

University of Pennsylvania Department of Economics
Econ 32: Political Economy
Fall 2017

Lectures	Monday & Wednesday 10:30-11:50 (McNeil 395).
Instructor	Deniz Selman (denizs@econ.upenn.edu) <i>Office Hours:</i> Tuesday 1:25-2:25 and by appointment (McNeil 560).
Description	This course examines the effects of strategic behavior on political outcomes and government policies. Topics and applications may include voting behavior, candidate competition, voting systems, social choice and welfare, and policy divergence.
Prerequisites	Econ 1 and 2 (or Econ 10). Credit cannot be received for both Econ 32 and Econ 232.
Readings	Mandatory readings will be assigned throughout the semester. They will include both academic papers and recent news articles which are relevant to the topics we will be discussing in lecture.
Lectures	I will primarily teach by writing on the blackboard. Please make arrangements to borrow a friend's notes if you miss a lecture. In order to discourage classroom distractions, <i>the use of laptops and other electronic devices is not permitted during lectures.</i> If you have a special condition which makes this a difficulty for you, please let me know.
Homework	There will be four homework assignments collected for grading during the semester. Homework assignments will be posted on Canvas one week before the due date and due at the beginning of lecture (no later than 10:35 am) either as a hard copy or as a pdf via email, on the following due dates: (1) Mon 25 September, (2) Mon 23 October, (3) Mon 20 November, (4) Wed 6 December. <i>No late homework assignments will be accepted.</i> You are free to discuss homework assignments with others. However, each student must submit a personal copy for grading.
Quizzes	There will be four in-class quizzes held on the following dates: (1) Wed 27 September, (2) Wed 25 October, (3) Wed 29 November, (4) Mon 11 December. NO MAKE-UP QUIZZES: <i>You will receive a zero for any quiz that you miss for any reason.</i> To accommodate students who must miss a quiz, your lowest quiz grade will be dropped and the average of the other three quizzes will constitute the quiz portion of your grade.
Exams	<i>First Midterm Exam: Wednesday 4 October (in class, beginning at 10:35 am sharp).</i> <i>Second Midterm Exam: Wednesday 8 November (in class, beginning at 10:35 am sharp).</i> <i>Final Exam: Tuesday 19 December (9:00-11:00).</i> MAKE-UP POLICY FOR EXAMS: Only students who contact me <i>before</i> an exam <i>and</i> provide a written excuse will be eligible to take a make-up exam. Students who miss an exam and are not eligible to take a make-up exam will receive a grade of zero on that exam. RE-GRADING POLICY: Students have one week from the day in which examinations and problem sets are returned to report errors in grading and/or to request that problems be re-graded. All such requests must be made in writing. If a student submits his/her exam for re-grading, then the student's entire exam will be re-graded with no guarantee of a higher total score. OTHER POLICIES & PROCEDURES: Apart from these stated specifics regarding quizzes and exams above, this course complies with all departmental policies as posted on the departmental website at: http://economics.sas.upenn.edu/undergraduate-program/course-information/guidelines/policies .
Grading	Homework Assignments (15%), Quizzes (15%), Two Midterm Exams (20% each), Final Exam (30%)

Course Outline 0) Some basic game theoretical tools...

(tentative)

Strategic Behavior
Nash Equilibrium

1) Voting Behavior: Downsian Model and Theories of Participation in Elections

Individual Rationality and the Pivotal Voter Model
Rule Utilitarianism and the Ethical Voter Model

2) Strategic Voting

Voting in Multicandidate Elections: Sincere vs. Strategic Voting
Voting with Incomplete Information: The Swing Voter's Curse
Herd Behavior and Information Cascades

Application: Voting in Sequential Elections such as the U.S. Presidential Primaries

3) Electoral Competition

Downsian Model
Median Voter Theorem
Condorcet Paradox
Theories of Policy Divergence

4) Electoral Rules

Systems of Voting
Social Choice and Social Welfare Theory: Gibbard-Satterthwaite Impossibility Theorem