

DEREE COLLEGE SYLLABUS FOR: EC 3342 PUBLIC FINANCE**UK LEVEL: 5**
UK CREDITS: 15
US CREDITS: 3/0/3

(Updated Fall 2021)

PREREQUISITES:EC 1000 Principles of Microeconomics
EC 1101 Principles of Macroeconomics
EC 3270 Managerial Economics**CATALOG DESCRIPTION:**

The role of the public sector in a mixed economy. Description and analysis of the three main functions of government: allocation, distribution and stabilization. The government budget and efficiency in taxation and government spending. Project evaluation. Public goods. Fiscal Policy.

RATIONALE:

By focusing on the public sector and public finance theory and policy this course attempts, on the one hand, to analyze the effects of governmental actions on the economy and, on the other hand, to describe the various governmental institutions, such as the budget and its construction, the taxation system and policy channels. In this way, this course supplements the study of allocation theory in microeconomics and the study of stabilization in macroeconomics, while also concentrating on distributional aspects and the role of the government, e.g. poverty and welfare. Finally, efficiency in the public sector through PPBS (planning, programming and budgeting systems) and cost-benefit analysis expounded in welfare economics will facilitate the examination of case studies in public project evaluation.

LEARNING OUTCOMES:

As a result of taking this course, the student should be able to:

1. Evaluate the role of the government in the economy.
2. Analyze the effects of government actions on the structure of the economy and evaluate their effectiveness.
3. Demonstrate detailed knowledge of the tax structure and public expenditure.
4. Demonstrate understanding of the institutional framework (preparation, planning and coordination of budget) within which government actions take place.
5. Describe and evaluate the tax system as used by mixed economies.

METHOD OF TEACHING AND LEARNING:

In congruence with the learning and teaching strategy of the college, the following tools are used:

- Classes consist of lectures and class discussions of recent articles in economic
- Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions and go over lecture material.
- Use of Blackboard, where instructors post lecture notes, assignment instructions, timely announcements, as well as additional resources.

ASSESSMENT:**Summative:**

	<table border="1" data-bbox="483 210 1274 483"> <tr> <td data-bbox="483 210 1101 346">1st assessment: Term project (group project 2,800-3,200 words; presentation of group project; reflective essay on group project – individual, 200-300 words)</td> <td data-bbox="1101 210 1274 346">50%</td> </tr> <tr> <td data-bbox="483 346 1101 483">Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)</td> <td data-bbox="1101 346 1274 483">50%</td> </tr> </table> <p data-bbox="483 546 633 577">Formative:</p> <table border="1" data-bbox="483 577 1274 619"> <tr> <td data-bbox="483 577 1084 619">Formative assignments</td> <td data-bbox="1084 577 1274 619">0%</td> </tr> </table> <p data-bbox="483 651 1513 724">The formative assignments prepare students for the examinations and ensure that students are actively engaged during the term.</p> <p data-bbox="483 745 1513 850">The 1st assessment tests Learning Outcomes 1, 2, and 3. The final assessment tests Learning Outcomes 1, 2, 3, 4, and 5, with emphasis on 4 and 5.</p> <p data-bbox="483 882 1513 1060">The final grade for this module will be determined by averaging all summative assessment grades, based on the predetermined weights for each assessment. If students pass the comprehensive assessment that tests all Learning Outcomes for this module and the average grade for the module is 40 or higher, students are not required to resit any failed assessments.</p>	1 st assessment: Term project (group project 2,800-3,200 words; presentation of group project; reflective essay on group project – individual, 200-300 words)	50%	Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)	50%	Formative assignments	0%
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Final assessment: In-class written examination (Two-hour, essay questions/problems, closed-book, comprehensive)	50%						
Formative assignments	0%						
INDICATIVE READING:	<p data-bbox="483 1081 787 1113">REQUIRED READING:</p> <p data-bbox="483 1144 1356 1186">Hyman, D., Public Finance, Thomson, South-Western latest edition.</p> <p data-bbox="483 1207 1485 1249">Journal articles, accessible through the Library, as assigned by the instructor.</p> <p data-bbox="483 1312 868 1344">RECOMMENDED READING:</p> <p data-bbox="483 1375 1502 1480">Akgun, O., D. Bartolini and B. Cournède (2017), "The capacity of governments to raise taxes", OECD Economics Department Working Papers, No. 1407, OECD Publishing, Paris, https://doi.org/10.1787/6bee2df9-en</p> <p data-bbox="483 1512 1502 1648">Bloch, D. and J. Fournier (2018), "The deterioration of the public spending mix during the global financial crisis: Insights from new indicators", OECD Economics Department Working Papers, No. 1465, OECD Publishing, Paris, https://doi.org/10.1787/2f6d2e8f-en.</p> <p data-bbox="483 1680 1502 1785">Coy, P., Dmitrieva, K., Boesler, M. (2019): "Warren Buffett Hates It. AOC Is for It. A Beginner's Guide to Modern Monetary Theory". Bloomberg Businessweek, March 2019.</p> <p data-bbox="483 1816 1445 1879">https://www.bloomberg.com/news/features/2019-03-21/modern-monetary-theory-beginner-s-guide]</p>						

	<p>IMF Fiscal Monitor reports, various years</p> <p>Rosen H. and Gayer, T. Public Finance. McGraw-Hill, latest edition.</p> <p>Stiglitz, Joseph. Economics of the Public Sector. Norton, latest edition.</p>
<p>INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)</p>	<p>REQUIRED MATERIAL: N/A</p> <p>RECOMMENDED MATERIAL: N/A</p>
<p>COMMUNICATION REQUIREMENTS:</p>	<p>Use of appropriate academic conventions as applicable in oral and written communications.</p>
<p>SOFTWARE REQUIREMENTS:</p>	<p>Word, Excel, Powerpoint</p>
<p>WWW RESOURCES:</p>	<p>netec.mcc.ac.uk ntanet.org www.cbo.org www.aei.org www.brook.edu www.nber.org www.oecd.org www.fraserinstitute.com https://www.imf.org/en/Publications/FM</p>
<p>INDICATIVE CONTENT:</p>	<ol style="list-style-type: none"> 1. The Public Sector <ol style="list-style-type: none"> 1.1. Fiscal functions 1.2. The public sector in national accounts 2. Allocation and Distribution <ol style="list-style-type: none"> 2.1. Public provision of social goods 2.2. Social goods further considered: merit goods 3. Public Expenditure <ol style="list-style-type: none"> 3.1. Structure and growth 3.2. Expenditure evaluation principles 4. Public Revenue: Principles of Taxation <ol style="list-style-type: none"> 4.1. Introduction to taxation 4.2. Approaches to tax equity 4.3. Tax and expenditure incidence and excess burden 5. Tax Structure <ol style="list-style-type: none"> 5.1. Income taxes 5.2. Consumption taxes 5.3. Property and wealth taxes 6. Fiscal policy. Theory and evidence

	7. Debt sustainability analysis
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