

**Warrington College of Business Administration**  
Hough Graduate School of Business  
School of Business  
Fisher School of Accounting

109 Bryan Hall  
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**GENERAL FACULTY MEETING**

**AGENDA | Tuesday, September 8, 2009 | 10:00 a.m. | Stuzin 104**

1. The April 8, 2009 General Faculty Meeting Minutes is presented for approval by the faculty.
2. The Undergraduate Curriculum Committee approved the following items and is presenting them for approval by the faculty (attached):
  - Proposal to Reinstate the Minor in Entrepreneurship
  - Proposal to Reinstate the Minor in Real Estate
3. Other Business
4. Dean's Report

**GRADUATE FACULTY MEETING**

**AGENDA | Tuesday, September 8, 2009 | 10:00 a.m. | Stuzin 104 (immediately following General Faculty Meeting)**

1. The April 8, 2009 Graduate Faculty Meeting Minutes is presented for approval by the faculty.
2. The Ph.D. Curriculum Committee approved the following items and is presenting them for approval by the faculty (attached):

**New Courses:**

**ECP 7407 – Theory of Industrial Organization: Product Differentiation and Strategy**

- ◆ **Credits:** Variable 1-2
- ◆ **Contact Hours:** 2 base hours
- ◆ **Prerequisites:** ECO 7115, ECO 7404, ECO 7117
- ◆ **Description:** A review of undifferentiated oligopoly, then focuses on oligopoly with differentiated products, modern monopolistic competition models, strategic moves in oligopoly.

**ECP 7419 – Current Research in Regulation**

- ◆ **Credits:** Variable 1-2
- ◆ **Contact Hours:** 2 base hours
- ◆ **Prerequisites:** None
- ◆ **Description:** This course will emphasize on current research topics in regulation, with emphasis on energy, environment, telecommunications, and water, with an objective of preparing students to contribute to this research.

**Course Changes:**

**ECO 7536 - Theoretical Public Economics**

- ◆ **Change Description**
  - OLD:** Topics related to externalities, public expenditure, optimal taxation, and social choice.
  - NEW:** The course is concerned primarily with public goods and their provision.

3. Other Business
4. Dean's Report

*The Foundation for The Gator Nation*

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**GENERAL FACULTY MEETING**

**MINUTES** | Wednesday, April 8, 2009 | 4:00 p.m. – STZ 102

1. The March 5, 2009 General Faculty Meeting Minutes were presented for approval. A motion was made to approve the minutes presented. The motion was seconded and the faculty voted to approve the minutes as distributed.
2. A motion was made to approve a change in prerequisite for MAR 3023. The motion was seconded and the faculty voted to approve the course change as presented.

**Course Changes** (approved):

**MAR 3023**

◆ **Change Prerequisite**

Current: Sophomore Standing and Completion of ECO 2023-Microeconomics or ECO 2013Macroeconomics.  
Proposed: Sophomore Standing and completion of one of the following: ECO 2013-Macroeconomics, ECO 2023-Microeconomics, or AEB 2014-Economic Issues, Food, and You

Although this item was presented for discussion only, the faculty agreed to suspend the by-laws temporarily in order to vote on it. A motion was made to approve a new minor in ISOM. The motion was seconded and the faculty voted to approve the new minor in ISOM as presented.

**New Minor:** (~~for discussion~~)(approved)

**Minor in Information Sciences and Operations Management**

5 Required Courses (12 hrs.):

MAC 2233 Survey of Calculus (3 hrs.)  
CGS 2531 Problem Solving Using Computers (3 hrs.)  
ISM 4113 Business Systems Design and Applications (2 hrs.)  
ISM 4210 Database Management (2 hrs.)  
ISM 4220 Business Data Communications (2 hrs.).

2 Elective Courses (4 hrs.):

ISM 4330 Information Systems and Operations Strategy (2 hrs.)  
ISM 3254 Business Systems 1 (2 hrs.)  
ISM 3255 Business Systems 2 (2 hrs.)  
QMB 4701 Managerial Operations Analysis 1 (2 hrs.)  
QMB 4702 Managerial Operations Analysis 2 (2 hrs.)

3. Other Business  
There were no other business items.
4. Dean's Report  
-A summary of department size was shared with the faculty ranging from 2007 through 2011.  
-The university should provide more information by the 15<sup>th</sup> of April on budget cuts.  
-The construction of Hough Hall is on schedule and expected to be ready to move in next May, 2010.  
-Gained \$100 million on UF Campaign.

A motion was made to adjourn the meeting. The motion was seconded and the meeting adjourned at 4:15 p.m.

**GRADUATE FACULTY MEETING**

**MINUTES** | Wednesday, April 8, 2009 | (immediately following the General Faculty Mtg) – STZ 102

1. The March 5, 2009 Graduate Faculty Meeting Minutes were presented for approval. A motion was made to approve the minutes presented. The motion was seconded and the faculty voted to approve the minutes as distributed.
2. Other Business  
There were no other business items.
3. Dean's Report  
There was no dean's report at the graduate faculty meeting.

A motion was made to adjourn the graduate faculty meeting. The motion was seconded and the meeting adjourned at 4:20 p.m.

Attendees: John Kraft, Andy McCollough, Jane Douglas, Jonathan Hamilton, M. Nimalendran, Asoo Vakharia, Selcuk Erenguc, Brian Ray, Richard Lutz, Chris Janiszewski, Ginny Maurer, Bill Rossi, Alan Sawyer, Sanford Berg

August 26, 2009

**MEMORANDUM**

To: Sharon Haughton  
From: Brian Ray  
Subject: Proposal to Reinstate the Minors in Entrepreneurship and Real Estate

The following proposals were approved by an e-mail vote of the Undergraduate Committee. Please include these proposals on the agenda for the September 8th faculty meeting.

**Reinstatement of the Entrepreneurship Minor**

The entrepreneurship minor provides all undergraduates with the opportunity to learn the basic principles of business operations and new venture development. To declare the minor, students must complete ACG 2021C and GEB 3113 with grades of B or better. To complete the minor, students must:

- Earn an overall minimum 2.5 GPA in the minor.
- Take all courses for the minor for a letter grade (i.e., not pass/fail).
- Take all upper-division courses for the minor at the University of Florida.

**Course Requirements**

- ACG 2021C Introduction to Financial Accounting (4 credits)
- GEB 3113 Principles of Entrepreneurship (4 credits)
- FIN 3403 Business Finance OR MAR 3023 Principles of Marketing (4 credits)
- Take Two of the Following (5-7 credits)**
  - AEB 3341 Selling Strategically (3 credits)
  - Any Upper-level Entrepreneurship Courses Beyond GEB 3113 (2-4 credits)

## **Reinstatement of the Real Estate Minor**

The real estate minor provides all undergraduates with a comprehensive exposure to the diverse field of real estate. To declare the minor, students must earn a grade of B or better in RE 3043 Real Estate Analysis. To complete the minor, students must:

Earn an overall minimum 3.0 GPA in the minor.

Take all courses for the minor for a letter grade (i.e., not pass/fail).

Take all upper-division courses for the minor at the University of Florida.

