

UNC-Chapel Hill

PLCY 310: Microeconomic Foundations of Public Policy

Section 001, Spring 2026

Instructor: Mehdi Shadmehr
E-mail: mshadmehr@unc.edu
Lecture Times: T,Th 2:00-3:15 PM
Lecture Location: Dey Hall 305
Office Hours: T,Th 10:00-11:00 PM
OH Location: Zoom or Abernathy 209
TA: Christian Osei
E-mail: ckosei@unc.edu

Credit Hours: 3
Pre-Requisites: ECON 101
Target Audience: core requirement for undergraduate public policy majors
Instructional Format: in-person
TA Office Hours: M(zoom)-W 3-4
TA OH Location: Zoom or Abernathy 122
All zoom links will be posted on Canvas.

Course Description

This course covers microeconomic concepts, tools, and techniques commonly used in public policy analysis. You will learn to analyze consumer and producer behavior, market outcomes, and market failures, and explore their implications for public policy—including environmental, housing, education, health care, and tax policy.

Course Goals & Student Learning Outcomes

Upon completing this course, students should be able to demonstrate: (1) the knowledge of fundamental microeconomic concepts and tools, and (2) the skill to apply that knowledge to investigate policy outcomes.

Required Course Material

- CENGAGE MINDTAP access to: Nechyba, Thomas J. 2017. *Microeconomics: An Intuitive Approach. 2nd Edition.* Boston, MA: Cengage Learning. CENGAGE MINDTAP access can be purchased on Cengage website [here](#), where pricing information is also provided.
 - Instructions for registration and accessing our course through *Cengage/MindTap* will be posted on Canvas. **When registering, you must use your UNC email.**
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Course Assignments & Assessments

Homework Assignments (75%): Described in detail below.

Final Exam (15%): Thursday, April 30, from 12 to 3 PM EST, as described in detail below.

Class Participation (10%): Described in detail below.

Homework Assignments

- There will be 6 Homework Assignments. Your Homework Assignment with the lowest grade will not count toward your final grade. Each homework assignment is for one chapter of the book. Each homework assignment will be due on a Sunday at 11:59 PM EST as specified on the last page of the syllabus. Each homework assignment will be made available at noon two Fridays before the Sunday it will be due. For example, the 1st homework assignment will be made available on Friday, Jan 23, and will be due on Sunday, Feb 1. You can consult your notes, the book, slides and other course material, and you can talk about the homework to each other. However, you are strictly prohibited from copying anyone else's answers for homework assignments.
- Each Homework Assignment will constitute 15% of the total grade, adding up to a total of 75%. These assignments will be made available on the *MindTap* platform for our course. Each homework assignment is a combination of fill-in-blank (both numbers and words), true/false, and graph-related (e.g., drawing graphs, or highlighting areas) questions.
- **There will be no makeup or deferred homework assignment: Students unable to submit homework assignments for reasons identified in the University Approved Absences (see below) will have the weight shifted to the Final Exam; otherwise a grade of zero will be assigned.** Each homework assignment and its associated course material will be covered in class at least 9 days before the assignment is due (typically more), and assignments can be completed at any time before the due date. Thus, only situations where someone can document the above-mentioned circumstances **for an extended period (e.g., several days prior to the due date)** could warrant shifting the assignment weight to the final exam. Moreover, technical problems can be expected to occur with computer systems (and internet availability), so you should not wait until the last minute to submit your assignment. The key lesson here is: do not wait until the Sunday night when the homework is due.

University Approved Absences are:

1. Authorized University activities: University Approved Absence Office (UAAO) website provides information and FAQs for students and FAQs for faculty related to University Approved Absences

2. Disability/religious observance/pregnancy/short-term military service, as required by law and approved by the University Compliance Office, or in the case of short-term military service, the Dean of Students.
3. Significant health condition and/or personal/family emergency as approved by the Office of the Dean of Students, Gender Violence Service Coordinators, and/or the University Compliance Office.

Class Attendance and Participation

- In-person class attendance is required for all lecture sessions (T-Th 2:00-3:15).
- Starting from our third class (Th, Jan 15), in some classes, I will provide a simple in-class assignment on MindTap during the lecture and will ask you to complete it. Those who answer that assignment, will get 0.5% to 1%, depending on the assignment. These little participation assignments will add up to 10% of the total grade.
- Because this is an in-person class, in general, lectures will not be on zoom. However, if a student, for appropriate reasons such as illness, cannot attend the lecture and wants to attend via zoom, that student must inform me ahead of time with their reasons, so that I can make the lecture available on zoom on that day.

