

Syllabus

PUBM 5100: Economic Analysis

Instructor: Professor Chengxin Xu

Seattle University

Winter 2026

Course Information:

Class Hours: Monday 6:00-8:40pm

Classroom: Pigott 107

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Office Hours: By appointment via [Bookings](#)

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1 Course Description

This course deals with the application of basic microeconomic analysis to public policy problems. The primary goal of the course is to learn the basic principles of economic reasoning so that you can use those principles to help untangle the complex policy problems you will confront as policy makers, policy analysts, and administrators. The course differs from more traditional microeconomics courses in its emphasis on public policy applications.

1.1 No Prerequisite

The course is designed for students with little or no background in economics. It is taught with a minimum of mathematics, namely graphs and simple algebra. The basic principles of microeconomics are not difficult, but it takes practice to learn how to use them. Consequently, you must prepare for six problem sets as a major part of assignments. If you are having trouble mastering the material, please seek for my help immediately. Anyone who is willing to work at it can master the basic concepts and principles of microeconomics, but the topics at the end of the course draw on the material at the beginning of the course. No one can afford to fall behind in the beginning.

2 Student Learning Outcomes

Upon successful completion of this course, students will be able to:

1. **Understand basic economic concepts and utilize** them to solve public policy problems. Apply, analyze, and evaluate theories of economics.
2. **Communicate economics**—Being able to read, interpret and communicate economic news, stories and data relevant to public policy.
3. **Integrate** economic tools and concepts to solve a public policy problem. Ability to define and describe public problems and develop plans of action.

3 Required Textbook and Materials

Required:

Principles of Microeconomics, 3rd Edition. OpenStax. ("POM" hereinafter)

POM is an open-access textbook. You can get a free downloadable pdf copy of the book from <https://openstax.org/details/books/principles-microeconomics-3e>. If you prefer, you can also order a print copy from Amazon.

In addition to the text-book, sometimes a few supplementary readings will be assigned. These articles are mostly taken from popular sources of news and analysis such as *the New York Times* and *The Economist*. Their purpose is to illustrate how the principles we discuss in class can help us understand common social problems and policy issues. These readings will be available on Canvas.

Supplementary Readings:

Here are also some readings that I highly recommend and might quote in the class:

- Acemoglu, D., Laibson, D. & List, J. (2018). *Economics, 2nd Edition*. Pearson Publications.
- Sandel, Michael J. (2012). *What money can't buy: The moral limits of markets*. Macmillan.
- Kahneman, D. (2011). *Thinking, fast and slow*. Macmillan.
- Thaler, R. H., & Sunstein, C. R. (2009). *Nudge: Improving decisions about health, wealth, and happiness*. Penguin.
- Banerjee, A. V., Banerjee, A., & Duflo, E. (2011). *Poor economics: A radical rethinking of the way to fight global poverty*. Public Affairs.

4 Course Evaluation

Students are expected to keep up with assigned readings and to participate actively in class discussions. There will be six problem sets and two short papers. Grades will be based on the following:

- Class participation — 10%
- Problem sets — 40%
- Scene Writing by ChatGPT — 15%
- Debate with ChatGPT — 35%

Class participation (10%): The successful completion of this seminar is on the basis of discussion and interactions among students and the instructor. Students are expected to attend every class meeting, read assigned materials carefully, and bring constructive opinions and questions to the class. Sharing personal working experience is strongly recommended.

Problem sets (40%): Problem sets are a crucial part of the course. Students must complete all problem sets on time. These problem sets will be due at 12:00pm (Pacific Standard Time) on the dates listed, and students will be required to finish all problem sets via Canvas.

Late problem sets will not be accepted!

Assignment questions that ask for explanations should be written in well-formulated, complete sentences and in some cases well formulated paragraphs. You are encouraged to consult other students and/or me for help with the problem sets, with two caveats. First, the work that you turn in must be your own. If you do work with someone, both of you should hand in solutions in your own words. Second, attempt the problem yourself before consulting others.

Each assignment is worth 4 points, and both your effort and performance will be evaluated. First, if you make adequate effort to solve all problems and you present your answers in a well-organized manner, you will receive 3 points for the assignment, regardless of performance. Second, on top of the effort score, you will get 0 or 1 point as performance score, depending on the correctness of your answers. 0-performance score indicates that your assignment shows big misunderstandings, while 1-performance score shows that your answers to most questions are satisfying. If you receive a 0-performance score on an assignment, you should see the instructor as soon as possible.

