

UC Berkeley  
Department of Economics  
Fall 2017

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## ECONOMICS 230A PUBLIC SECTOR MICROECONOMICS

This is the first of two courses in the Public Economics sequence. It will begin by covering core material on public choice and taxation and then move on to consider capital income taxation and its effects on the behavior of households and firms, social insurance, and local public finance. Economics 230B, the second semester in the sequence, will consider more fully the general optimal income tax problem, the institutional characteristics of important taxes, tax evasion, and wealth distribution.

**Class meetings:** Tuesdays 9-11, 639 Evans Hall, Aug. 29 - Nov. 28

**Office hours:** AA: Mondays, 10:00-11:30, and by appointment  
DY: Mondays, 9:45-11:45, and by appointment

**Prerequisites:** This course should normally be taken after the completion of first-year Ph. D. courses in economic theory and econometrics. Students with other backgrounds should consult one of the instructors.

**Requirements:**

Problem sets (2)	30%
Paper (app. 5 page review of two papers, due December 8)	20%
Final examination	50%

**Lecture Schedule:** AA: 8/29, 9/5, 12, 19, 26, 10/3, 10  
DY: 10/17, 24, 31, 11/7, 14, 21, 28

**Paper review assignment:**

Pick two PF papers on the same subject (can be published or working papers, must be in English, cannot be survey papers, should be from the last 5-10 years, no older than 15 years), run them by one of us by email, discuss in your paper why they are or are not compelling, describe what more we need to know in this topic area, the strengths and weaknesses of these two contributions, and what kind of theoretical or empirical analysis could in principle generate that new knowledge. 5 pages max. In describing each paper, there will be elements like a referee report. But then you should go further by describing the frontier of knowledge that is traced out by these papers and describing what a new contribution in this area that most valuably advances that frontier might look like.