

**Economic Policy Analysis
ECO 6120**

- I. Introduction to Economic Policy Analysis
- II. Conditions for Efficiency of an Economic System
 - A. Efficiency in Exchange
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 - C. Combined Exchange and Production Efficiency
- III. Social Welfare Optimization
- IV. The Efficiency of Perfect Competition
- V. Allocative Inefficiencies: Their Cause and Cure
 - A. Externalities
 - B. Public Goods
 - C. Natural Monopoly and Imperfect Competition
 - D. Government Itself
- VI. Distributional Inequities: Their Cause and Cure
 - A. The Distribution of Income and Wealth
 - B. Economic Rationale for Redistribution
 - C. Redistribution Policies
- VII. Introduction to Benefit-Cost Analysis
 - A. The Evaluation of Social Costs and Benefits
 - B. Discounting Future Benefits and Costs
 - C. Risk Adjustment and Distributional Considerations