

## THINGS TO KNOW FOR THE FINAL EXAM

Tiebout model

Voting with your feet

Median voter model

Jurisdictional fragmentation

sorting

Property taxes in budget constraint of a household

Individually optimal tax-expenditure package

Jurisdictional balanced budget constraint with different production technologies for the publicly provided good – decreasing marginal cost, constant marginal cost, increasing marginal cost

Housing Policy

Middle class housing policy

Low income housing policy

Indirect utility function

empirical evidence that people have different preferences for different tax-expenditure packages

ability to use FRED GRAPH to make relevant graphs

HEDONIC MATCHING – AS AN ASPECT OF EFFICIENCY

Samuelson Condition

Free riding

Prisoner's dilemma – dominant strategy

What is the relationship between land rent and land value?

density and distance

land value and distance

house value and distance

substitution among inputs - what difference does it make to:

bid-rent function

density function

general implications of the monocentric city model

comparative statics of bid-rent function with substitution

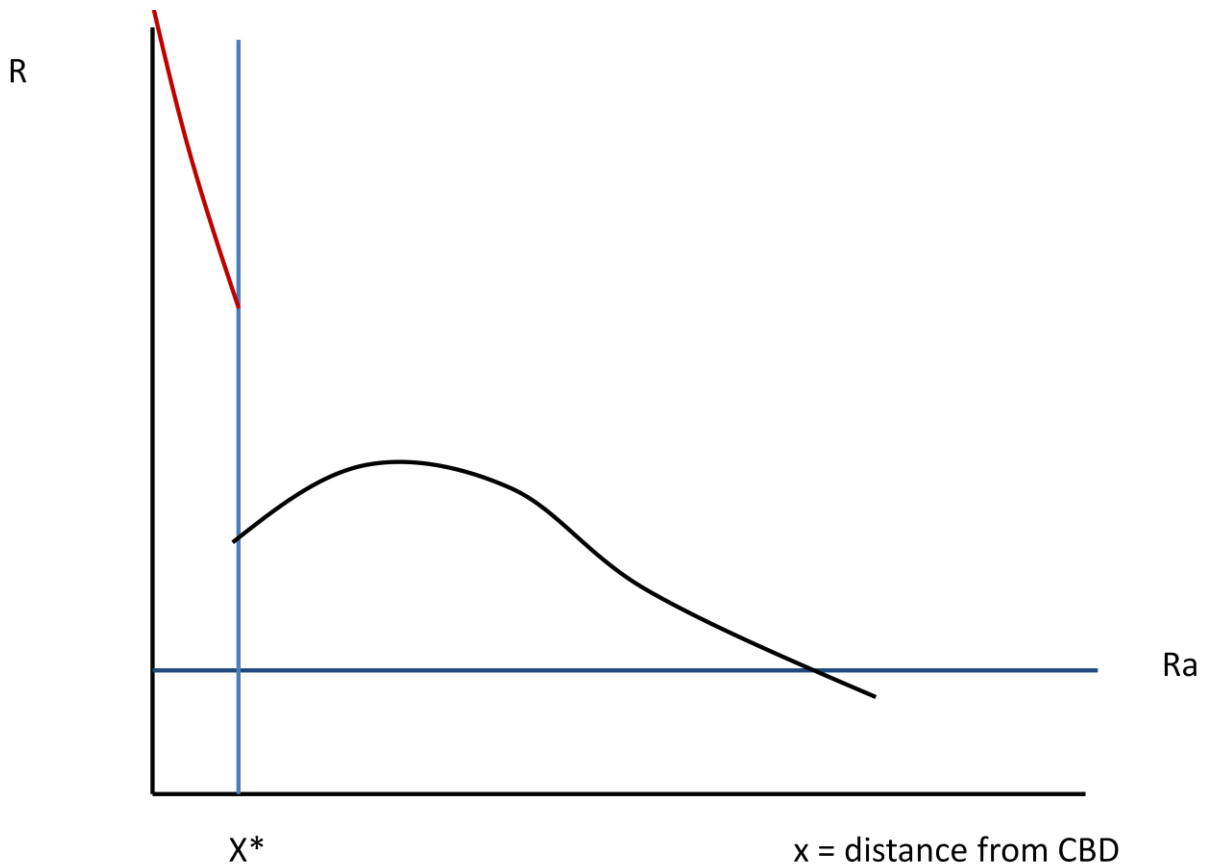
identify the main elements in the monocentric city model. Which are endogenous and which are exogenous? Explain.

What is a regulatory “taking”?

Is zoning a “taking”? Cite authoritative sources.

Externalities in the monocentric city model: explain effects on bid-rent function

What can cause a bid rent function to look like this?



Policies that affect filtering of the housing stock

Bid curves, offer curves, hedonic equilibrium, hedonic equilibrium with heterogeneous producers and consumers.

Hedonic equilibrium and willingness to pay

What is a numeraire good?

Analytically, what is the difference between cash grants and housing vouchers? Explain your answer using graphs.

**Linear programming module**

What is a linear programming problem?

What does the solution to the dual linear programming problem tell you?

What use is linear programming in determining what solid waste facilities to focus on for increases in capacity?