Making Sense: A Microeconomic News Analysis

Must be turned in by Monday Dec. 3rd but you may submit any time during the course

The objective of this assignment is for you to apply the microeconomic concepts and tools to analyze some topic you find interesting. The possibilities are endless: you could look at the rise in health care costs, or the effects of medical marijuana laws, or subsidies for ethanol producers, or the Apple patent case, or . . .

1. Identify a news article, editorial, op-ed piece, blog post, etc. on some topic that will allow for microeconomic analysis.
   a. The article should have been written during the time period of this course.
      (I am willing to make exceptions if you come and talk to me in advance.)
   b. The article could be factual or it could represent someone’s opinion.
   c. DO NOT choose a topic we have already discussed at length in class.
   d. DO NOT choose a topic that requires tools from macroeconomics.

2. Using the microeconomic tools and concepts in this course, design a problem set that analyzes this article. See the posted example for ideas.
   a. Write at least three questions that ask for an economic analysis of the topic.
   b. Provide the answers to these questions.
   c. At least one of the questions should require a graph of some kind.
   d. Ideally, your questions would help a reader see something new about the problem that they might not have seen without the microeconomic analysis.

3. Examples of microeconomic concepts and tools you could use:
   - opportunity cost
   - demand and supply
   - indifference curves/budget constraints
   - marginal revenue (or marginal benefit)/marginal cost curves
   - long run/short run costs and industry supply
   - monopoly profit functions
   - externalities (external benefit/cost)

Your assignment should

- Be typed—learn to make a simple graph in Word or something similar
- Include the text of the article and its complete source. A photocopy is okay, as long as you have the source recorded. A link to the article if it is available online is ideal.
- Use correct grammar, punctuation, etc. Write in a professional tone.
  I will consider using the best questions on the final exam.