

# Public Finance II

ECON 392:20, Winter 2021

Tuesdays 9:45-11:00am and Thursdays 8:15-9:30am, GM001

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*Office Phone:* (902) 867-3982

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

*Office hours (Moodle):*

Mondays	12:45-1:45pm; 3:45-4:45pm
Tuesdays	11:15am-12:15pm
Thursdays	9:45-11:45am; 2:15-3:15pm

## COURSE DESCRIPTION

This course will explore taxation as a tool to redistribute income and to raise revenue. In specific, we will talk about the government budget, different types of taxes and their impact on the economy, tax evasion, income inequality and redistribution. Finally, we will discuss whether the government should finance its spending by raising taxes or issuing debt. Methodologically, we will study these topics using economic theory as well as evidence from experiments and data analysis.

## COURSE MATERIALS

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

*Public Finance and Public Policy* by Jonathan Gruber, 5<sup>th</sup> or 6<sup>th</sup> edition

You can succeed 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 post handouts on Moodle under the section called "Handouts".

**FINAL GRADES:****Weighting Scheme:**

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

- **Midterm test (35%):**

There will be a midterm test in class on **February 25<sup>th</sup>**. 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%):**

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

- **Final exam (35%):**

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 designed for use in Econ 392 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](mailto: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/>

- **Important dates:**

**March 19<sup>th</sup>** 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.

Following the Academic Calendar, no classes will be held on **February 15<sup>th</sup>-16<sup>th</sup> and April 1<sup>st</sup>**.

## **TENTATIVE SCHEDULE**

**(please note that this is tentative and may change due to unforeseen circumstances)**

Income inequality and income redistribution

Welfare transfers

Taxation and tax avoidance

Social security

Government debt versus taxation (Ricardian equivalence)