Course Name: Public Economics
First Year Available: 2nd Year
Course Code: ECON380
Subject Area: Global Business and Economics
Class Style: Lecture
Number of Credits: 3
Term(s) Offered: Fall Semester
Prerequisite: ECON201
Instructor: Jimmy Teng

Course Description:
This course covers theory and evidence on government expenditure and taxation policy. It also investigates the role of the public sector in the economic arena. Topics covered include welfare economics, market failures, and political economy.

Grading Criteria:
In-Class Tests: 30%; In-class Assignments: 30%; Final exam 40%.

Course Objectives:
The objective is to present an introduction to public economics, with special emphasis on the history of taxation, public spending and state formation, normative theories of government intervention and redistribution, and the incidence of tax and transfer policies, both in developed countries and in the developing world. The emphasis of the course will be on developing critical thinking, quantitative reasoning and independent thinking skills.

Organization:
This class will be conducted primarily as an interactive lecture. Students are expected to participate in class discussions in an inquisitive, thoughtful, and constructive manner. We will follow the textbook reasonably closely and students should to review the suggested study materials before joining the class.
There will be two lectures per week of 75 minutes each. Students should not expect to pass the course if they fail to attend the lectures on a regular basis.
There will be regular in-class tests and in-class assignments. This will help student understand better their learning and over all progress. Students are invited and encouraged to discuss all aspects of the course with the instructor and among each other. There will be a final exam for this course. The problems will be comparable in difficulty to in-class tests and assignments.

Plagiarism policy:
Plagiarism is the dishonest presentation of the work of others as if it were one’s own. Duplicate submission is also treated as plagiarism. Depending on nature of plagiarism you may fail the assignment or the course. Repeated act of plagiarism will be reported to the University which may apply additional penalties.
Required Materials and Textbooks
Student are strongly encouraged to have a book even though lecture slides will be provided to students.

Lectures and Readings
WEEK 1
Introduction
(Day 1): Introduction
(Day 2): Equilibrium and Efficiency
Reading: Myles and Hendriks, Chapters 1 and 2

WEEK 2
Government
(Day 1): Public Sector Statistics
(Day 2): Theories of the Public Sector
Reading: Myles and Hendriks, Chapters 3 and 4

WEEK 3
Departures from Efficiency I
(Day 1): Public Goods
(Day 2): Club Goods and Local Public Goods
Reading: Myles and Hendriks, Chapters 5 and 6

WEEK 4
Departures from Efficiency II
(Day 1): Externalities
(Day 2): Imperfect Competition
Reading: Myles and Hendriks, Chapters 7 and 8

WEEK 5
Departures from Efficiency III
(Day 1): Hidden Knowledge
(Day 2): Hidden Action
Reading: Myles and Hendriks, Chapter 9

WEEK 6
Voting
(Day 1): Majority Rule
(Day 2): Alternatives to Majority Rule
Reading: Myles and Hendriks, Chapter 10

Week 7
Rent Seeking
(Day 1): Rent Seeking
(Day 2): Government Policies
Reading: Myles and Hendriks, Chapter 11
WEEK 8
Equity and Distribution
(Day 1): Optimality and Comparability
(Day 2): Inequality and Poverty
Reading: Myles and Hendriks, Chapters 12 and 13

WEEK 9
Taxation
(Day 1): Commodity Taxation
(Day 2): Income Taxation
Reading: Myles and Hendriks, Chapters 14 and 15

WEEK 10
Tax Evasion and Fiscal Federalism
(Day 1): Tax Evasion
(Day 2): Fiscal Federalism
Reading: Myles and Hendriks, Chapters 16 and 17

WEEK 11
In-class Assignment 1 and Test 1
(Day 1): Assignment 1
(Day 2): Test 1

WEEK 12
Fiscal Competition
(Day 1): Tax Competition
(Day 2): Income Distribution and Intergovernmental Transfers
Reading: Myles and Hendriks, Chapters 18

WEEK 13
Intertemporal Efficiency
(Day 1): Overlapping Generations
(Day 2): Optimality and Efficiency
Reading: Myles and Hendriks, Chapters 19

WEEK 14
Social Security
(Day 1): Social Security I
(Day 2): Social Security II
Reading: Myles and Hendriks, Chapters 20

WEEK 15
Economic Growth
(Day 1): Exogenous Growth
(Day 2): Endogenous Growth
Reading: Myles and Hendriks, Chapter 21
WEEK 16
Finals
(Day 1): Final Exam