

Public Finance I

ECON 391:10, Fall 2023

Tuesdays 11:30-12:45 and Fridays 1-2:15, SCHW289

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Class Webpage (Moodle): [Moodle.stfx.ca](https://moodle.stfx.ca)

Office Hours:

Tuesdays 1-2:15pm

Thursdays 1-2:30pm

Fridays 2:30-3:45pm

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 programs). 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 if you attend all classes but needed if you miss class):**

Public Finance and Public Policy by Jonathan Gruber

[A copy of the textbook has been placed on reserve at the university library.](#)

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

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

EVALUATION:

- **Midterm test (35% of final grade):**

There will be a midterm test in class on **October 20**.

In the event of a university closure on the midterm exam day, the exam will be automatically moved to the next scheduled lecture. Students should be prepared for this eventuality.

Students unable to write a midterm examination at its scheduled time due to illness or due to a serious unexpected circumstance will be permitted to either write a makeup exam or transfer the weight of the midterm test to the final exam. Please note that requests to alter the midterm date for travel plans will not be accommodated.

- **Assignments (25% of final grade):**

There will be 4 assignments to be submitted on Moodle. The best 3 assignments will count towards your final grade. Assignments will become available on Moodle at least 10 days before the deadline. I will notify the class during lectures and by email when an assignment becomes available on Moodle.

- **Final Exam (40% of final grade):**

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 your 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 not be graded. However, note that it is very important to attend all lectures in order to succeed in the course.

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**
- Course materials (including lectures, assignments and exams) are the property of the instructor, unless otherwise stated by the instructor. Copying this material for distribution, online posting, or selling of this material to third parties without permission is subject to Canadian Copyright Law and is strictly prohibited.

- **Artificial intelligence aids are not permitted in this course.**

- 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:** <https://www.stfx.ca/applications-admissions/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. See Section 2.6 of Appendix 2.
- Accommodations through the center for accessible learning:**
 Students who would like to request accommodations are asked to contact the Tramble Centre for Accessible Learning:

Phone 902.867.5349

Email: tramble@stfx.ca

<http://www.mystfx.ca/accessible-learning/>

The Tramble Center welcomes students with documented permanent disabilities and offers them a student-centered program of support. Located in Room 108 of the Angus L MacDonald Library, new and returning students meet with program staff to discuss options for support. Deadline for registering with the Center is two weeks prior to the end of classes each semester and 7 days' notice is required for booking all accommodated tests and exams.

- 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.
- In accordance with the academic calendar, no classes will be held on September 29th and during the Fall Study break of November 6th-November 12th.
- Please note that the last week of classes in the Fall term will have a unique teaching schedule:**

Monday December 4	regularly scheduled classes will occur
Tuesday December 5	Monday classes will be offered again
Wednesday December 6	Friday classes will be offered

This means that our last class will be on Wednesday Dec 6th from 1-2:15pm rather than Tuesday Dec 5th.

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

Gruber Ch. 5

Gruber Ch. 7-8

Gruber Ch. 9

Gruber Ch. 11

Gruber Ch. 12, 14

Gruber Ch. 15