Course Description:
This course is designed to familiarize students with the basic theory behind applied welfare economics. Concepts including consumer and producer surplus, pareto optimality, externalities, compensation measures, and the theory of the second best will be studied. Students enrolled in the course will be expected to keep abreast of all readings.

Students will complete homework assignments every two weeks. A final examination will be given February 11, 2016. Grading for the class will be determined by the following weights: final exam 75%, homework assignments 20%, and participation in class discussion 5%.

Reading Material:
The selected readings for this class are available for purchase at Copy Mat in the Chauncey Hill Mall.

Section I: Introduction to Applied Welfare Analysis
1. Just, Hueth, and Schmitz (JHS) - Chapters 1 and 2.
Section II: Compensation Measures and Consumer/Producer Surplus


Section III: Externalities, Public Goods and Property Rights


Section IV: Theory of the Second Best
