Part I. Answer either question 1 or question 2.

1. Researchers in public policy have developed models of the public policy process, including such models as punctuated equilibria, incrementalism, policy streams, policy cycles, systems models, and the advocacy coalition framework. Choose three of these models and describe and explain them. Compare and contrast the three models, discussing relative strengths and weaknesses, and similarities and differences in their uses, content, and domains of application. Cite major academic contributors and sources in your discussion.
2. Our public policy courses, and public policy studies generally, often divide into a category of economics-based policy analysis and evaluation, and a category that we often call “policy process” that is based more in political science. Discuss the differences and any similarities between these two categories, in substantive content, methods, focal topics and issues, and other important similarities and differences. Discuss the pros and cons of such a categorization, including the value of covering both in the same curriculum, but also any attendant complications in doing so. Discuss any potential or actual points of integration of the two. If you choose, you can object to this dichotomous categorization and argue that it does not really exist or that it should not exist.

Part II. Answer either question 3 or question 4.

1. Cost-benefit analysis is the most common tool in evaluating public policies. Discuss the Pareto and Kaldor-Hicks criteria for policy analysis. Explain how the two criteria differ and how they are similar. Then, relate these criteria to cost-benefit analysis. Choose a policy evaluation that uses cost-benefit analysis from the literature and assess their application of these criteria.
2. When economists discuss what something is worth, they are typically concerned with market prices or opportunity costs. Yet in many cases, markets do not exist or are inadequately competitive to reveal a true “market price.” For example, what is the price of a quality primary public school education? Describe two approaches that a researcher/analyst could use to assess the value of a non-market good of your choice. Discuss the advantages and disadvantages of each approach using examples from the literature and/or supporting evidence.

Part III. Answer either question 5 or question 6.

1. Two mechanisms for coping with a negative externality are the Coase Theorem and Pigouvian taxes.
   1. Discuss the assumptions build in to each approach and under what circumstances each approach could be used in practice. Also, discuss the relative merits and demerits of each approach.
   2. Examine and discuss the distributional consequences of each policy.
   3. How would each of your solutions work in the case of complaints by neighbors about odor and noise associated with a medical marijuana production facility in Denver Colorado?
2. Consider a resource that is currently being used by the community at large, with no restrictions on access (for example, a lake which is popular for fishing, but which currently puts no limits on the types of, or time of, fishing people can do). Social welfare is increasing in the number of fish that are taken from the lake at each point in time. For the purposes of this exercise, assume that the only social use of the lake is in producing fish. If no one fishes, there are many fish in the lake, but social welfare from the lake is zero. If too many people fish, then there will be high social welfare today, but no fish left in the lake after that, and welfare is zero tomorrow and thereafter.

a. Discuss what factors you would need to take into consideration to decide what the correct (i.e., optimal) number of people fishing would be. What costs and benefits would have to be compared? If fishing technology changed, such that it is now easier to catch fish than before (say, a new lure that fish found irresistible) how would that affect the optimal number of people who should be allowed to fish?

b. Discuss at least two ways you could achieve the optimal fish levels in the lake. Which of these would be the best approach in terms of achieving your goal of maximizing long-term fish production with the fewest dollars expended in government action? Which would be the best approach in terms of minimizing any distortions in the market from people trying to circumvent the government action?