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Econ 854

HW #1 (please *type*; answers should be 1 page, double-spaced)

Answer any SIX questions!

1. Argue that a policy you consider heinous is Kaldor-Hicks efficient. Be careful not to confuse transfers with deadweight costs.
2. What is your *maximum* defensible estimate of the probability of voter decisiveness in American presidential elections? Use the formula from the notes to organize your answer.
3. It frequently happens that two senators who represent the same state disagree. Is there any way for the Median Voter Theorem to explain this?
4. Why was there platform divergence in the last U.S. presidential election? In particular, what quantitative importance would you assign to the various theoretical explanations, and why?
5. How would restricting the franchise to college graduates affect U.S. domestic policy? In particular, how would the old and the new median voter differ?
6. If the entire U.S. population were given a test of general political knowledge, what percentile do you think you would get? Qualitatively speaking, what factors *analyzed in the empirical literature* suggest you would do better than average? Worse than average?
7. "The Tiebout model shows that *local* governments are efficient." Offer a counter-example, and explain how it is possible.
8. "Due to the 'race to the bottom,' it is more efficient for the federal government, rather than the states, to control welfare policy." Explain why you agree or disagree.
9. Give an example that illustrates how the Miracle of Aggregation works for a continuous policy decision (as opposed to a two-candidate election).
10. Name one political issue where you think random errors largely "cancel each other out." If a referendum were held on this issue, how would the vote shares and outcome differ from a world with perfect information?
11. Propose – and try to sell – an efficiency-enhancing political bargain on a controversial issue.
12. Which is more predictively accurate in the modern U.S.: the Median Voter Theorem or the Mean Voter Theorem? Explain your answer.