Scene Writing by ChatGPT (15%)¹: In this assignment, you will evaluate how AI (ChatGPT) applies a concept to a new situation. Paste in the prompt and the AI's response. Your job is to see if the AI is applying a concept properly. For this assignment, let's focus on the concept of "loss aversion".

Rank the choices the AI gave you from most correct, somewhat correct, to most incorrect. Then write 3-4 paragraphs explaining why they are correct or not. For the most incorrect choice answer the following question: What did the AI get right in this scenario? How could you make it more sophisticated? What did it get wrong?

If you think the AI's output is plausible or correct in all 3 responses, pick 1 response, and explain how the response fully demonstrates every aspect of the concept.

Prompts, examples and a grading rubric can be found on the Canvas assignment page.

Debate with ChatGPT (35%): In this assignment, engage in a simulated debate with ChatGPT about a public policy issue from an economic perspective. This exercise will help you practice constructing logical, evidence-based arguments and critically analyzing opposing viewpoints.

You will choose a topic from a list of classic economic debates and choose your position. Use logical reasoning and evidence to support your stance. You are required to have at least five rounds of interaction with ChatGPT.

Details and a grading rubric can be found on the Canvas assignment page.

¹This assignment is adapted from Mollick and Mollick (2022): https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4300783

Due dates of all assignments are listed on your Canvas Calendar.

APA (<https://libguides.seattleu.edu/theresearchpath/citeyoursourcesapa>) is required in terms of writing style of your assignments. Writing clarity and quality are considered in grading. Please use a standard font such as Arial, Calibri, or Times New Roman. Pages should use **1-inch margins, single-spaced, with 12-point fonts**. If you think you need help with your writing, talk to the professor. There are resources on campus to help you. Also feel free to seek for services of the Writing Center at Seattle University: <https://www.seattleu.edu/writingcenter/about/>.

5 Grading Policy

Students' final grades will be calculated as follows:

A	94-100	A–	90-93	B+	87-89	B	83-86
B–	80-82	C+	77-79	C	73-76	C–	70-72
D+	67-69	D	63-66	D–	60-62	F	59 or less

Any students who want to challenge their course grade shall follow the Academic Grading Grievance Policy at Seattle University. The detail of the policy can be found [here](#).

6 Course Policies

General Expectations: This a graduate-level course and so students are expected to be motivated to read and study the assigned textbooks and other materials carefully before class. This includes doing exercises from the textbook on your own to test your understanding of key concepts and methods. Regular attendance and keeping up with all readings and assignments is essential to doing well in this course.

Submitting Assignments: Assignments should be submitted via Canvas rather than e-mailed unless being required by the professor. Be sure your name and the submission date are on the assignment (and do not backdate).

Late Submission: It is very important in this course to keep up with assignments and to hand them in on time. Grades will be reduced for late assignments, and the later the assignment, the greater the grade reduction. No grace period of a day or two from the announced deadline may be allowed for any unforeseen logistical problems. Students should expect a penalty for late assignments (not be graded higher than 85%). Assignments that are submitted two or more weeks late will only be accepted for credit at the discretion of the professor and will not be graded higher than 75%. Problem sets are not subject to this late submission policy. Late problem sets will not be accepted.

Revising and Resubmitting Assignments: Students who receive a grade of less than 80% for an assignment (or 0 point for the performance score of problem sets) AND who hand in the original assignment ON TIME will be given an opportunity to revise and resubmit the assignment. A change of grade will be made only for assignments that demonstrate a significant improvement

through the student's own effort (making only minor corrections or edits in response to the professor's written feedback on the initial assignment will not be sufficient for a change of grade).

***IMPORTANT:** When resubmitting an assignment, students must attach a copy of the original assignment and grade sheet to the revised assignment. Resubmissions must be made within one week after the initial graded assignment has been returned to the student. The maximum grade possible for a resubmission is 85% (or 0.5 point for the performance score and 3 points for the finishing score of problem sets).

Keeping Your Assignments:: Students should keep all of their completed assignments, including those graded and handed back, until well past the end of the term. Your original assignment with the grade on it is your evidence that you completed the assignment and received the grade that you earned.