### **Course Requirements**

ECO 2013 Principles of Macroeconomics or ECO 2023 Principles of Microeconomics (4 credits)

BUL 4310 The Legal Environment of Business (4 credits)

REE 3043 Real Estate Analysis (4 credits)

REE 4303 Real Estate Investment Decision Making (4 credits)

Completion of Two of the Following Elective Courses (6-7 credits)

- BCN 1210 Construction Materials
- BCN 1252C Construction Drawing
- BCN 1582 International Sustainable Development
- BCN 3012 History of Construction
- BCN 4023 Creating Affordable Housing
- BCN 4751C Project Planning and Feasibility
- GEO 3602 Urban and Business Geography
- GEO 4620 Business Geography Integrating Theory
- GIS 3043 Foundations of Geographical Information Systems
- URP 2931 Seminar in Urban and Regional Issues
- URP 4000 Preview of Urban and Regional Planning
- URP 4273 Survey of Planning Information Systems

**Theory of Industrial Organization:  
Product Differentiation and Strategy**

This is the first of a four-course sequence of half-semester courses on the economics of industrial organization. This course begins with a review of undifferentiated oligopoly, and then focuses on oligopoly with differentiated products, modern monopolistic competition models, strategic moves in oligopoly, and some other topics as time permits. The focus is to prepare you to do research in industrial organization.

The reading list is more extensive than what we will actually cover; it is intended to serve as a reference guide for your future work and as a general bibliography. At the beginning of each section, I will announce which articles you will be responsible for.

**Prerequisites** If you have not taken Micro Theory (ECO 7115), Game Theory (ECO 7404), and the Spring 2007 Markets (ECO 7117) class, discuss your preparation with me.

**Requirements**

*Problem sets:* There will be approximately one every two weeks. They are important for learning the material, but do not count heavily toward your grade. Some problem sets extend a lecture presentation, while others include detailed examples. Unless stated otherwise, they must be handed in for grading. You may discuss these problems with other students, but you must turn in your own answers.

*Take-home final exam:* This will be distributed on Thursday 9 October and due Thursday 16 October. It will consist primarily of problems. It may also include a careful analysis of a paper not covered in class. You are forbidden to discuss the exam questions with anyone other than the instructor; noncompliance will be a serious violation of academic honesty. Class will continue to meet through Thursday 16 October.

**Class Times** Tuesdays and Thursdays 3<sup>rd</sup> and 4<sup>th</sup> periods, MAT 107

**Office Hours** Wednesdays 9:30 am - 11:30 am or by appointment

**Office** MAT 224 (telephone 392-2999)

**Email** jon.hamilton@cba.ufl.edu or hamilton@ufl.edu

## **Texts**

**T** Tirole, *The Theory of Industrial Organization*, MIT Press (1988)

**V** Vives, *Oligopoly Pricing: Old Ideas and New Tools*, MIT Press (1999)

## **Supplementary Texts**

Motta, *Competition Policy: Theory and Practice*, Cambridge U Press (2004)

Martin, *Advanced Industrial Economics*, 2<sup>nd</sup> edition, Blackwell (2002)

*Handbook of Industrial Organization*, Elsevier

<http://www.sciencedirect.com/science/handbooks/1573448X>

The three volumes range for 1989 to 2007 and offer some review articles on different topics.

While most course material is from journal articles, these books have useful presentations of some of the material. They also contain useful problems for practice.

## **Abbreviations of Journal Titles**

<i>AER</i>	American Economic Review
<i>Bell</i>	Bell Journal of Economics
<i>EL</i>	Economics Letters
<i>IER</i>	International Economic Review
<i>IJIO</i>	International Journal of Industrial Organization
<i>JEP</i>	Journal of Economic Perspectives
<i>JET</i>	Journal of Economic Theory
<i>QJE</i>	Quarterly Journal of Economics
<i>RAND</i>	RAND Journal of Economics
<i>REStud</i>	Review of Economic Studies

Several of these journals are available online through [www.jstor.org](http://www.jstor.org). Consult <http://www.uflib.ufl.edu/ej/> for other online sources. I have a set of the main readings which I will make available for copying.

Enrollment in this course constitutes acknowledgement of the following:

- 1) I understand that the University of Florida expects its students to be honest in all of their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action, up to and including expulsion from the University.
- 2) I will adhere to university copyright policies as found at <http://www.uflib.ufl.edu/admin/Copyright.htm>.
- 3) Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation.

## Syllabus

### 1. Review of Homogeneous Product Oligopoly; New Approaches

#### a) *Bertrand revisited*

**T** 5.3.2

**V** 4, 5

Hamilton, "The Strategic Effect of Supply Guarantees: The Raincheck Game" in *Market Structure and Competition Policy: Game-Theoretic Approaches*, edited by G. Norman and J.-F. Thisse, Cambridge University Press

#### b) *New approaches to existence and comparative statics*

**V** 1

Amir, "Supermodularity and Complementarity in Economics: An Elementary Survey," forthcoming, *Southern Economic Journal*

### 2. Product Differentiation

#### a) *Horizontal and location models*

Cheng, "Comparing Bertrand and Cournot Equilibria: A Geometric Approach," *RAND* 16: 146-152 (1985)

Vives, "On the Efficiency of Bertrand and Cournot Equilibria with Product Differentiation," *JET* 36: 166-75 (1985)

D'Aspremont, Gabszewicz, and Thisse, "On Hotelling's 'Stability in Competition,'" *Econometrica* 47: 1145-1150 (1979)

**T** 7.1.1

**V** 6

Osborne and Pitchik, "Equilibrium in Hotelling's Model of Spatial Competition," *Econometrica* 55: 911-922 (1987)

Von Ungern-Sternberg, "Monopolistic Competition and General Purpose Products," *REStud* 55: 231-246 (1988)



Hamilton, Thisse, and Weskamp, "Spatial Discrimination: Bertrand vs. Cournot in a Model of Location Choice," *Regional Science and Urban Economics* 19: 87-102 (1989)

**b) Vertical differentiation models**

T 7.5.1

Shaked and Sutton, "Relaxing Price Competition Through Product Differentiation," *REStud* 49: 3-13 (1982)

Shaked and Sutton, "Natural Oligopolies," *Econometrica* 51: 1469-1484 (1983)

Aoki and Prusa, "Sequential versus Simultaneous Choice with Endogenous Quality," *IJIO* 15:103-121 (1996)

Vogel, "Spatial Competition with Heterogeneous Firms," *JPE* 116: 423-466 (2008)

**c) Monopolistic competition models**

T 7.5.2

Dixit and Stiglitz, "Monopolistic Competition and Optimum Product Diversity," *AER*, 67: 297-308 (1977)

Spence, "Product Selection, Fixed Costs, and Monopolistic Competition," *REStud* 43: 217-235 (1976)

Ottaviano, Tabuchi, and Thisse, "Agglomeration and Trade Revisited," *IER* 43: 490-435 (2002)

Anderson, de Palma, and Thisse, "Demand for Differentiated Products, Discrete Choice Models, and the Characteristics Approach," *RE Stud* 56: 21-35 (1989)