As stated in the University's Class Attendance Policy, no right or privilege exists that permits a student to be absent from any class meetings, except for these **University Approved Absences**:

1. Authorized University activities: University Approved Absence Office (UAAO) website provides information and FAQs for students and FAQs for faculty related to University Approved Absences
2. Disability/religious observance/pregnancy/short-term military service, as required by law and approved by the University Compliance Office, or in the case of short-term military service, the Dean of Students.
3. Significant health condition and/or personal/family emergency as approved by the Office of the Dean of Students, Gender Violence Service Coordinators, and/or the University Compliance Office.

Final Exam

- The Final Exam will be comprehensive and OPEN BOOK. You can consult your notes, the book, slides and other course material, but you are strictly prohibited from communication or collaboration with anyone else. The format of the Final Exam will be multiple choice/fill-in-blank.

Artificial Intelligence (AI) Use Policy

Use of generative AI tools of any kind is not permitted for doing Homework Assignments or the Final Exam in this course. This policy is intended to support the Course Goals and Student Learning Outcomes: developing and demonstrating your understanding of core microeconomic concepts, analytical tools, and your ability to apply them to investigate policy outcomes. Any use of these tools for doing Homework Assignment or the Final Exam will be considered an instance of academic dishonesty and will be referred to the Office of Student Conduct. AI tools can be used for non-graded activities.

Carolina students are expected to follow these AI guidelines:

1. AI should help you think, not think for you. You may be able to use these tools to brainstorm ideas, research topics, and analyze problems, but you must decide what's appropriate and accurate.
2. Engage responsibly with AI. You must evaluate AI-generated outputs for potential biases, limitations, inaccuracies, false output, and ethical implications. Do not put personal or confidential data into these tools.
3. The use of AI must be open and documented. You should declare, explain, and cite any use of AI in the creation of your work using applicable standards (e.g., APA, MLA, course guidelines). Understand that you are ultimately 100% responsible for your final product.
4. Follow specific AI guidelines in this syllabus. If you are unsure, check with me. Guidance offered in this syllabus would be referenced should an issue be referred to Student Conduct for alleged academic misconduct.

Expected Time Spent on Coursework

- This is a 3 CR hour course. You should expect to spend 8-9 hours/week on a combination of attending lectures, watching MindTap videos, reading, & homework assignments.

Grading Scale

- Grades will be rounded in the usual manner. For example, 83.5% will be 84%, and 83.49% will be 83%.
- We may use a curve at the end of the semester. If we use a curve, it will only increase your overall course grade.

	A	94-100%	A-	90-93%	
B+	87-89%	B	84-86%	B-	80-83%
C+	77-79%	C	74-76%	C-	70-73%
D+	67-69%	D	60-66%	F	0-59%

Syllabus Changes

- The instructor reserves the right to make changes to the syllabus including homework assignment and project due dates and test dates. These changes will be announced as early as possible.

Communication

- Every week, you have lots of opportunities to directly interact and communicate with me and Christian during lectures and office hours. Please use these opportunities to ask your questions, and consult the syllabus and Canvas for announcements and information that you may be looking for. **If, after looking at the syllabus and Canvas announcements, you still have a question that cannot wait until the class, or office hours, please email Christian or me.** To ensure FERPA compliance, you must use your UNC email for communications.

Code of Conduct

All students are expected to adhere to University policy and follow the guidelines of the UNC Code of Conduct. Additional information can be found at <https://studentconduct.unc.edu/>.

Copyright and Faculty Lecture Content

UNC's Copyright Policy prohibits students from making commercial use of notes taken in class; you may not sell or otherwise acquire financial or commercial gain from notes you take in

this class. This includes exchanging uploaded notes for access to websites that trade in course materials (notes, tests, etc.). Students do not have rights to post or sell materials from a class without permission from the original faculty member who created the material. For example, students do not have rights to upload content that faculty have created to online learning platforms, such as Course Hero. In addition, although students own their work, the Copyright Policy forbids them from selling classroom notes and exercises they have created. Students found to have violated this prohibition are in violation of the UNC Code of Conduct.

