

Public Finance I

ECON 391:10, Fall 2020

Tuesdays 9:45-11am and Thursdays 8:15-9:30am, SCHW 205

Professor: Diana Alessandrini

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

Virtual Office Hours on Collaborate (Moodle):

Tuesdays	11:15-12:15
Thursdays	9:45-11:45
Fridays	2:15-3:15
or by appointment	

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

Public Finance and Public Policy by Jonathan Gruber

<https://store.macmillanlearning.com/ca/product/Public-Finance-and-Public-Policy/p/1319105254>

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. A copy of the textbook has been placed on reserve at the university library.

- **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 22**.

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. Note that requests to alter the midterm date for travel plans will not be accommodated.

- **Assignments (30% of final grade):**

There will be 4 assignments to be submitted on Moodle. The best 3 assignments will count towards your final grade. Since it is important that solutions are posted in a timely manner, deadline extensions cannot be granted. However, in case you miss more than one assignment because of illness, you will be given the possibility to write a make-up assignment. Deadlines:

Assignment 1 - due October 2 by 6PM

Assignment 2 - due October 16 by 6PM

Assignment 3 – due November 13 by 6PM

Assignment 4 – due November 27 by 6PM

These deadlines will also be announced in class and posted on Moodle throughout the semester.

- **Final Exam (35% 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.

Weighting Scheme:

	WEIGHT
Assignments (best 3 out of 4)	30%
Midterm	35%
Final exam	35%

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 designed for use in Econ 391 at StFX University and 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.

- **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 would like to request accommodations are asked to contact the Tramble Centre for Accessible Learning:

Phone 902.867.5349

Email: tramble@stfx.ca

<http://www2.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 3 business days' notice is required for booking all accommodated tests and exams. To book an appointment please use the following link: <https://stfxcal.mywconline.com/>

- **November 13th** 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	Gruber Ch. 5
Public goods and the cost-benefit analysis	Gruber Ch. 7-8
Political economy: voting rules and representative democracies	Gruber Ch. 9
Government programs - Education	Gruber Ch. 11
Government programs - Social insurance	Gruber Ch. 12, 14
Government programs - Health insurance	Gruber Ch. 15
Organ shortage: problems and solutions	