsive via email.

Our course TA will also be assisting with office hours. **You can meet with them from TBD-TBD on TBD in TBD.**

**About the Textbook(s):** V517 is an unusual class from a textbook perspective. Most microeconomic textbooks are written to a business school audience at either a principles (introductory) or intermediate (econ undergraduate major or masters) level. V517 starts from the perspective that you have no background in economics and then gives you an accelerated tour that brings you to a masters' equivalent level. Future coursework at SPEA then can build from this level in giving you the tools necessary to study the problems in your field of concentration. None of the textbooks proposed solve this problem. However, *Principles*

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\*Syllabus is subject to change

<sup>1</sup>Good start!

of *Microeconomics* is a good book to have as it provides non-technical explanations of the concepts in the course. If purchasing this book, please buy an older used version or e-book in order to reduce costs. *Microeconomics* is a more advanced book that may be helpful for more technical topics covered in the middle and towards the end of the course. I have left this book as optional but I encourage you to either buy an older (inexpensive) version or split the cost of the book with a classmate.

- *Principles of Microeconomics*, by Gregory Mankiw (ISBN: 978-0538453042)
- (optional) *Microeconomics*, by Robert Pindyck and Daniel Rubinfeld (ISBN: 978-0132857123)

**Additional Materials:** Another instructor of this course, Justin Ross, has made some of his online materials available to use for V517. I suggest using these resources when appropriate

- "V517 Mini-lectures": Usually very short slices of V517 lectures on many important topics available to anyone with the direct link. You can see a complete listing of what is available [here](#).
- (recommended) *Economic Vignettes: Short Lessons for Students of Public Affairs*, by Justin Ross<sup>2</sup>
- You may also have to spend \$2-\$3 dollars on a video for one of the sections of the course. Feel free to split this with someone else.<sup>3</sup>

**Attendance:** Attendance is expected. In the past, I have received complaints from students that they are lost after missing a class. If you miss class, make arrangements with someone to get the notes and be sure to do the reading. You can also use the "V517 Mini-lectures" to review material. There will be in-class assignments. You can miss two classes without any explanation.<sup>4</sup> After this, there will be substantial grade reductions imposed for missed participation. If absent three or more times (roughly 10% of the lectures) you should contact the Master's office or the Accessible Education Services.

**Reading Assignments** In the subsequent pages, you will see two types of content associated with each lecture: "Readings" and "News." The "Readings" genre are materials whose purpose is to educate the reader on economics. "News" are journalistic articles, videos, or podcasts to which you can apply the material you have learned in class to explain the phenomenon occurring in the stories. I may also cite papers in class that define the topic or are otherwise interesting reviews written by academics.

### Assignments:

Math Review	10 pts
In-Class Assignments	50 pts
Group Presentation	60 pts
Problem Sets	120 pts
Exams	300 pts

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<sup>2</sup>This is still a work in progress

<sup>3</sup>During the lecture on externalities we will discuss Season 1: Episode 7 of *Cosmos: A Spacetime Odyssey*, titled *The Clean Room*. Note that you **DO NOT** need to purchase the entire season only the one episode. The episode is also available on Disney+ for no additional charge.

<sup>4</sup>You do not have to email me during these absences.

**Letter Grade Distribution:** The total sum (or maximum number) of points is 540. Below are the percent cut-offs for each grade.

97%	A+	77%	C+
93%	A	73%	C
90%	A-	70%	C-
87%	B+	67%	D+
83%	B	63%	D
80%	B-	60%	D-

**Late Assignments/Make-Up:** Canvas automatically deducts 4% of the points per hour until all points are exhausted (25 hours). You should contact the professor as soon as possible if extenuating circumstances will prevent you from turning an assignment in on time.

