

Boston University
EC377 Government, Business and Labor
Summer II 2009 ~ Syllabus

Instructor: Martino Tasso	Lectures: MTW 6pm-8.30pm
Office: Room B20, Economics Department	June 29, 2009 to August 5, 2009
270 Bay State Road, 02215 Boston MA	Classroom: CAS 208
Email: mtasso@bu.edu	Course webpage: blackboard.bu.edu
Webpage: people.bu.edu/mtasso	Final Exam: August 5, 6pm-8.30pm
Office Hour: Thu, 2-4pm	Midterm Exam: July 15, 6pm-8.30pm

1 Content and organization of the course

The topic of this course is the interaction of firms, workers, and policymakers. This is an undergraduate course designed to provide students with the tools to understand and interpret public interventions in the economy, their motivations, and consequences. The lectures provide theoretical background and specific examples of public interventions in several industries. Some knowledge of intermediate microeconomics is required. Some courses in labor economics, public finance, and industrial organization could be good complements to this course.

The lectures are organized into four parts. The first part introduces the motivations for government interventions. It also deals with the specific issues of antitrust and regulation policies, with a particular focus on the United States. The second part is entirely devoted to the regulation of consumer product markets. The third part focuses instead on “social regulation” along with environmental policies. Finally, the last part is dedicated to analysing the goals and the effects of some labor market policies, such as the minimum wage.

2 Textbook and other material

The required textbook for this course is the following:

W. Kip Viscusi, Joseph E. Harrington and John M. Vernon
“Economics of Regulation and Antitrust”
4th edition, 2005, The MIT Press

The lectures occasionally refer to articles in professional journals and newspapers. In those cases a link is provided on the course webpage.

3 Course prerequisite

EC201, EC211 or EC303

4 Grading

The final grade is a weighted average of the scores on the cumulative final exam (50%), the midterm exam (30%), 4 short problem sets (10%) and an assessment of class participation (10%). There is no makeup exam; a zero grade is assigned for any missed exam.

5 Academic conduct code

Incidents of suspected cheating will be reported to the Dean's office. Students caught cheating will receive a grade of zero for that exam. It is the student's responsibility to know and understand the provisions of the CAS Academic Conduct Code. Copies are available in CAS 105.

6 Tentative schedule

Date	Topic	Main reference
Monday, June 29	Introduction. Motivations for public interventions	VHV Chapters 1,2
Tuesday, June 30	SCP, DWL from monopoly, Antitrust	VHV Chapters 3,4
Wednesday, July 1	Oligopoly, collusion and antitrust	VHV Chapter 5
Monday, July 6	Introduction to Regulation	VHV Chapter 10
Tuesday, July 7	Natural monopoly	VHV Chapter 11
Wednesday, July 8	Regulation of natural monopoly	VHV Chapters 12,13
Monday, July 13	Regulation: examples	VHV Chapters 12,13
Tuesday, July 14	Review for the midterm exam	
Wednesday, July 15	MIDTERM EXAM	
Monday, July 20	Public Enterprise	VHV Chapter 14
Tuesday, July 21	Dynamics	VHV Chapter 15
Wednesday, July 22	Regulation of potentially competitive markets	VHV Chapters 16,17
Monday, July 27	Environmental regulation	VHV Chapter 21
Tuesday, July 28	Health and safety regulation	VHV Chapter 22
Wednesday, July 29	Minimum wages	
Monday, August 3	Other labor market policies	
Tuesday, August 4	Review for the final exam	
Wednesday, August 5	FINAL EXAM	