

Fulbright School of Public Policy and Management

Academic year 2020-2021

Spring Term

MICROECONOMICS II

(4 credits)

Teaching Team

Instructor: Le Thai Ha

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Teaching Asst: Bui Manh Tien

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Class Meetings Monday, Wednesday, Friday: 8:30 – 10:00

Office Hours

	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>
Le Thai Ha		2:00-3:30		2:00-3:30	
Bui Manh Tien	2:00-3:30		2:00-3:30		2:00-3:30

Members of the teaching team are also available at other time by appointment.

Course Objectives

1. Students will be exposed to and expected to have the ability to perform a variety of types of microeconomic analysis and utilize different methodologies in different settings.
2. Provide you the tools, skills, and background to perform international standard microeconomic analysis across a variety of public policy topical areas.
3. Improve critical thinking and creative problem-solving skills to be able to analyze research problems in the workplace and arrive at well-reasoned solutions to problems.
4. To comprehend and be able to apply foundations of public policy and management in the Vietnamese context.
5. To comprehend and be able to apply principles of market economy to a transition economy like Vietnam.
6. To contribute effectively to the public policy reform in Vietnam.
7. To contribute to knowledge about developing and transition countries.

Learning Outcomes:

Upon completion of this course, the students are expected to:

1. Apply the knowledge of the subject in advanced policy research and analysis.
2. Be able to read research articles in important economic and policy journals.
3. Critically evaluate research in areas introduced in this course, in particular economic development, institutional economics, and finance.

Expectations of the Student:

1. Come to class completely prepared. This means having completed and studied all readings, being prepared to discuss the readings, ask questions, of presenters, and answer questions when called upon. Additional expectations of students are presented below.
2. All work must be turned in on time. There will be no extensions granted. If you know you will be absent, then arrange to turn the assignment in early.
3. Students must be able to critically analyze and present independent thought about the material covered in class. Simply regurgitating the material will not earn the student a good grade.
4. The student must perform their own work. Any student caught cheating, plagiarizing, or using others' work will receive a failing grade for the course automatically. Please refer to the Students' Handbook for guidelines on plagiarism and other related issues.

Grading Structure

1. In-class participation: 10%
2. Team presentation: 20%
3. Midterm: 20%
4. Paper proposal: 40%
5. Weekly paper analysis 10%

Class Resources:

1. Students will be required to visit the website to obtain the readings and join online class discussions.
2. Students should go to the website and apply for membership to the group. Because the group is private, only students of the class will be admitted as members and allowed to access class resources.
3. All readings will be available online through the group in the "Files" section for easy downloading.
4. Instructors will be sending out regular emails to the class via the email list in the group. If you are not a member of the group, you will not receive emails and important information.

Class Readings:

You are expected to have completed the reading(s), prepared questions, and be ready to engage in discussion about the material before attending class.

Class Presentations:

Every week, we will have two to three teams' presentation depending on the number of students. **The team presentation will be responsible for 20% of your grade.**

The presentation must present a critical analysis of the text and not simply restate what was written. Everyone is coming to class having read the text, the student giving the presentation must be able to provide additional information or analysis in their presentation. Poor presentations will simply restate what the text states without providing critical analysis.

The presenter should do things such as stating what the problem being analyzed is, what the methodology used is, whether the researcher is able to convincingly demonstrate their point, was their methodology appropriate?

Students are encouraged to use computer resources such as PowerPoint, handouts, or other materials in making their presentations.

Weekly Paper Analysis:

Each topic will consist of two to three academic research papers. These are selected readings of some of the best recent research in development economics with a micro focus.

Every week, you must analyze one of the papers specified for the topic of that week. The paper can be of your choice but must come from that week's readings. Do not just restate what the paper says but analyze the paper for questions like how well the authors demonstrated their findings, their use of data, their methodologies, its applicability to public policy, and strengths or weaknesses of the study design to give but a few potential examples. The student *must* analyze the paper and not merely report what the paper says.

Merely being able to restate the facts will not give the student a good grade!

Midterm Assessment and Written Assignment:

April 5: Midterm examination

May 25: Paper proposal submission

Class Participation:

Class participation will count for 10% of your final grade. Class participation is very important, and you are expected to arrive at class prepared to work through the foundational readings and/or case studies presented.