- **Math Review Problem Sets (10 pts.):** Algebra and Calculus review handouts (5 points each) are available to you on the first day of class. I will not be going over these problem sets. These points are based on completion.
- **In-Class Assignments (50 pts.):** During some classes, I will provide problems that the class will work on. You will get full credit for honest attempts. Missing more than two of these assignments will reduce the In-class Assignment overall grade by 50% (or each subsequent absence).
- **Problem Sets (120 pts.):** I will assign four problem sets worth 30 points each. **You will upload a PDF version of your answers to Canvas.** The grading for these assignments will be in two parts—a *corrected* portion and a *completion* portion. The first will consist of choosing a small subset of the questions that will be graded for correctness and count for 15 points of a problem set. The rest of the problems will be graded on completion and will be worth the remaining 15 points. If you skip or do not answer questions you will be heavily penalized.<sup>5</sup> However, for completion problems, there will be no points taken off for honest attempts that lead to incorrect answers. To be clear, let's take an example:
  - Suppose the problem set has 10 questions worth a total of 30 points. I can choose question #2, #3, and #7 to be worth the total 15 points, which can result in points taken off if you answer them incorrectly.<sup>6</sup> The rest of the problems are worth 15 points but are graded on completion. This means that there will be no points taken off for honest attempts that lead to incorrect answers. So if you got an 12 out of 15 for the corrected portion and attempted all the other problems you will have a 27 out of 30 points for this problem set.
- **Group Presentations (60 pts.):** You will be assigned to one of six groups, each of which will be responsible for developing a crisp presentation on of an application drawn from current events. In

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<sup>5</sup>For instance, skipping an entire question can lead to an additional 25% point reduction for that **entire** problem set.

<sup>6</sup>There will be partial credit for these problems.

general, groups should try to identify an application that builds on concepts from the class discussions. A good presentation will identify an interesting event or phenomenon, discuss its significance, explain its economic significance and how economics concepts help us better understand the issue. If you can discuss the policy implications of the issue, even better. Lastly, the project should contain a data portion from data that your group has collected and analyzed. Your groups will be large enough where you can also provide different perspectives on a topic and even engage in a friendly debate on an issue. Presentations will be scheduled after Week 4. However, you should start working as soon as possible. The presentations should be carefully timed to last 17 minutes total, including questions, answers and discussion. You are welcome to use slides, in which case you should load those before the class begins. A rubric with additional instructions is available as a separate document.

- **Exams (300 pts.):** Having a deep understanding of the analytical problem sets is immensely helpful when taking my exams. **Exam 1** will cover weeks 1 up and through week 7, **Exam 2** will cover weeks 8 up and through week 12, and the **Final Exam** will be cumulative.
- **Participation as Extra Credit (up to 18 pts.):** This course becomes (even more) challenging when class participation is minimal. Therefore, an opportunity for extra credit will be available to foster class discussion. If the class consistently engages by asking thoughtful questions or offering insightful comments in the weeks preceding each exam, everyone will receive up to an additional **six** extra credit points on the exam. Class participation will be assessed at my discretion, but I will encourage engagement by calling on students throughout the semester. Please note that this will be the only opportunity for extra credit, and I rarely curve exams.

## **Course Policies & Student Responsibilities:**

### **O'Neill School expectations of civility and professional conduct**

The O'Neill School takes matters of honesty and integrity seriously because O'Neill is the training ground for future leaders in government, civic organizations, health organizations, and other institutions charged with providing resources for the public, and for members of society who are vulnerable and who are lacking in power and status. Precisely because O'Neill graduates tend to rise to positions of power and responsibility, it is critical that the lessons of honesty and integrity are learned early. O'Neill requires that all members of its community— students, faculty, and staff – treat others with an attitude of mutual respect both in the classroom and during all academic and nonacademic activities outside the classroom (including online). A student is expected to show respect through behavior that promotes conditions in which all students can learn without interruption or distraction.

- Students are expected to attend class regularly and to be prepared for class.
- Students must be punctual in their arrival to class and be present and attentive for the duration of the class. Eating, sleeping, reading the newspaper, doing work for another class, wandering in and out of the classroom, and packing up or leaving class early are not civil or professional behaviors.
- Students must abide by the course policy regarding use of electronic devices in the classroom.

