

Public Finance I

ECON 391:10, Fall 2018

Mondays 2:15-3:30pm and Thursdays 3:45-5pm, SCHW414

Professor: Diana Alessandrini

Office Hours: Mondays 3:45-4:45pm and Thursdays 2:30-3:30pm Lane Hall A205 or by appointment

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Class Webpage (Moodle): Moodle.stfx.ca

COURSE DESCRIPTION

This course will explore the role of governments in the economy and answer questions such as how does the government affect the economy? What is the appropriate role and size of government? Should the government do more, or less? In specific, we will talk about the government budget, government regulations (concerning the environment and public health), and government programs (such as education, health care, social security and welfare). We will also talk about voting rules and how governments make decisions. Methodologically, we will study these topics using both economic theory and data analysis.

COURSE MATERIALS

- **Lecture notes:** I will post lecture notes and articles on a weekly basis on Moodle under Lectures. I suggest you to print the notes and bring them to class. There is no need to print the articles unless I specify otherwise.
- **Textbook (not mandatory but strongly recommended):**

Public Finance and Public Policy by Jonathan Gruber, 5th edition

<https://store.macmillanlearning.com/ca/product/Public-Finance-and-Public-Policy/p/1464143331>

The cheapest options are the 6-month subscription to the ebook (\$65) and the 4-month hardcover rent (\$73). Alternatively, you may want to consider purchasing the print version of the book in groups to share the cost. The textbook is not mandatory but reading it will make studying much easier. Further, if you miss a class, you will need to read the textbook to catch up.

EVALUATION:

- **Midterm test:**

There will be a midterm test in class on **October 18**.

If you happen to miss the test, the weight of the exam will be transferred to the final exam.

- **Assignments:**

There will be 5 assignments. Deadlines will be posted on Moodle. Assignments are due at the beginning of the class. If you cannot attend the class, please email me a scanned copy of the assignment (please note that I should receive the email by the beginning of the class). The best 4 assignments will count towards your final grade.

It is possible to submit assignments after the deadline but the grade will be reduced as follows:

-5% for submitting the assignment by 11:59pm on the due date

-15% for submitting the assignment the day after the deadline

-100% for submitting the assignment two or more days after the deadline

- **Final Exam**

The examination schedule will be available within 4 weeks after the beginning of classes each term. If you are unable to attend the final exam due to illness or due to a serious unexpected circumstance you must notify the Associate Dean, Academic Affairs' Office.

- **In-class participation**

Participation will be assessed based on attendance and contributions to in-class activities such as discussions, group activities, active review sessions. After each class, I will record your participation mark as follows: absent (0), present but non contributing (1), present and contributing (2). On days when there is no in-class activity, students who are present will receive a score of 2. At the end of the semester, your participation grade will be calculated as follows. I will drop your lowest 3 marks and add your remaining participation marks, which will then be transformed into a percentage score.

Weighting Scheme:

	WEIGHT
Assignments (best 4)	25%
Midterm	35%
Final exam	35%
In-class participation	5%

OTHER POLICIES:

- **Classroom conduct:**

I need your cooperation to ensure orderly conduct of lectures.

- Please arrive on time. If you need to leave early on a particular day for a valid reason, please let me know in advance.

- **Equitable learning:**

Everyone learns more effectively in a respectful, safe and equitable learning environment, free from discrimination and harassment. I invite you to work with me to create a classroom space – both real and virtual – that fosters and promotes values of human dignity, equity, non-discrimination and respect for diversity.

- **Academic Integrity Policy:** <http://www2.mystfx.ca/registrars-office/academic-integrity>

Please note that simply having an unauthorized device (cell phone or smart watch for example) with you during an exam (even if not used during the exam) is a violation of the academic integrity policy.

- **Accommodations through the center for accessible learning:**

Students who need accommodations are asked to contact the Tramble Centre for Accessible Learning at 902-867-5349 (<http://www2.mystfx.ca/accessible-learning/>)

- **November 2nd** is the last day to drop the course. If you decide to drop the course, you must do so online through Banner. Permission to drop or change a course after the deadline can only be granted by the Dean's office.

TENTATIVE SCHEDULE:

Introduction – Role and size of the public sector

Introduction - Key issues in budget analysis

Externalities: problems and solutions

Public goods and the cost-benefit analysis

Political economy – voting rules and representative democracies

Government programs - Education

Government programs - Social insurance

Government programs - Health insurance

Inequality and income redistribution

Government programs - Welfare