Anderson, de Palma, and Thisse, *Discrete Choice Theory of Product Differentiation*, MIT Press, 1992

Haile, Hortacsu, and Kosenok, "On the Empirical Content of Quantal Response Equilibrium Models," *AER* 98: 180-200 (2008)

Anderson, de Palma, and Nesterov, "Oligopolistic Competition and the Optimal Provision of Products," *Econometrica* 63: 1281-1301 (1995)

Mankiw and Whinston, "Free Entry and Social Inefficiency," *RAND* 17: 48-58 (1986)

### **3. Dynamic Price Competition**

Stigler, "A Theory of Oligopoly," *JPE* 72: 44-61 (1964)

Friedman, *Oligopoly and the Theory of Games*, Elsevier (1977)

Green and Porter, "Noncooperative Collusion under Imperfect Price Information,"  
*Econometrica* 52: 87-100 (1984)

Rotemberg and Saloner, "A Supergame-Theoretic Model of Price Wars during Booms,"  
*AER* 76: 390-407 (1986)

### **4. Entry and Exit, Strategic Moves, Raising Rivals' Costs**

**T** 8

#### ***a) Contestability: an unsuccessful model***

Baumol, "Contestable Markets: An Uprising in the Theory of Industry Structure," *AER* 72: 1-15 (1982)

Weitzman, "Contestable Markets: An Uprising in the Theory of Industry Structure: Comment," *AER* 73: 486-487 (1983)

Schwartz and Reynolds, "Contestable Markets: An Uprising in the Theory of Industry Structure: Comment," *AER* 73: 488-490 (1983)

Baumol, Panzar, and Willig, "Contestable Markets: An Uprising in the Theory of Industry Structure: Reply," *AER* 73: 491-496 (1983)

#### ***b) Commitment models***

**V** 7.4

Bulow, Geanakoplos, and Klemperer, "Multimarket Oligopoly: Strategic Substitutes and Complements," *JPE* 93: 488-511 (1983)

Brander and Spencer, "Strategic Commitment with R&D: The Symmetric Case,"  
*Bell* 14: 225-235 (1983)

#### ***c) Facilitating practices; pricing policies***

Cooper, "Most-favored-customer Pricing and Tacit Collusion," *RAND* 17: 377-388 (1986)

*d) Switching costs*

Klemperer, "Markets with Consumer Switching Costs," *QJE* 102: 375-394 (1987)

Klemperer, "The Competitiveness of Markets with Switching Costs," *RAND* 18: 138-150 (1987)

Klemperer, "Competition when Consumers Have Switching Costs: An Overview with Applications to Industrial Organization, Macroeconomics, and International Trade," *REStud* 62: 515-539 (1995)

*e) Mergers*

Salant, Switzer, and Reynolds, "Losses from Horizontal Merger: The Effect of an Exogenous Change in Industry Structure on Cournot -Nash Equilibrium," *QJE*, 98(2), 185-199 (1983)

Farrell and Shapiro "Horizontal Mergers: An Equilibrium Analysis," *AER* 80: 107-126 (1990)

Deneckere and Davidson, "Incentives to Form Coalitions with Bertrand Competition," *RAND* 16: 473-486 (1985)

Baye, Crocker, and Ju, "Divisionalization, Franchising, and Divestiture Incentives in Oligopoly," *AER* 86: 223-236 (1996)

*e) Entry prevention*

Motta, 7.3

Judd, "Credible Spatial Preemption," *RAND* 16: 153-166 (1985)

Nalebuff, "Bundling as an Entry Barrier," *QJE* 119: 159-187

Anderson and Engers "Preemptive Entry in Spatially Differentiated Markets," *Economic Theory* 17: 419-445 (2001)

**5. R&D: competition and monopoly**

T 10

## **6. Two-sided markets**

Evans and Schmalensee, "The Industrial Organization of Markets with Two-Sided Platforms," NBER Working Paper 11603 (2005)

Wright, "One-sided Logic in Two-Sided Markets," *Review of Network Economics* 3: 44-64 (2004)

Armstrong, "Competition in Two-sided Markets," *RAND* 37: 668-691 (2006)

Armstrong and Wright, "Two-sided Markets, Competitive Bottlenecks and Exclusive Contracts", *Economic Theory* 32: 353-380 (2007)

**PART 1: TO BE COMPLETED BY THE INSTITUTION**

Institution Name: <b>University of Florida</b>		Institutional Code: <b>001535</b>	Instructional Unit or Department Name, Department Code: Economics / 01170500	
Recommended SCNS Course Identification:				
Discipline (SMA) <u>0 1 8</u>	Prefix <u>E C P</u>	Level <u>7</u>	Course Number <u>4 0 7</u>	Lab Code _____
Institution's Course Title: <u>Theory of Industrial Organization:Product Differentiation and Strategy</u>				
Effective Term and year course will first be offered: <u>Fall 2010</u>				
Amount of Credit: var 1-2	Contact hour base <u>2</u> or Headcount _____		If Repeatable Credit or Variable Credit: _____ total repeatable credit allowed _____ minimum / _____ maximum credit within a semester	
Course Description (attach a course syllabus): A review of undifferentiated oligopoly, then focuses on oligopoly with differentiated products, modern monopolistic competition models, strategic moves in oligopoly.			Mark all that apply: Rotating Topic <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S/U Only <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Repeatable for Credit <input type="checkbox"/> Yes <input type="checkbox"/> No	
Prerequisites: (This form does not update ISIS or registration prerequisite checking.) ECO 7115, ECO 7404, ECO 7117				
Corequisites:				
All faculty teaching this course have completed at least 18 graduate semester hours in the teaching discipline and hold at least a master's degree. <span style="float:right">✓ Yes No</span>				
Degree Type (Mark all that apply.): Associate of Arts <input type="checkbox"/> Baccalaureate <input type="checkbox"/> Graduate Study <input checked="" type="checkbox"/> Other (specify): _____				
Category of Instruction: <input type="checkbox"/> Introductory <input type="checkbox"/> Intermediate <input checked="" type="checkbox"/> Advanced				
Department Contact, Telephone Number, Email Address and PO Box: Laura Braden, 392-0151, laura.braden@cba.ufl.edu, POB 117140				(Date) 7/8/2009
College Contact, Telephone Number, Email Address and PO Box: Sharon Haughton, 273-3225, sharon.haughton@cba.ufl.edu, POB 117150				(Date) 7/8/2009

**PART 2: TO BE COMPLETED BY THE FACULTY DISCIPLINE COMMITTEE REPRESENTATIVE**

Approved Course Classification (Prefix, Number, Lab Code):  
 If not the same as recommended by institution, please explain:

SCNS Course Title (if new): _____
Decade Title (if new): _____
Century Title (if new): _____
Signature, Faculty Discipline Committee Representative: _____
Date: _____

# THE UNIVERSITY OF FLORIDA

Dr. Mark Jamison

Spring 2009

## Current Research in Regulation

This course will emphasize on current research topics in regulation, with emphasis on energy, environment, telecommunications, and water, with an objective of preparing students to contribute to this research. In some instances we will analyze the historic literature so that students have adequate foundation for current research themes. The class will be taught primarily through lecture and discussion, with exercises and exams emphasizing extensions to the literature.