- Students must responsibly participate in class activities and during team meetings.
- Students must address faculty members, other students, and others appropriately and with respect, whether in person, in writing, or in electronic communications.
- Students must show tolerance and respect for diverse nationalities, religions, races, sexual orientations, and physical abilities.
- Students must not destroy or deface classroom property nor leave litter in the classroom.

**Responsibilities:** I will consider your continued enrollment in this course equivalent to accepting all of the responsibilities and policies outlined in this syllabus. If something is not clear please contact me immediately. Students are expected to attend class regularly and participate actively in this course.

**Submit Assignments:** You should turn in all assignments via the Canvas Assignments tab. This eliminates the possibility of me losing your assignments (and because this provides you with a timestamp, so there is no issue of whether you turned it in on time).

**Regrading Policy:** If you believe that an error was made in grading your homework or exam, write out on a sheet of paper (or email) which part of the assignment you would like to have regraded, and the reason why your answer deserves more points, and hand it into me. If the request is legitimate I will then proceed to regrade your entire assignment. Note that this means that if I missed a mistake you made initially, resulting in additional points, I reserve the right to correct this error as well.<sup>7</sup> Regrade requests handed in more than two weeks after assignments have been returned will not be considered.

**Note Selling:** Several commercial services have approached students regarding selling class notes/study guides to their classmates. Selling the instructor's notes/study guides in this course is not permitted. Violations of this policy will be reported to the Dean of Students as academic misconduct (violation of course rules). Sanctions for academic misconduct may include a failing grade on the assignment for which the notes/study guides are being sold, a reduction in your final course grade, or a failing grade in the course, among other possibilities. Additionally, you should know that selling a faculty member's notes/study guides individually or on behalf of one of these services using IU email, or via Canvas may also constitute a violation of IU information technology and IU intellectual property policies; additional consequences may result.

- **Attendance:** After the first week, you may miss two classes without any penalty. If you miss more than two classes, you will lose half a letter grade for each additional absence (from A to A-, A- to B+, B+ to B, etc.). You are strongly advised to save your absences. The only exceptions are: religious holidays per IU policy; when students request accommodation approved by AES in advance using the appropriate form; extended illness, which will require a hard copy letter signed

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<sup>7</sup>Note that a regrade may result in a lower grade if enough mistakes were previously missed.

by a licensed medical professional stating that extended absence is medically necessary; and possibly family emergency, which will also require documentation. **Note** that although you get two unexcused absences, missing an in-class activity or exam will result in a zero for that particular assignment.

- **Electronic Devices:** Cell phones **are not** and laptops are not to be visible in the classroom during lectures.<sup>8</sup> Using a tablet (if you already have one available to you) to take notes would be preferable. If you absolutely must use a phone you must step outside– keep your exits to a minimum. **Using a cell phone may result in a reduction of your class grade for each time you are seen using the device. Being seen using a phone more than three times will result in half a letter grade reduction for each additional use (from A to A-, A- to B+, B+ to B, etc.).**
- **Exam Policy:** **I do not provide make-up exams nor will I schedule an exam to be taken earlier.** If you require special accommodations for exams due to a confirmed disability, medical/family emergency, or conflicting college activity, you must inform me at least one week in advance of each exam so that I can provide the appropriate accommodations.
- **Academic Dishonesty:** Cheating and plagiarism will not be tolerated. Definitions of various types of academic misconduct and University policies for dealing with violations are included in the Code of Student Rights, Responsibilities, and Conduct; see <http://studentcode.iu.edu/> for more information. Any student found cheating, plagiarizing, or working with another student (including providing or receiving assistance) in an unauthorized manner will receive a zero for the assignment and/or a failing grade for the course, and the incident will be reported to the Dean of Students. Other sanctions are possible. Please refer to the following link for information on general academic policies pertaining to this course: [https://spea.indiana.edu/doc/undergraduate/ugrd\\_student\\_honorcode.pdf](https://spea.indiana.edu/doc/undergraduate/ugrd_student_honorcode.pdf)

## Resources:

### 1. Class Resources:

- Keep up with the course materials and lectures– cramming does not lead to a full comprehension of the material. After each lecture, review your notes, and test whether you understand a particular concept.
- A ruler and different color pens or color pencils may facilitate the drawing of graphs.

