

# Public Finance I

ECON 391:10, Fall 2019

Mondays 9:45-11am and Wednesdays 8:15-9:30am, MULH 4034

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*Professor:* Diana Alessandrini

*Office:* MULH 3069

*Office Hours:*

Mondays	14:15-15:15
Tuesdays	13:00-15:00
Wednesdays	12:45-13:45
or by appointment	

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*Office Phone:* (902) 867-3982

*Class Webpage (Moodle):* [Moodle.stfx.ca](https://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? 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 discuss voting rules and how governments make decisions. Methodologically, we will study these topics using both economic theory and data analysis.

## COURSE MATERIALS

- **Textbook (not mandatory but strongly recommended):**

*Public Finance and Public Policy* by Jonathan Gruber, 5<sup>th</sup> edition

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

You can do well in the course without reading the textbook as long as you attend all classes, take detailed notes. However, if you miss a class, you will need to read the textbook to catch up with the material. You can borrow a copy of this textbook from the library.

- **Handouts:** occasionally, I will distribute handouts in class and post them on Moodle under Lectures.

## EVALUATION:

- **Midterm test:**

There will be a midterm test in class on **October 23**.

In the event of a winter closure on the midterm exam day, the exam will be automatically moved to the next scheduled lecture. Students should be prepared for this eventuality. Should you miss the midterm exam due to extenuating circumstances, you will be permitted to write a make-up exam during November 14<sup>th</sup>-15<sup>th</sup>. Requests to alter the midterm date for travel plans will not be accommodated.

- **Assignments:**

There will be 4 assignments. Deadlines will be announced in class and posted on Moodle throughout the semester. 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 3 assignments will count towards your final grade. It is not possible to submit assignments 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 appropriate Dean (i.e. the Dean of Business if you are a BBA student, the Dean of Arts if you are a BA student, etc.).

- **In-class participation**

Participation will be assessed based on attendance and contributions to in-class activities such as discussions, group activities and 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 3 out of 4)	20%
Midterm	35%
Final exam	40%
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.
- **Taking pictures or videos during lectures is not allowed**

- **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 1st** 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

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

Organ shortage: problems and solutions

Inequality, income redistribution and welfare (*if time permits*)