COURSE SCHEDULE:

- February 22: **Supply and Demand**
- February 24: Tutorial Session (Exercises + Review)
- February 26: Hoang, Hoa K. "Analysis of food demand in Vietnam and short-term impacts of market shocks on quantity and calorie consumption." *Agricultural Economics* 49.1 (2018): 83-95.
- Lin, Ru-Jen, Kim-Hua Tan, and Yong Geng. "Market demand, green product innovation, and firm performance: evidence from Vietnam motorcycle industry." *Journal of Cleaner Production* 40 (2013): 101-107.
- March 1: **Consumer Theory**
- March 3: Tutorial Session (Exercises + Review)
- March 5: Bakkensen, Laura, and Paul Schuler. "A preference for power: Willingness to pay for energy reliability versus fuel type in Vietnam." *Energy Policy* 144 (2020): 111696.
- Nguyen, Duy Chinh, et al. "Modal preference in Ho Chi Minh City, Vietnam: An experiment with new modes of transport." *SAGE Open* 9.2 (2019): 2158244019841928.
- March 8: **Demand**
- March 10: Tutorial Session (Exercises + Review)
- March 12: Truong, Q. D., Nguyen, H. Q., & Tran, D. K. "Elasticity of market demand between modes of transport in Vietnam by price and income." *Journal of Economic Development* 45.1 (2020).
- Wilkins, Stephen, and Selina Neri. "Managing faculty in transnational higher education: Expatriate academics at international branch campuses." *Journal of Studies in International Education* 23.4 (2019): 451-472.
- March 15: **Consumer Welfare and Policy Analysis**
- March 17: Tutorial Session (Exercises + Review)
- March 19: Baulch, Bob, Thuy Duong Do, and Thai-Ha Le. "Constraints to the uptake of solar home systems in Ho Chi Minh City and some proposals for improvement." *Renewable energy* 118 (2018): 245-256.
- Herbst, Chris M., and Erdal Tekin. "Childcare subsidies and child development." *Economics of Education review* 29.4 (2010): 618-638.

Rätzel, Steffen. "Labour supply, life satisfaction, and the (dis) utility of work." *The Scandinavian Journal of Economics* 114.4 (2012): 1160-1181.

March 22:

Firms and Production

March 24:

Tutorial Session (Exercises + Review)

March 26:

Nguyen, Huy Quynh, and Peter Warr. "Land consolidation as technical change: Economic impacts in rural Vietnam." *World Development* 127 (2020): 104750.

Pham, Thuy Linh. "Efficiency and productivity of hospitals in Vietnam." *Journal of health organization and management* 25.2 (2011): 195-213.

March 29:

Costs

March 31:

Tutorial Session (Exercises + Review)

April 2:

Iimi, Atsushi. "Effects of Improving Infrastructure Quality on Business Costs: Evidence from Firm-Level Data in Eastern Europe and Central Asia." *The Developing Economies* 49.2 (2011): 121-147.

Mistré, Mélodie, Morgan Crénes, and Manfred Hafner. "Shale gas production costs: historical developments and outlook." *Energy Strategy Reviews* 20 (2018): 20-25.

April 5:

MIDTERM EXAMINATION

April 12:

Competitive Firms and Markets

April 14:

Tutorial Session (Exercises + Review)

April 16:

Diaby, Aboubacar, and Kevin Sylwester. "Corruption and market competition: Evidence from post-communist countries." *World Development* 66 (2015): 487-499.

Thiel, Peter. "Competition is for losers." *The Wall Street Journal* 12 (2014).

April 19:

Decision under Risk

April 21:

Public holiday (King Hung Day)

April 23:

Tutorial Session (Exercises + Review)

April 26:

Clemes, Michael D., Christopher Gan, and Junli Zhang. "An empirical analysis of online shopping adoption in Beijing, China." *Journal of Retailing and Consumer Services* 21.3 (2014): 364-375.

Outreville, J. François. "Risk aversion, risk behavior, and demand for insurance: A survey." *Journal of Insurance Issues* (2014): 158-186.

- April 28: **General Equilibrium and Welfare**
- April 30: Public holiday (Victory Day)
- May 3: No class
- May 5: Tutorial Session (Exercises + Review)
- May 7: Golosov, M., Hassler, J., Krusell, P., & Tsyvinski, A. (2014). Optimal taxes on fossil fuel in general equilibrium. *Econometrica*, 82(1), 41-88.
- Petri, Peter A., Michael G. Plummer, and Fan Zhai. "ASEAN economic community: A general equilibrium analysis." *Asian Economic Journal* 26.2 (2012): 93-118.
- May 10: **Firm Pricing**
- May 12: Tutorial Session (Exercises + Review)
- May 14: Chandra, Ambarish, and Mara Lederman. "Revisiting the relationship between competition and price discrimination." *American Economic Journal: Microeconomics* 10.2 (2018): 190-224.
- Simshauser, Paul, and Patrick Whish-Wilson. "Price discrimination in Australia's retail electricity markets: An analysis of Victoria & Southeast Queensland." *Energy Economics* 62 (2017): 92-103.
- May 17: **Externality and Public Goods**
- May 19: Tutorial Session (Exercises + Review)
- May 21: Anas, Alex, and Robin Lindsey. "Reducing urban road transportation externalities: Road pricing in theory and in practice." *Review of Environmental Economics and Policy* 5.1 (2011): 66-88.
- Badertscher, Brad, Nemit Shroff, and Hal D. White. "Externalities of public firm presence: Evidence from private firms' investment decisions." *Journal of Financial Economics* 109.3 (2013): 682-706.
- May 25: PAPER PROPOSAL SUBMISSION DEADLINE**