The class will meet from 11:45 am to 1:40 pm on Tuesdays and Thursdays in Matherly 51. The class begins on March 3 and ends on April 21.

There is no required textbook for this course, but students may find that Jean Tirole's The Theory of Industrial Organization provides useful background.

Your grade in this course will be determined by one-third by exercises and two-thirds by the final exam. The Final Exam is scheduled for April 30 from 10 am to 12 noon, but will be conducted via e-mail. Students will receive the final exam via e-mail on April 21. Copies will also be handed out in class that day. Completed exams must be emailed to the instructor no later than midnight (Eastern Standard Time) April 23.

The instructor can be contacted at 392-2929 or jamisoma@ufl.edu. The instructor's office is 205 Matherly and his office hours are 1:40 pm to 2:40 pm, Tuesdays and Thursdays.

Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation.

## Course Schedule

Following is the schedule of topics and key papers that will be covered. Other relevant papers are also listed. You are responsible only for reading the key papers.

**March 3**      **Overview of Utility Regulation** – how regulation of utilities is done

Public Utility Research Center, "Overview of Utility Regulation,"  
Economics Department, University of Florida, November 2004.

**March 5**     **Theories of Regulation** – overview of positive and normative theories of regulation, with emphasis on opportunism, capture, and division of expertise.

Williamson, Oliver E. 1983. “Credible Commitments: Using Hostages to Support Exchange,” The American Economic Review 73(4): 519-540.

Peltzman, Sam. 1976. “Toward a More General Theory of Regulation,” Journal of Law and Economics 19(2): 211-240.

Alesina, Alberto, and Guido Tabellini. 2007. “Bureaucrats or Politicians? Part I: A Single Policy Task,” The American Economic Review 97(1): 169-179.

Other useful references:

Armstrong, Mark, Simon Cowan, and John Vickers. 1999. *Regulatory Reform: Economic Analysis and British Experience*. Cambridge, MA: The MIT Press, chapter 3.

Hunter, Lawson A. W., Philippe Gauvin, and David Krause. 2008. “Changing the Presumption of when to Regulate: The Rationale of Canadian Telecommunications Reform.” Journal of Competition Law & Economics 4(3): 775–790.

Laffont, Jean-Jacques. 2005. *Regulation and Development*. Cambridge: Cambridge University Press.

Peltzman, Sam. 1971. “Pricing in Public and Private Enterprises: Electric Utilities in the United States,” Journal of Law and Economics 14(1): 109-147.

Posner, Richard. 1971. “Taxation by Regulation,” Bell Journal of Economics 2:22-50.

Posner, Richard. 1974. “Theories of Economic Regulation,” Bell Journal of Economics 5:335-358.

Prendergast, Candice. 2007. “The Motivation and Bias of Bureaucrats.” The American Economic Review 97(1): 180-196.

Tirole, Jean. 1977. *The Theory of Industrial Organization*. Cambridge, MA: The MIT Press.

Wallsten, Scott. 2006. "Telecommunications Regulation in U.S. States: Its Rise and Impacts in the Early Twentieth Century," AEI-Brookings Joint Center for Regulatory Studies.

**March 17**    **Regulatory Institutions** – empirical tests of effects of regulation on investment, and on effects of politics on regulatory policies

Henisz, W. J. & B. A. Zelner. 2001. "The Institutional Environment for Telecommunications Investment." Journal of Economics & Management Strategy, 10(1): 123-47.

Gasmi, Farid, and Paul Naumba. 2006. "Political Accountability and Regulatory Performance in Infrastructure Industries: An Empirical Analysis," World Bank Policy Research Working Paper 4101.

Other useful references:

<http://www-management.wharton.upenn.edu/henisz/papers.htm>

Brown, Keith, and Adam Candeub. 2005. "What Do Bureaucrats Want: Estimating Regulator Preferences at the FCC." Working Paper, Michigan State University Law School.

Gandala, Neil, David Salant, Leonard Waverman. 2003. "Standards in Wireless Telephone Networks." Telecommunications Policy 27: 325–332.

Gutierrez, Luis H. 2003. "The Effect of Endogenous Regulation on Telecommunications Expansion in Latin America," Journal of Regulatory Economics 23(3): 257-286.

Guthrie, Graeme. 2006. "Regulating Infrastructure: The Impact on Risk and Investment." Journal of Economic Literature 64: 925–972.

Hausman, William J. and John L. Neufeld. 2002. "The Market for Capital and the Origins of State Regulation of Electric Utilities in the United States," The Journal of Economic History 62(2): 1050-1072.

Henisz, W.J. 2000. "The Institutional Environment for Economic Growth," Economics and Politics 12(1): 1-31.

Henisz, W. J. 2002. "The Institutional Environment for Infrastructure Investment." Industrial and Corporate Change, 11(2): 355-89.



Kosnik, Lea-Rachel D. 2005. "Entering the Fray: Interest Groups and Regulatory Battle Choice," Department of Economics, University of Missouri - St. Louis.

Kosnik, Lea-Rachel D. 2005. "Sources of Bureaucratic Delay: A Case Study of FERC Dam Relicensing," Department of Economics, University of Missouri - St. Louis.

Wallsten, Scott J. 2001. "An econometric analysis of telecom competition, privatization, and regulation in Africa and Latin America," The Journal of Industrial Economics 49(1): 1-19.

Wallsten, Scott J. 2001. "Telecommunications Investment and Traffic in Developing Countries: The Effects of International Settlement Rate Reforms," Journal of Regulatory Economics 20(3): 307-323.

Wallsten, Scott. 2005. "Regulation and Internet Use in Developing Countries," Economic Development and Cultural Change 53(2): 501-523.

## **March 19 Empirical Tests of Competition**

Greenstein, Shane and Michael Mazzeo. 2006. "The Role of Differentiation Strategy in Local Telecommunications Entry and Market Evolution: 1999-2002," Journal of Industrial Economics 54(3): 323-350.

Bushnell, James B., Erin T. Mansur, and Celeste Saravia. 2008. "Vertical Arrangements, Market Structure, and Competition: An Analysis of Restructured US Electricity Markets." American Economic Review 98(1): 237-266.

Other useful references:

Amundsen, Eirik, S. and Lars Bergman. 2006. "Why has the Nordic electricity market worked so well?" Utilities Policy 14(3): 148-157.

Bajari, Patrick and Jeremy T. Fox. 2005. "Complementarities and Collusion in an FCC Spectrum Auction," University of Michigan and NBER University of Chicago.

Bushnell, James, Erin T. Mansur, and Celeste Saravia. 2005. "Vertical Arrangements, Market Structure, and Competition: An Analysis of Restructured U.S. Electricity Markets."

Jamison, Mark A. 2004. "Effects of Prices for Local Network Interconnection on Market Structure in the U.S." In *Global Economy and Digital Society*, ed. Erik Bohlin, Stanford L. Levin, Nakil Sung, and Chang-Ho Yoon, 301-20. Amsterdam: Elsevier Science.

Kamerschen, David R. Peter G. Klein, and David V. Porter. 2005. "Market Structure in the US Electricity Industry: A Long-term Perspective," *Energy Economics* 27: 731– 751.