Class Recording

The course instructor may record meetings of this class for educational purposes. These recordings will be shared only with students enrolled in the course for purposes of academic instruction only. Your instructor will communicate to you how you may access any available recordings. Any use of a class recording by a student shall be for educational purposes only. Students may not record a class on their own, in any format, without prior express authorization from the University and may not copy, reproduce or distribute any recording that they access. Students requesting the use of assistive technology as an accommodation should contact Accommodations - University Compliance Office

University Compliance Office - Accommodations

University Compliance Office (UCO) Accommodations Team (Accommodations – UNC Equal Opportunity and Compliance) receives requests for accommodations for disability, pregnancy and related conditions, and sincerely held religious beliefs and practices through the University’s Policy on Accommodations. UCO Accommodations team determines eligibility and reasonable accommodations consistent with state and federal laws.

Title IX Resources

Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Reports can be made online to the UCO or by contacting the University’s Title IX Coordinator (titleixcoordinator@unc.edu), Elizabeth Hall, or the Report and Response Managers (reportandresponse@unc.edu) in the University Compliance Office (UCO) (formerly the Equal Opportunity and Compliance Office). Please note that I am designated as a Responsible Employee, which means I must report to the UCO any information I receive about the forms of misconduct listed in this paragraph. If you’d like to speak with a confidential resource, those include Counseling and Psychological Services, the University’s Ombuds Office, and the Gender Violence Services Coordinators (gvsc@unc.edu). Additional resources are available at safe.unc.edu.

Counseling & Psychological Services (CAPS)

UNC-Chapel Hill is strongly committed to addressing the mental health needs of a diverse student body. The Heels Care Network website is a place to access the many mental health resources at Carolina. CAPS is the primary mental health provider for students, offering timely access to consultation and connection to clinically appropriate services. Go to the CAPS website or visit their facilities on the third floor of the Campus Health building for an initial evaluation to learn more. Students can also call CAPS 24/7 at 919-966-3658 for immediate assistance.

Schedule of Topics

- We aim to be flexible with respect to the speed of the class and the schedule of topics. We have an ideal timeline that we aspire to follow. That ideal is presented on the last page of the syllabus. However, the goal of the class is to maximize learning, and we will be flexible and may deviate from that timeline to optimize the learning process—the **red** dates on the timeline indicate dates when there will not be a class due to university academic calendar.
- I recommend the following **public policy end-of-chapter questions** for additional practice:
 - Ch. 2: 2.14 (public housing subsidies), 2.16 (public schools and vouchers)
 - Ch. 4: 4.11 (ideology and preferences of politicians)
 - Ch. 6: 6.14 (gas taxes and rebates), 6.16 (social security COLA)
 - Ch. 7: 7.11 (income/substitution effects in social security), 7.13 (public housing and consumption)
 - Ch. 9: 9.9 (demand for charities and tax deductibility)
 - Ch. 11: 11.12 (politicians as producers of good feelings), 11.13 (optimal class size)
 - Ch. 12: 12.9 (cap and trade), 12.10 (business taxes)
 - Ch. 14: 14.6 (capital gains tax), 14.8 (business taxes part 3), 14.12 (pollution tax on output)
 - Ch. 19: 19.8 (price floor for corn), 19.12 (property tax)
 - Ch. 21: 21.9, 21.10 (environmental policy)
 - Ch. 22: 22.7, 22.8, 22.9 (health insurance)

Dates	Topic	Reference
Week 1 (Jan 6-8)	Intro	Ch. 1
Week 2 (Jan 13-15)	Resource Constraints	Ch. 2
Week 3 (Jan 20-22)	Preferences I	Ch. 4
Week 4 (Jan 27-29)	Preferences II	Ch. 5
Week 5 (Feb 3-5)	Individual Decisions	Ch. 6 HW1 (Ch. 4) due on 2/1
Week 6 (Feb 10-12)	Substitution/Income Effects	Ch. 7
Week 7 (Feb 17-19)	Demand + Firms Decisions & Supply	Ch. 9, Ch. 11 HW2 (Ch. 6) due on 2/15
Week 8 (Feb 24-26)	Firms Decisions & Supply	Ch. 11 HW3 (Ch. 7) due on 2/22
Week 9 (Mar 3-5)	Labor and Capital	Ch. 12
Week 10 (Mar 10-12)	Competitive Market	Ch. 14 HW4 (Ch. 11) due on 3/8
Week 11 (Mar 17-19)	Spring Break	
Week 12 (Mar 24-26)	Competitive Market + Taxes	Ch. 14, Ch. 19
Week 13 (Mar 31-April 2)	Taxes	Ch. 19
Week 14 (Apr 7-9)	Externalities	Ch. 21 HW5 (Ch. 14) due on 4/5
Week 15 (Apr 14-16)	Information Frictions	Ch. 22 HW6 (Ch. 19) due on 4/12
Week 16 (Apr 21-23)	Politics + Overview	Ch. 28