

Applicant's name: Baoyan Cheng
OYCF Teaching Fellowship, July, 2004

Topic: Microeconomics of Education

Purpose: This three-week course aims to provide to educators the tools in microeconomics so that they can analyze educational policy issues through an economic lens.

Number of classes to be offered: 4 classes each week for 3 weeks, and each class lasts 2 hours; the total hours of class will be 24 hours. 3 hours of office time each week; the total office hour time will be 9 hours.

Specific teaching plan for each class:

Class 1. How Economists Analyze Problems of Scarcity and Choice

Class 2. Supply and Demand in Education: How Markets Allocate Scarce Resources

Class 3. Elasticities: Measures of Responsiveness

Class 4. How Taxes and Subsidies Affect Prices and Quantities

Class 5. Price Discrimination: Charging Different Prices to Different Consumers of the Same Educational Service

Class 6. How Economists Define Costs, and the Implications for Decision Making

Class 7. Human Capital, Ability, and Screening

Class 8. Welfare Economics: The Cases For and Against Using Markets to Allocate Resources

Class 9. What Role Should Government Play in the Market for Post-Secondary Education?

Class 10. Types of State Aid Plans for Financing Public Education

Class 11. Presentation

Class 12. Presentation continued

For the **reading assignment** for each class, I will hand out lectures notes (I am attaching a sample lecture notes in the application).

In addition, I will have the following readings for students who are interested in doing more exploration:

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Birdsall, Nancy. "Public Spending on Higher Education in Developing Countries: Too Much or Too Little?" in *Economics of Education Review* 15 (October 1996) 4: 407-419.

Hanushek, Eric A. "The Failure of Input-Based Schooling Policies," National Bureau of Economic Research, Working Paper 9040, July 2002.

Okun, Arthur M. (1975). *Equality and Efficiency: the Big Tradeoff*. Washington DC: The Brookings Institution.

Psacharopoulos, George. "Public Spending on Higher Education in Developing Countries: Too Much Rather Than Too Little," in *Economics of Education Review* 15 (October 1996) 4: 421-422.

Other requirements:

- Presentation. In the last class, students are required to give a 7-minute presentation. The presentation can be a reflection of what the students have learn from the three weeks of class, can be a discussion of an economic issue, it can also be an application of an economic concept or theory in the Chinese case. Each presentation is followed by an 8-minute Q&A session where the presenter's peers can ask questions about the presentation.
- It is important that students read carefully the notes for each class before coming to the class in which the material will be presented.
- Regular attendance and active participation is crucial in making the class successful and productive
- Students are encouraged to form study groups