Li, Yan. 2008. "Econometric Evidence on the Impacts of Privatization, New Entry, and Independent Industry Regulator on Mobile Network Penetration and Expansion." ESRC Centre for Competition Policy, University of East Anglia, Working Paper 08-35.

Littlechild, Stephen. 2006. "Competition and contracts in the Nordic residential electricity markets," *Utilities Policy* 14(3):135-147.

Quast, Troy. 2005. "An Analysis of the Extent and the Means of Entry into Local Telecommunications Markets," Department of Economics, University of Florida.

Wallsten, Scott J. 2004. "Privatizing Monopolies in Developing Countries: The Real Effects of Exclusivity Periods in Telecommunications," *Journal of Regulatory Economics* 26(3): 303-320.

Wallsten, Scott. 2006. "Broadband and Unbundling Regulations in OECD Countries," AEI-Brookings Joint Center for Regulatory Studies.

Ward, Michael R. 1999. "Product Substitutability and Competition in Long Distance Telecommunications," *Economic Inquiry* 37(4): 657-677.

Ward, Michael R. and Glen Woroch. 2005. "Fixed-Mobile Telephone Subscription Substitution in the U.S." Department of Economics, University of Texas at Arlington.

**March 24**    **Ownership and Governance** – private versus public ownership, including franchising and forms of private participation, but emphasizing empirical tests of privatization

Rose, Nancy L., and Paul L. Joskow. 1990. "The Diffusion of New Technologies: Evidence from the Electric Utility Industry," *The RAND Journal of Economics*, 21(3): 354-373.

Estache, Antonio. 2006. "PPI Partnerships vs. PPI Divorces in LDCs." *Review of Industrial Organization* 29:3–26.

Other useful references:

Arango, Santiago, Isaac Dynner and Erik R. Larsen. 2006. "Lessons from Deregulation: Understanding Electricity Markets in South America," Utilities Policy 14(3): 196-207.

Gassner, Katharina, Alexander Popov, and Nataliya Pushak. 2008. "An Empirical Assessment of Private Sector Participation in Electricity and Water Distribution in Developing and Transition Economies," World Bank Working Paper.

Newbery, David M. 2004. "Privatising Network Industries," CESifo Working Paper No. 1132, CESifo Working Paper Series, Cambridge University.

Zhang, Yin-Fang, David Parker, and Colin Kirkpatrick. (undated) "Assessing the Effects of Privatisation, Competition and Regulation on Economic Performance: The Case of Electricity Sector Reform," SCAPE Policy Research Working Paper Series from National University of Singapore, Department of Economics.

**March 26**     **Direct and Indirect Network Effects** – Theories of network effects and empirical tests

Katz, Michael L., and Carl Shapiro. 1985. "Network Externalities, Competition, and Compatibility," The American Economic Review 75(3): 424-440.

Rohlf, Jeffrey. 1974. "A Theory of Interdependent Demand for a Communications Service," The Bell Journal of Economics and Management Science, 5(1): 16-37.

Cabral, Luis M. B. 2008. "Dynamic Price Competition with Network Effects." New York University and Centre for Economic Policy Research Discussion Paper No. 6687.

Other useful references:

Arora, Ashish, Christopher M. Forman, and William B. Vogt. (undated) "Complementarity in IT adoption: The Internet and LANs," Heinz School of Public Policy & Management, Tepper School of Business, and NBER Carnegie Mellon University.

Birke, Daniel. 2008. "The Economics of Networks: A survey of the Empirical Literature." Nottingham University Business School, Working Paper 2008-22.

Cho, Kawon. 2005. "Effects of Consumer Tastes in Markets with Network Externalities: An Empirical Study of the Competition between IBM PCs and the Apple Macintosh," University of Southern California.

Clements, Matthew T. and Hiroshi Ohashi. 2005. "Indirect Network Effects and the Product Cycle: Video Games in the U.S., 1994-2002," Journal of Industrial Economics 53(4): 515-542.

Doganoglu, Toker and Lukasz Grzybowski. 2005. "Estimating Network Effects in Mobile Telephony in Germany," Center for Information and Network Economics, University of Munich.

Economides, Nicholas, Matt Mitchell and Andrzej Skrzypacz. 2005. "Dynamic Oligopoly with Network Effects," Stern School of Business, New York University.

**March 31**     **Two-sided Markets, Interconnection, Network Connectivity and Net Neutrality** – theories of two-sided markets and two-way interconnection, connectivity quality choices, and the issue of net neutrality

Armstrong, Mark. 1998. "Network Interconnection in Telecommunications," The Economic Journal 108(448): 545-564.

Cremer, Jacques, Patrick Rey, and Jean Tirole. 2000. "Connectivity in the Commercial Internet," The Journal of Industrial Economics 48(4): 433-472.

Other useful references.

Dewenter, Ralf, and Jörn Kruse. 2005. "Calling Party Pays or Receiving Party Pays? The Diffusion of Mobile Telephony with Endogenous Regulation," Helmut-Schmidt-University Hamburg, Institute for Economic Policy.

Economides, Nicholas. 2005. "The Economics of the Internet Backbone," in S. Majumdar et al., eds. Handbook of Telecommunications Economics, Vol. 2 Amsterdam: North Holland.

Gandal, Neil. 2002. "Compatibility, Standardization, and Network Effects: Some Policy Implications," Oxford Review of Economic Policy 18(1): 80-91.

Laffont, Jean-Jacques, Patrick Rey, Jean Tirole. 1998a. "Network Competition: I. Overview and Nondiscriminatory Pricing," The RAND Journal of Economics 29(1): 1-37.

Laffont, Jean-Jacques, Patrick Rey, Jean Tirole. 1998b. "Network Competition: II. Price Discrimination," The RAND Journal of Economics 29(1): 38-56.

Niedermayer, Andras. 2005. "Does a Platform Owning Monopolist Want Competition?" Economics Department, University of Bern.

Reiffen, David, Laurence Schumann and Michael R. Ward. 2000. "Discriminatory Dealing with Downstream Competitors: Evidence from the Cellular Industry," Journal of Industrial Economics 48(3): 253-286.

Roson, Roberto. 2002. "Two Papers on Internet Connectivity and Quality," Review of Network Economics 1(1): 75-80.

**April 2**      **Market Equilibrium and Universal Service** – theories, practices and empirical tests

Buys, Piet, Susmita Dasgupta, Tim Thomas, and David Wheeler. 2008. "Determinants of a Digital Divide in Sub-Saharan Africa: A Spatial Econometric Analysis of Cell Phone Coverage." World Bank Working Paper 4516.

Eriksson, Ross C., David L. Kaserman, and John W. Mayo. 1998. "Targeted and Untargeted Subsidy Schemes: Evidence from Postdivestiture Efforts to Promote Universal Telephone Service," Journal of Law and Economics 41(2): 477-502.

Kim, Youngsoo, Rahul Telang, William B. Vogt, and Ramayya Krishnan. 2008. "Empirical Analysis of Mobile Voice and SMS service: A Structural Model." The Heinz School of Public Policy and Management, Carnegie Mellon University.