### 2. Students with Learning Differences:

If you have a learning difference and need my help in making this course fully accessible to you, please feel free to contact me, either in person or through the Division of Student Affairs (812-855-7578). I am here to help in whatever manner I can.

### 3. General Wellness:

The college experience provides an opportunity for not only academic learning but personal growth. However, this time can be accompanied by stress. If you are having difficulties in any course or your personal life in general, please seek help from me or

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<sup>8</sup>Research shows that when college students use computers or tablets during the lecture, they learn less and earn worse grades. See this [article](#) for more information.

another faculty member. I also encourage you to use the services of the IU Health Counseling and Psychological Services.

4. **Sexual Harassment.** As your instructor, one of my responsibilities is to help create a safe learning environment on our campus. Title IX and our own Sexual Misconduct policy prohibit sexual misconduct. If you have experienced sexual misconduct, or know someone who has, the University can help. If you are seeking help and would like to talk to someone confidentially, you can make an appointment with:

- The Sexual Assault Crisis Service (SACS) at 812-855-8900
- Counseling and Psychological Services (CAPS) at 812-855-5711
- Confidential Victim Advocates (CVA) at 812-856-2469
- IU Health Center at 812-855-4011

For more information about available resources: <http://stopsexualviolence.iu.edu/help/index.html>. It is also important to know that federal regulations and University policy require me to promptly convey any information about potential sexual misconduct known to me to our campus' Deputy Title IX Coordinator or IU's Title IX Coordinator. In that event, they will work with a small number of others on campus to ensure that appropriate measures are taken and resources are made available to the student who may have been harmed. Protecting a student's privacy is of utmost concern, and all involved will only share information with those that need to know to ensure the University can respond and assist. I encourage you to visit <http://stopsexualviolence.iu.edu/help/index.html> to learn more.

## Tentative Schedule<sup>9</sup>

WEEK	DATE	DESCRIPTION	ASSIGNMENTS DUE
WEEK 1	01/13/25	Syllabus and Overview Foundations of Economics	
WEEK 2	01/20/25	Foundations of Economics	
WEEK 3	01/27/25	Review of Economic Principles	<b>Math Review Problem Sets (1/29 at 11:00pm)</b>
WEEK 4	02/03/25	Review of Economic Principles	<b>Select Group Presentation Date (2/5 at 11:00pm)</b>
WEEK 5	02/10/25	Consumer Choice and Demand	<b>Problem Set 1 (2/12 at 11:00pm)</b>
WEEK 6	02/17/25	Consumer Choice and Demand	
WEEK 7	2/24/25	Consumer Choice and Demand	
WEEK 8	3/03/25	Production Choice	<b>Problem Set 2 (3/5 at 11:00pm)</b>
WEEK 9	3/10/25	Production Choice	<b>Exam 1: Week 1- Week 7 (Consumer Choice) on 3/12</b>
WEEK 10	3/17/25	<b>NO CLASS</b>	<b>Spring Break</b>
WEEK 11	3/24/25	Applications of Competitive Supply Institutional Failure	
WEEK 12	3/31/25	Institutional Failure	
WEEK 13	4/7/25	Monopoly and Monopsony	<b>Problem Set 3 (4/9 at 11:00pm)</b>
WEEK 14	4/14/25	Monopoly and Monopsony	<b>Exam 2: Week 8- Week 12 (Institutional Failure) on 4/16</b>
WEEK 15	4/21/25	Monopolistic Competition	
WEEK 16	4/28/25	Game Theory	<b>Problem Set 4 (4/29 at 11:00pm)</b>
		<b>Final Exam</b>	<b>Final Exam: Weeks 1 – Week 16 on 5/7/24 3:00pm-5:00pm EST</b>

<sup>9</sup>NOTE: THIS SCHEDULE IS TENTATIVE! Due dates may be changed if needed. All times are in EST/EDT.