

ECONOMICS OF THE PUBLIC SECTOR, ECON 4211

Summer 2018

Instructor: Dr. Mariya Burdina
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Class times: MTWRF 9:15 AM – 10:50 AM Location: Econ 119
Office Hours: MTWRF 8 AM – 9 AM Location: Econ 06A

TEXTBOOK: Public Finance and Public Policy, Gruber, 5th Edition.

Course description (from the catalogue): Focuses on taxation and public expenditures. Topics include economic rationale for government action, economic theory of government behavior, and effects of government policies on allocation of resources and distribution of income.

This course uses microeconomic tools and theory to examine the efficiency of markets with and without government programs. Throughout the semester, we will examine various public sector issues, attempting to understand arguments on different sides of the issue; we will also discuss current policies of state, local and federal governments to see how real-world complications (like politics and information problems) can lead to outcomes that are very different from economic prescriptions.

Course objectives

The objective of this course is for students to learn more about the fundamental public policy questions and be able to use key theoretical and empirical tools of public finance when evaluating government economic policies. With this in hand, you should be able to examine the role of government and analyze why some economic activities are undertaken in public sector; to think critically and in un-bias way about various economic policies, and gain some hands-on experience in policy analysis; think analytically using logical reasoning.

Pre-requisites:

Intermediate Microeconomics, ECON 3070;
Introduction to Statistics with Computer Applications, ECON 3818.

GRADING:

- 1. Problem Sets (20%):** Problem Sets will cover a few chapters at a time from the book. There will be approximately 4-5 Problem Set assignments throughout the semester. I will accept late homework until I distribute the answers. For each day the homework is late your grade is reduced by 20%.
- 2. Quizzes (10%):** administered in the beginning of each class. The quizzes will be over assigned reading and the material covered during the previous class. The two lowest quiz grades will be dropped.
- 3. Article analysis (10%):** You will be required to write a short summary discussing the article. Following the summary, you must discuss how the article relates to the material we have covered in class. The point of the article analysis is to provide you with an opportunity to relate course material to the real world (economics DOES matter!) and to think!
- 4. Exam 1 (30%):** Wednesday, July 25
- 5. Exam 2 (30%):** Friday, August 10

GRADING SCALE:

92.5-100	A	77.5-79.4	C+
89.5-92.4	A-	72.5-77.4	C
87.5-89.4	B+	68.5-72.4	C-
82.5-87.4	B	58.5-68.4	D
79.5-82.4	B-	0-58.4	F

POLICIES AND RECOMMENDATIONS:

1. Attend all classes and take full lecture notes. You should have notes taken from previous classes with you every class. If you miss a class, you need to get the notes from another student. I do not give out the notes from class. Having the notes is your responsibility.
2. You are encouraged to come to my office hours to discuss any class related issues and discuss course material. I am here to help you. If you feel like you are falling behind, please talk to me as soon as possible.
3. You are encouraged to work with others on HW and preparing for exams (this does not mean let one person do the work and copy it, as this will only hurt you at exam time).
4. No quiz or exam make-up will be given for any reason except illness. Students will be required to bring a medical certificate to be eligible for a make-up.

Tentative Course Schedule:

	Lecture, Assignments	Due
Week 1		
July 10	Chapter 1. Introduction. Chapter 3. Empirical tools	
July 11	Chapter 2. Theoretical tools	
July 12	Chapters 5 & 6. Externalities	
July 13		
Week 2		
July 16	Chapter 7. Public Goods /Chapter 11. Education	Article 1 HW 1
July 17	Chapter 8. Cost-Benefit	
July 18		
July 19	Chapter 9. Political Economy	
July 20	Chapter 10. State and local Expenditures	Article 2
Week 3		
July 23	Chapter 4. Budgets and Deficits	HW 2
July 24	Review	
July 25	Exam 1	
July 26	Chapters 12 & 13 Social Insurance and Social Security	
July 27	Chapters 15 & 16 Health Insurance, Medicaid, Medicare	Article 3
Week 4		
July 30		HW 3
July 31	Chapter 17. Income distribution	
August 1	Chapter 18. Taxation	
August 2	Chapter 19. Tax Incidence	
August 3	Chapter 20. Optimal Taxation	Article 4
Week 5		
August 6	Chapter 21 Taxes on Labor Supply	HW 4
August 7	Chapter 22 Taxes on Savings	
August 8	Chapter 24 Corporate Taxation	
August 9	Review	HW 5/Article 5
August 10	Exam 2	

Students with Special Needs:

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322 and www.Colorado.EDU/disabilityservices .

Harassment Policy:

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of

Colorado policy on Amorous Relationships applies to all students, staff and faculty.

Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based on race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of

Discrimination and Harassment (ODH) at (303) 492-2127 or the Office of Judicial

Affairs at (303) 492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at:

<http://www.colorado.edu/odh>

Religious Observances:

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please let me know in a timely manner if one of the exam dates falls on a religious holiday you intend to observe and I will arrange for you to take a make-up. See policy details at:

http://www.colorado.edu/policies/fac_relig.html

Classroom Behavior:

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences in race, culture, religion, politics, sexual orientation, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at

<http://www.colorado.edu/policies/classbehavior.html> and at

http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

Academic Integrity:

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu ; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and nonacademic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at:

<http://www.colorado.edu/policies/honor.html> and at

<http://www.colorado.edu/academics/honorcode/>