Other useful references:

Burton, Mark, and John W. Mayo. 2005. "Understanding Participation in Social Programs: Why Don't Households Pick up the Lifeline?"

University of Georgetown, Department of Economics Working Paper, Washington, D.C.

Dynarski, Susan, and Judith E. Scott-Clayton. 2008. "Complexity and Targeting in Federal Student Aid: A Quantitative Analysis," John F. Kennedy School of Government – Harvard University, RWP08-005.

Garbacz, Christopher and Herbert G. Thompson, Jr. 2007 (forthcoming). "Demand for Telecommunication Services in Developing Countries," Telecommunications Policy.

Garbacz, Christopher, and Herbert G. Thompson, Jr. 1997. "Assessing the Impact of FCC Lifeline and Linkup Programs on Telephone Penetration." *Journal of Regulatory Economics* 11 (1): 67-78.

Hauge, Janice, Mark A. Jamison, and R. Todd Jewell. 2006. "Participation in Social Programs by Consumers and Companies: A Nationwide Analysis of Participation Rates for Telephone Lifeline Programs." University of Florida, Department of Economics, Public Utility Research Center Working Paper, Gainesville, FL.

Kaushik, P.D., Jake Kendall, Nirvikar Singh, Kristen Williams, and Yan Zhou. 2007. "Network Economics and the Digital Divide in Rural South Asia." New York University Net Institute, Working Paper #07-30.

Prieger, James E., and Wei-Min Hu. 2007. "The Broadband Digital Divide and the Nexus of Race, Competition, and Quality," Working Paper, School of Public Policy, Pepperdine University.

Roller, Lars-Hendrik, and Leonard Waverman. 2001. "Telecommunications Infrastructure and Economic Development: A Simultaneous Approach," The American Economic Review 91(4): 909-923.

Roston, Gregory L., and Bradley S. Wimmer. 2005. "The 'State' of Universal Service." *Information Economics and Policy* 12(3): 261-283.

Valletti, Tommaso M., Steffan Hoernig, and Pedro P. Barros. 2002. "Universal Service and Entry: The Role of Uniform Pricing and Coverage Constraints." *Journal of Regulatory Economics* 21(2): 169-190.

Wallsten, Scott. 2006. "Broadband Penetration: An Empirical Analysis of State and Federal Policies," AEI-Brookings Joint Center for Regulatory Studies.

**April 7**      **Risk Mitigation** – Approaches for mitigating risk by regulated firms  
(guest lecture by Ted Kury)

TBA

Other useful references:

TBA

**April 9**      **Pollution Trading and Other Environmental Issues** – economics of  
emissions markets and other environmental economics (Guest lecture by  
Ted Kury)

Readings will be provided by guest instructor.

Other useful references.

Burtraw, Dallas, David A. Evans, Alan Krupnick, Karen Palmer, and  
Russell Toth. 2005. “Economics of Pollution Trading for SO<sub>2</sub> and NO<sub>x</sub>,”  
Working Paper, Resources for the Future, Washington, D.C.

Carlson, Curtis, et al. 2000. “Sulfur Dioxide Control by Electric Utilities:  
What are the Gains from Trade?” The Journal of Political Economy, 108:  
1291-1326.

Holland, Stephen P., and Erin T. Mansur. 2004. “Is Real-Time Pricing  
Green?: The Environmental Impacts of Electricity Demand Variance,”  
Center for the Study of Energy Markets, University of California at  
Berkeley.

Liski, Matti and Juan-Pablo Montero. 2005. “Market Power in a Storable-  
Good Market: Theory and Applications to Carbon and Sulfur Trading,”  
Economics Department of the Helsinki School of Economics.

Montgomery, W. David. 1972. “Markets in Licenses and Efficient  
Pollution Control Programs,” Journal of Economic Theory, 5:395-418.

Palmer, Karen and Dallas Burtraw. 2005. “Cost-effectiveness of  
Renewable Electricity Policies,” Energy Economics 27: 873–894.

Sotkiewicz, Paul M. 2002. “The Impact of State-Level PUC Regulation on  
Compliance Costs Associated with the Market for SO<sub>2</sub> Allowances,”  
Public Utility Research Center, University of Florida.

**April 14**      **Mergers and Antitrust Cases** – analytical techniques and how regulators addressed the issues, including SBC/AT&T, Microsoft, AOL/Time Warner

Faulhaber, Gerald. 2002. “Network Effects and Merger Analysis: Instant Messaging and the AOL–Time Warner Case,” Telecommunications Policy 26(5-6): 311-333.

Farrell, Joseph, and Carl Shapiro. 2008. “Antitrust Evaluation of Horizontal Mergers: An Economic Alternative to Market Definition,” University of California at Berkeley, Department of Economics.

Other useful references:

Fumagalli, Eileen and Helder Vasconcelos. 2006. “Cross-Border Merger Waves,” Università Bocconi, Milany.

Koutsky, Thomas M. and Lawrence J. Spiwak, J.D. 2006. “Separating Politics from Policy in FCC Merger Reviews: A Basic Legal Primer of the ‘Public Interest’ Standard,” Mimeo Phoenix Center Policy Bulletin No. 17, Washington, D.C.

Gilbert, Richard J. and Michael L. Katz. 2001. “An Economist’s Guide to U.S. v Microsoft,” Competition Policy Center, University of California at Berkeley.

**April 16**      **Antitrust** – Analysis of market competition and empirical tests of effects of competition policy

Aron, Debra, and David E. Burnstein. “Regulatory Policy and the Reverse Cellophane Fallacy.”

Coate, Malcolm B. Coate, and Jeffrey H. Fischer. 2008. “A Practical Guide to the Hypothetical Monopolist Test for Market Definition.” Journal of Competition Law & Economics 4(4): 1031–1063.

Other useful references.

Daljord, Øystein, Lars Sjørgard, and Øyvind Thomassen. 2008. “The SSNIP Test and Market Definition with the Aggregate Diversion Ratio: A



Reply to Katz and Shapiro.” Journal of Competition Law & Economics 4(2): 263–270.

Fernández, Borja Martinez, Iraj Hashi, and Marc Jegers. 2008. “The Implementation of the European Commission’s Merger Regulation 2004: An Empirical Analysis.” Journal of Competition Law and Economics 4(3): 791–809.

Grout, Paul A., and Anna Zalewska. 2008. “Measuring the Rate of Return for Competition Law.” Journal of Competition Law and Economics 4(1): 155–176.

Kwoka, John, and Michael Pollitt. 2007. “Industry Restructuring, Mergers, and Efficiency: Evidence from Electric Power.” Working Paper, CMI Electricity Project IR-45 and the ESRC Electricity Policy Research Group.

Majumdar, Sumit K., Rabih Moussawi, and Ulku Yaylacicegi. 2007. “Quest for Efficiency: Assessing the Impact of Mergers on Performance in the US Telecommunications Industry.” Working Paper, University of Texas at Dallas.

**April 21**      **Benchmarking Utilities** – performing and interpreting benchmarking studies (Guest lecture by Sanford Berg)

Dassler, Thoralf, David Parker, and David S. Saal. 2006. “Methods and Trends of Performance Benchmarking in UK Utility Regulation,” Utilities Policy 14(3): 166-174.

