

**Department of Economics, Rutgers University**  
**Advanced Topics in Microeconomics**  
**01:220:548:01**  
**Spring 2017**  
*Syllabus*

**INSTRUCTOR**

O. Carbonell  
106A New Jersey Hall  
848 228 2947 (voice)  
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**HOURS**

Thursdays 9:50AM-12:50PM.

**BUILDING-ROOM**

New Jersey Hall-105.

**OFFICE HOURS**

Wednesdays 2:00PM-3:00PM, Thursdays 1:00PM-2:00PM, and by appointment.

**LEARNING OUTCOMES**

This is a graduate course in Public Economic Theory. It emphasizes the standard economic rationales for government intervention in market economies and the effects of Pareto improving and redistributive policies on welfare and inequality.

**LEARNING GOALS**

Prepare students to critically evaluate research papers and conduct their own research in the field.

**COURSE WEB SITE**

<https://sakai.rutgers.edu>

This link will take you to the Sakai web site. You can log on to Sakai using your net ID and password. The course worksite is entitled "ADV TOPICS MICRO 01 Sp17".

**LEARNING ASSESSMENT**

- Exam (50%). Date to be arranged.
- Paper presentation (50%).

**TEXTBOOKS**

- Mas-Colell, A., Whinston, M.D., and J.R. Green, 1995. *Microeconomic Theory*. Oxford University Press.
- Salanié, B., 2000. *Microeconomics of Market Failures*. The MIT Press.
- Cornes, R., and T. Sandler, 1996. *The Theory of Externalities, Public Goods, and Club Goods*. Cambridge University Press.
- Myles, G.D., 1995. *Public Economics*. Cambridge University Press.
- Laffont, J.-J., 2008. *Fundamentals of Public Economics*. The MIT Press.
- Atkinson, A.B., and J.E. Stiglitz, 1980. *Lectures on Public Economics*. McGraw-Hill.
- Chakravarty, S.R., 2009. *Inequality, Polarization and Poverty*. Springer.
- Chakravarty, S.R., 2015. *Inequality, Polarization and Conflict*. Springer.

**COURSE OUTLINE**

## 1. Theory of Externalities.

- Bilateral Externalities.
- Multilateral Externalities.
- Private Information and Second-Best Solutions.

Mas-Colell et al., Chapter 11. Salanié, Chapter 6. Myles, Chapter 10. Cornes and Sandler, Part II. Laffont, Chapter 1.

## 2. Public Goods.

- Inefficiency of Private Provision.
- Alternative Mechanisms for Provision of Public Goods.

Mas-Colell, Chapter 11. Salanié, Chapter 5. Myles, Chapter 9. Cornes and Sandler, Part III. Atkinson and Stiglitz, Chapter 16. Laffont, Chapter 2.

## 3. Topics in Measurement.

- The Measurement of Inequality.  
Myles, Chapter 3. Chakravarty (2009), Chapter 1.
- The Measurement of Polarization.  
Chakravarty (2015), Chapter 2.
- The Interplay between Income Taxation, Income Inequality, and Income Polarization.