Syllabus “Topics in Theory: Political Economy” ECO 4932, Spring 2019

Instructor: Tobias Pfutze
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Office hours: Tue, Thu 12:30-4:00pm or by appointment.

Time: Tue, Thu 2:00-3:15pm
Location: Deuxième Maison (DM) 144

Teaching Assistant: Maryam Aljahani
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Tutoring Hours: Viertes Haus (VH) 136, Mon 10:30am-12:30pm, Tue 10:30-11:00am, Wed 10:30am-12:30pm, Thu 10:30-11:00am.

Objectives: Back in the 19th century, our discipline was commonly called “Political Economy”. This term reflected the thinking that the functioning of markets is intrinsically interwoven with the workings of political institutions. In the 20th century, “Economics” has made great progress in understanding the former, under the assumption that the political context is exogenously given. For the analysis of the latter, “Political Science” emerged as a separate discipline that developed a different methodology of analysis. Over the course of the past two decades, Economics (with the help of quantitatively oriented political scientists) has slowly started to bring political agents back into the picture by applying its own analytical tools based on quantitative models (with a heavy dose of Game Theory). This subfield has become to be known as “Political Economy” in the contemporary sense of the term. This course will provide an introduction to some of the most important models that explain the behavior of political agents, and the resulting aggregate political outcomes. The focus will be on models of domestic politics applicable to the United States (political scientist may call this “American Politics”). However, towards the end of the course we will see some models that apply to other settings (“Comparative Politics”). The principal aim of the course is to give the student a more structured understanding of our domestic political process. Secondary aims are to give Economics/Political Science double majors an opportunity to tie the two disciplines together; and also to equip students bound for graduate school in any of the two disciplines a solid foundation for their future studies.

Prerequisites: The student should have passed ECO3101 (Intermediate Microeconomics), and have knowledge of basic calculus and algebra. The content is designed as an advanced (400-level) undergraduate course that provides a bridge to graduate school level of instruction. It makes heavy use of mathematical tools, going beyond the level of formalization in ECO3101. The student should, therefore, be comfortable with quantitative reasoning. The course will provide a review of game theory in the first week, and more advanced mathematical tools will be explained when necessary.
**Requirements and grading schemes:** Your final grade will be determined by four in-class quizzes and an accumulative final exam. The material covered in the quizzes will necessarily build upon previous material; in that sense, they might also be considered accumulative. I will also assign practice questions (taken from the end of chapter questions in the textbook) to which solutions will be provided. However, the practice questions are not to be handed in, nor will they be graded. It is your own responsibility to keep up with the course material. The four quizzes will also be based all or in part on the end of chapter questions. Answer keys will, of course, only be provided after the quiz. But you are encouraged to try solve the questions for practice before the quiz; you may do so in groups. The questions in the final exam will have a similar format to the end of chapter questions, but will not be copied directly. Each quiz will account for 10% of your grade, the composition of your final grade is:

- Attendance: 20%
- Quizzes: 40%
- Final Exam: 40%

I will not give letter grades on individual assignments. At the end of the semester, grades will be curved based on your total score.

**Textbook:** You are required to purchase the following book (which is relatively cheap):


**Policies Concerning Academic Misconduct:** It is imperative that students become aware of FIU’s definitions of and policies toward academic misconduct. These policies may be found on the FIU web-site at Academic Misconduct and Code of Academic Integrity (http://www2.fiu.edu/~oabp/misconductweb/1acmisconductproc.htm).

**Students with Disabilities:** If you have any specific physical, psychiatric or learning disabilities that require accommodations (such as a note taker or special testing arrangements), please let me know early in the semester so your learning needs can be appropriately met. You will need to provide documentation of your disability to the Disability Resource Center, GC 190, (305) 348-3532. I cannot make any accommodations without a written statement from the DRC.

**Staying Safe and Healthy:** In collaboration with the Health, Safety, and Welfare Committee of the FIU Faculty Senate and the Healthy Panthers Council, the Provost encourages each faculty and student to take a proactive role in their safety, personal health, and well-being.

Through viewing the "Staying Safe and Healthy" video series, you will learn:

- How to respond to an active shooter situation
- Care of an unconscious person
- Care of the bleeding person
- Panther’s Care Initiative
- How to enhance your personal health and well being
These 3-5 minute videos and related resources can be found for:
- On Campus Students in the Student Starter Kit in Canvas
- 2.0 Fully Online Students in Panther Den in Canvas
- Faculty in the Faculty Starter Kit in Canvas

This video series and related resources can make a difference in promoting the safety and protecting the health of all members of the FIU community. These resources are available any time you have a few minutes to watch them and you can refresh your memory about their content at any point in time. STAYING SAFE AND HEALTHY requires the commitment of each of us as Panthers.

**Course outline:**

Week 1: Game Theory Review
Use your favorite Intermediate Microeconomics textbook.

Week 2: Electoral Competition under Certainty
Chapter 1

Week 3: Electoral Competition under Certainty cont. & Uncertainty
Chapter 1
Chapters 2.1

Week 4: Electoral Competition under Uncertainty
Chapters 2.2 & 2.5

Week 5: Special Interest Politics & Quiz 1
Chapters 3.1 & 3.3

**Quiz 1: Tue February 5 (Game Theory & Chapter 1)**

Week 6: Special Interest Politics cont.
Chapter 3.4

Week 7: Veto Players
Chapter 4.1-4.2

Week 8: Veto Players cont.

Week 9: Veto Players cont. & Quiz 2
Chapter 4.3

**Quiz 2: Thu March 7 (Chapters 2 & 3)**

*SPRING BREAK, March 11-16*
Week 10: Veto Players cont.

Week 11: Delegation
   Chapters 5.1 & 5.2

Week 12: Delegation cont. & 3rd Quiz
   Chapter 7.1.1

   Quiz 3: Thu April 4 (Chapter 4)

Week 13: Political Agency cont.
   Chapter 7.1.4 & 7.2.1

Week 14: Political Agency cont. & Quiz 4

   Quiz 4: Thu April 18 (Chapters 5 & 7)

   FINAL EXAM: Thu April 25, 12:00-2:00pm, Deuxième Maison (DM) 144