Berg, Sanford V., Chen Lin and Valeriy Tsaplin. 2005. “Regulation of State Owned and Privatized Utilities: Ukraine Electricity Distribution Company Performance,” Journal of Regulatory Economics, 28:3: 259-287.

Other useful references.

Berg, Sanford V. and Chen Lin. (forthcoming) “Consistency in Performance Rankings: The Peru Water Sector,” Applied Economics.

**PART 1: TO BE COMPLETED BY THE INSTITUTION**

Institution Name: <b>University of Florida</b>	Institutional Code: <b>001535</b>	Instructional Unit or Department Name, Department Code: Economics / 01170500
Recommended SCNS Course Identification: Discipline (SMA) <u>0 1 8</u> Prefix <u>E C P</u> Level <u>7</u> Course Number <u>4 1 9</u> Lab Code _____		
Institution's Course Title: <u>Current Research in Regulation</u>		
Effective Term and year course will first be offered: <u>Fall 2010</u>		
Amount of Credit: <u>var 1-2</u>	Contact hour base <u>2</u> or Headcount _____	If Repeatable Credit or Variable Credit: total repeatable credit allowed _____ minimum / _____ maximum credit within a semester
Course Description (attach a course syllabus): This course will emphasize on current research topics in regulation, with emphasis on energy, environment, telecommunications, and water, with an objective of preparing students to contribute to this research..		Mark all that apply: Rotating Topic                    es <input checked="" type="checkbox"/> No S/U Only                               es <input checked="" type="checkbox"/> No Repeatable for Credit <u>  </u> es <input type="checkbox"/> No
Prerequisites: (This form does not update ISIS or registration prerequisite checking.)		
Corequisites:		
All faculty teaching this course have completed at least 18 graduate semester hours in the teaching discipline and hold at least a master's degree.		✓ Yes    No
Degree Type (Mark all that apply): Associate of Arts                    Baccalaureate <input checked="" type="checkbox"/> Graduate Study                    Other (specify):		
Category of Instruction:    ntroductory                    Intermediate <input checked="" type="checkbox"/> Advanced		
Department Contact, Telephone Number, Email Address and PO Box:  Laura Braden, 392-0151, laura.braden@cba.ufl.edu, POB 117140		(Date)  7/8/2009
College Contact, Telephone Number, Email Address and PO Box:  Sharon Haughton, 273-3225, sharon.haughton@cba.ufl.edu, POB 117150		(Date)  7/8/2009

**PART 2: TO BE COMPLETED BY THE FACULTY DISCIPLINE COMMITTEE REPRESENTATIVE**

Approved Course Classification (Prefix, Number, Lab Code): \_\_\_\_\_  
 If not the same as recommended by institution, please explain:

SCNS Course Title (if new): _____
Decade Title (if new): _____
Century Title (if new): _____
Signature, Faculty Discipline Committee Representative: _____
Date: _____

## Theoretical Public Economics Syllabus (Fall 2008)

Instructor: Richard Romano  
Office: Matherly Hall 203  
Office Hours: M & W p2 & by appointment  
Phone: (352) 392-4812  
E-mail: [richard.romano@cba.ufl.edu](mailto:richard.romano@cba.ufl.edu)

Course Description: This is a second-year Ph.D. course on *theoretical* public economics. Students are assumed to have taken the first year of Ph.D. courses in economics. The course is concerned primarily with public goods and their provision. This is a vast area implying we can only examine a fraction of the literature and results, especially in a module class. I chose readings in an attempt to cover key elements of the area, while also playing to my research strengths. The specific topics are listed in the course outline below.

### Topic Outline (estimated class meetings)<sup>1</sup>

1. Externalities and Public Goods Basics (3)
2. Private Provision of Public Goods (3)
3. Majority Choice (3)
4. Club Goods and Local Public Goods (3)
5. Public Provision of Private Goods (2)

Readings: (\*\* indicates a required reading; \* is recommended reading; other readings are important as well but of less immediate significance to the course)

*Do required reading **carefully** before class.*

1. Externalities and Public Goods Basics

\*\* Mas-Collell, A., Whinston, M., and J. Green, "Externalities and Public Goods," Chapter 11 in *Microeconomic Theory*, Oxford University Press, 1995.

\* Oakland, W., "Theory of Public Goods," Chapter 9 in *Handbook of Public Economics - Volume 2*, A. Auerbach and M. Feldstein, eds., North-Holland, 1987.

---

<sup>1</sup> Time spent on each area is tentative. We'll adjust times as the course unfolds.

## 2. Private Provision of Public Goods

\*\* Bergstrom, T., Blume, L. and H. Varian, "On the Private Provision of Public Goods," *Journal of Public Economics*, v. 29, 1986, 25-49.

\*\* Bernheim, B.D., "On the Voluntary and Involuntary Provision of Public Goods," *American Economic Review*, v. 67, #4, September 1986, p. 789.

\*\* Andreoni, James, "Giving with Impure Altruism: Applications to Charity and Ricardian Equivalence," *Journal of Political Economy*, v. 97, #6, December 1989, 1447-1458.

\*\*Varian, Hal R., "System Reliability and Free Riding." Working Paper. University of California, Berkeley. February 2004.

\* Warr, Peter, "Pareto Optimal Redistribution and Private Charity," *Journal of Public Economics*" 1982,

\* Andreoni, James, "Privately Provided Public Goods in a Large Economy: The Limits of Altruism," *Journal of Public Economics*, v. 35, February 1988, 57-73.

\*Nitzan, S. and R. Romano, "Private Provision of a Discrete Public Good with Uncertain Cost," *Journal of Public Economics*, v. 42, #3, August 1990, 357-370.

Andreoni, James, "Toward a Theory of Charitable Fund-Raising," *Journal of Political Economy*, v. 106, #6, 1998, 1196-1213.

Romano, R. and H. Yildirim, "Why Charities Announce Donations: A Positive Perspective," *Journal of Public Economics*, v. 81, September 2001, 423-448.

## 3. Majority Choice

\*\* Enelow, J. and M. Hinich, Chapters 1 – 3 in *The Spatial Theory of Voting: An Introduction*, Cambridge University Press, 1984.

\*\* Plott, C, "A Notion of Equilibrium and Its Possibility Under Majority Rule," *American Economic Review*, v. 57, #4, September 1967, 787-806. (Note: You needn't work through the proofs.)

\*\* Epple, D. and T. Romer, "Mobility and Redistribution," *Journal of Political Economy*, v. 99, #4, August 1991, 665-898.

\*\* Epple, D. and R. Romano, "Ends Against the Middle: Determining Public Service Provision When There Are Private Alternatives," *Journal of Public Economics*, v. 62, #3, 1996, 297-325.

\* Besley, T. and S. Coate, “An Economic Model of Representative Democracy,” *Quarterly Journal of Economics*, v. 112, #1, February 1997, 85 – 114.

Fernandez, R. and R. Rogerson, “Equity and Resources: An Analysis of Education Finance Systems,” *Journal of Political Economy*,” v. 111, #4, August 2003, 858-898.