The syllabus serves as a general outline. I reserve the right to deviate from any part of the plan as necessary. Students will be notified of any such modifications.

7 Academic Integrity Policy

Students must follow the school's [integrity policy](#). Please be aware that plagiarism and any forms of cheating will never be excused under any circumstances – **I will check each assignment carefully using plagiarism detection software**. Violation of these policies leads to immediate failure of the course.

8 Disability Services

Seattle University is committed to providing students with disabilities an equal opportunity to participate in its classes and activities. This goal is fundamental to its belief in social justice. To achieve this goal, faculty and staff work together to remove barriers in physical access, communication, attitudes, and policies that can prevent students from taking part in programs. In addition, the University provides supplemental support services through the Disability Services Office.

Students who are requesting academic, housing, and meal plan accommodations for the first time are required to complete the new student application via the myDS New Student Application link and meet with [Disability Services](#) **before receiving services**. During the intake meeting, the student will discuss their goals at Seattle University, the assistance they may need in reaching them, and the creation of a personalized accommodations plan. Students must also provide documentation from a qualified diagnostician that:

- Establishes the nature of their disability.
- Provides evaluative data with test names and scores supporting their current need for specific accommodations.

- May list services recommended for the student.

Documentation is confidential and will not be released or discussed with the student's permission. For more information, please see the Documentation page and Requirements for Documentation of Disabilities.

If the student needs, or expects to need, an accommodation not supported by their documentation, the student should discuss options for additional evaluation with DS Staff.

For more information regarding disability services, please see: <https://www.seattleu.edu/disability-services>

9 Statement of Diversity

Seattle University celebrates educational excellence achieved through diversity. In the meanwhile, diversity is a central topic in the field of public and nonprofit administration. In this class, we will frequently face opportunities and challenges of diversity, equity, and inclusion. We will have discussion of the normative and pragmatic value of diversity and learn how to embrace it.

Students are encouraged to honor the uniqueness of themselves and peers, and to appreciate the opportunities we have to learn from each other. In particular, students are welcomed to share their personal experience regarding diversity policies and management. Students have to demonstrate respect to others' opinions and refrain from personal attacks, hatred language, and personal judgments.

10 Policy on Religious Accommodations

Consistent with Washington State law (RCW 28.10.039), it is the policy of Seattle University to reasonably accommodate students who, due to the observance of religious holidays, expect to be absent or endure a significant hardship during certain days of their academic course or program.

A student seeking accommodations under this policy must provide a written request to the student's faculty member: (i) within fourteen (14) calendar days from the first day of classes of the academic quarter in which the student is requesting accommodations; and (ii) identifying the specific dates the student requests accommodations.

For more details about the policy on religious accommodations for students, please see [here](#).

11 Course Schedule

Week 1, 01/12 - 01/16: Mom, will I ever afford a house?

Concepts Related: *Microeconomics, macroeconomics, opportunity cost, marginal analysis, demand, supply, equilibrium, complement, substitute, elasticity.*

Week 2, 01/19 - 01/23: Martin Luther King Weekend — No Class

Week 3, 01/26 - 01/30: Regulating or messing up the market? On radical government interventions

Concepts Related: *Surplus, shortage, price floor, price ceiling, deadweight loss*

Week 4, 02/02 - 02/06: What's behind the demand curve?

Concepts Related: *Indifference curves, perfect complements & substitutes, budget constraints, marginal rate of substitution (MRS), consumer optimum.*

Week 5, 02/09 - 02/13: President's Day Weekend — No Class

Week 6, 02/16 - 02/20: Producers as consumers in the labor market

Concepts Related: *Isocost, isoquant, statistical discrimination, taste-based discrimination.*

Week 7, 02/23 - 02/27: We are not so rational, now what?

Concepts Related: *Identity economics, opportunity cost, expected utility, endowment effect, prospect theory.*

Week 8, 03/02 - 03/06: The end of competition.

Concept Related: *Sunk cost, short-term vs. long-term in production, zero-profit equilibrium, imperfect competition.*

Week 9, 03/09 - 03/13: Free Market: A Promised Land

Concepts Related: *Market failure, monopoly & oligopoly, public goods, information asymmetry.*

Week 10, 03/16 - 03/20: Why can't the market save the environment and our kids?

Concepts Related: *Negative & positive externality.*