Gans, J. and M. Smart, “Majority Voting with Single Crossing Preferences,” *Journal of Public Economics*, v. 59, #2, 1996, 219 – 237.

#### 4. Club Goods and Local Public Goods

\*\* Scotchmer, S., “Local Public Goods and Clubs,” in *Handbook of Public Economics – Volume 4*, A. Auerbach and M. Feldstein, eds., Elsevier Science, 2002, 1997 – 2042.

Epple, D. and T. Nechyba, “Fiscal Decentralization,” Chapter 55 in *Handbook of Regional and Urban Economics – Volume 4*, J. Henderson and J. Thisse, eds., Elsevier Science, forthcoming.

Calabrese, S., Epple, D. and R. Romano, “On the Political Economy of Zoning,” *Journal of Public Economics*, v91, 2007, 25-49.

#### 5. Public Provision of Private Goods

\*\* Epple, D. and R. Romano, “Public Provision of Private Goods,” *Journal of Political Economy*, v. 104, #1, February 1996, 57-84.

\* Fernandez, R. and R. Rogerson, “Public Education and Income Distribution: A Dynamic Quantitative Evaluation of Education Finance Reform,” *American Economic Review*,” v. 88, #4, 1998.

Besley, T. and S. Coate, “Public Provision of Private Goods and the Redistribution of Income,” *American Economic Review*, v. 81, #4, September 1992, 979 – 984.

Grading: Your course grade will be based on two paper summaries (30% of course grade) and on a final exam (70% of course grade). Each paper summary should be of a paper related to a topic we are discussing in class but not one that I will lecture on. They should be 3 – 4 pages long and clearly convey that you understand the paper. The first is due on Nov. 11 and the second on Dec. 3. Clear with me the paper you will summarize. I am planning the final exam for Dec. 10 in class (but we might agree on an alternative date).

Honor Code and Students with Disabilities: I adhere to the honor code of the University of Florida and students are expected to do the same. Policy for students with disabilities is as codified by the University of Florida. Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the

Instructor when requesting accommodation Please contact me if you will require accommodation.

Below is a list of papers that includes a few not on your syllabus, thus providing a few more papers from which to choose for your paper summaries. You can as well choose papers on the syllabus that are not \*\*, but please get my approval. And you can suggest other papers as well.

Andreoni, James, "Toward a Theory of Charitable Fund Raising," *Journal of Political Economy*, v. 106, #6, 1998, 1186 – 1213.

Benabou, Roland, "Equity and Efficiency in Human Capital Investment: The Local Connection," *Review of Economic Studies*, v. 63, #2, 1996, 237-264.

Bergstrom, Theodore, "A Fresh Look at the Rotten Kid Theorem – and Other Household Mysteries," *Journal of Political Economy*, 1989, 97, 1138-1159.

Besley, Timothy and Stephen Coate, "An Economic Model of Representative Democracy," *Quarterly Journal of Economics*, v. 112, #1, February 1997, 85-114.

Brueckner, Jan K., "A Tiebout/Tax-Competition Model," *Journal of Public Economics*, v. 77, 2000, 285 – 306.

\_\_\_\_\_, "Fiscal Decentralization with Distortionary Taxation: Tiebout vs. Tax Competition," *International Tax and Public Finance*, 2004, 11(2), 133-153.

De Bartolome, Charles, "Equilibrium and Efficiency in a Community Model with Peer Group Effects," *Journal of Political Economy*, v. 98, #1, 1990, 110-133.

Epple, Dennis and Richard Romano, "Collective Choice and Voluntary Provision of Public Goods," *International Economic Review*, v. 44, May 2003, 545-572.

Fernandez, Raquel and Richard Rogerson, "Keeping People Out: Income Distribution, Zoning, and the Quality of Public Education," *International Economic Review*, v. 38, #1, 1997, 23-42.

\_\_\_\_\_, "Equity and Resources: An Analysis of Education Finance Systems," *Journal of Political Economy*, v. 111, #4, August 2003, 858-898.

Gans, J. and M. Smart, "Majority Voting with Single-Crossing Preferences," *Journal of Public Economics*, v. 59, #2, 1996, 219-237.

Harbaugh, William, "What Do Donations Buy?" *Journal of Public Economics*, 67, 1998, 269-84.

Nechyba, Thomas, “School Finance Induced Migration Patterns: The Impact of Private School Vouchers,” *Journal of Public Economic Theory*, v. 1, #1, 1999, 5-50.

Varian, Hal., “Sequential Provision of Public Goods.” *Journal of Public Economics*, 1994, 53, 165-86.

\_\_\_\_\_. “A Solution to the Problem of Externalities When Agents Are Well-Informed,” *American Economic Review*, 1994, 84, 1278-1293.

Vesterlund, Lise, “The Informational Value of Sequential Fundraising,” *Journal of Public Economics*, 2003, 87, 627-57.

Wilson, John, “Property Taxation, Congestion, and Local Public Goods,” *Journal of Public Economics*, 1997, 64, 207-217.

**PART 1: TO BE COMPLETED BY THE INSTITUTION**

Institution: <b>University of Florida</b>	Institutional Code: <b>001535</b>	Instructional Unit or Department Name, Department Code: <b>Economics / 01170500</b>
Current SCNS Course Identification:		
Discipline (SMA) <u>0 1 8</u>	Prefix <u>E C O</u>	Level <u>7</u> Course Number <u>5 3 6</u> Lab Code _____
Institution's Course Title: <u>Theoretical Public Economics</u>		

**PART 2: REQUESTED ACTIONS**

Terminate Current Course <input type="checkbox"/> Yes	Date Termination Effective: _____
NEW SCNS Course Identification: (Complete all appropriate areas)	
NEW Discipline (SMA) _____	Prefix _____ Level _____ Course Number _____ Lab Code _____
NEW Institution Course Title (if applicable): _____	
EFFECTIVE TERM AND YEAR FOR CHANGES: <u>Fall 2010</u>	

Other Items to Change	Change From	Change To
Amount of Credit		
Contact Hour Base or Head Count		
Prerequisites/Corequisites (This form does not update ISIS or registration prerequisite checking.)		
Change of Course Description (Course syllabus must be attached): The course is concerned primarily with public goods and their provision.		Mark any changes th ply: Rotating Topic      yes    no S/U Only              yes    no Repeatable for Credit    yes    no

Department Contact, Telephone Number, Email Address and PO Box: Laura Braden, 392-0151, laura.braden@cba.ufl.edu, POB 117140	(Date) 7/8/09
College Contact, Telephone Number, Email Address and PO Box: Sharon Haughton, 273-3225, sharon.haughton@cba.ufl.edu, POB 117150	(Date) 7/8/09

**PART 3: TO BE COMPLETED BY THE FACULTY DISCIPLINE COMMITTEE REPRESENTATIVE**

Approved Course Classification (Prefix, Number, Lab Code): \_\_\_\_\_  
 If not the same as recommended by institution, please explain:

SCNS Course Title (if new): _____
Decade Title (if new): _____
Century Title (if new): _____
Signature, Faculty Discipline Committee Representative _____
Date _____