

ECO 4504: Public Economics Syllabus

Spring Semester 2017

Time

Mondays & Wednesdays, 7th and 8th periods (1:55pm-3:50pm).

Location

Room: MAT16

To familiarize yourself with the unique features of this course you must read this syllabus carefully. I will consider your continued enrollment in this course equivalent to accepting all the responsibilities and policies outlined in this syllabus. If something is not clear please contact me.

Brief Course Description

This course covers theory and empirical evidence on the role of the government in a market economy. We use tools from Microeconomics, Macroeconomics and Game Theory to study the rationale for government intervention in the economy, public expenditure and taxation policies, as well as issues related to fiscal federalism. We pay special attention to the US public sector but also engage in international comparisons when possible.

Prerequisites

Principles of Macro (ECO 2013), Principles of Micro (2023), Survey of Calculus (MAC 2233), and either Intermediate Micro (ECO 3101) or Managerial Economics (ECO 3703).

Textbook

Required: Economics of the Public Sector (Stiglitz and Rosengard), 4th edition, W.W.Norton, ISBN: 978-0-393-92522-7

Instructor Information

Name: Francisco Martínez-Mora

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Office: TBC

Office Hours: Thursdays 2:00pm-5:00pm (or by appointment).

Student Responsibilities & Resources

Classroom Expectations:

Class attendance is required. Students are expected to be punctual and to remain in the classroom for the entire class session, as they would in any business appointment, unless an urgent need arises or prior arrangements have been made with the instructor.

Students are expected to arrive for class prepared to meet classroom obligations and to devote full attention and commitment to the work of that class, as well as to actively participate in the class.

Laptops and other electronic devices should not be turned on. In the rare but urgent situation, the student should advise the instructor in advance of a pending phone call or message.

I will hold myself to the same standards of behavior that I expect of students.

Course Evaluation:

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>.

Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

University Honesty Policy:

UF students are bound by The Honor Pledge which states, “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: “On my honor, I have neither given nor received unauthorized aid in doing this assignment.”

The Honor Code (<https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel. If you have any questions or concerns, please consult with the instructor or TAs in this class.

Counseling and Wellness Center:

Contact information for the Counseling and Wellness Center:
<http://www.counseling.ufl.edu/cwc/Default.aspx>, tel: 392-1575;
and the University Police Department: 392-1111 or 911 for emergencies.

Students Requiring Accommodations:

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation.

Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

Advice for success:

Keep up with the course materials and lectures. Read the corresponding book chapter specified in this syllabus before every lecture. Actively participate during the lecture. Review the lecture notes and test whether you understand the material covered after each lecture.

Grading

Your course grade is normally determined by your performance on a one-hour and thirty-minute Midterm Exam (35%), in your performance in twelve Weekly Assignments (15%) and in a two-hour Final Exam (50%). Borderline course grades will be adjusted if appropriate for class attendance and participation (up or down).

Midterm (35%) and Final Exams (50%):

The Midterm Exam will cover topics 1 to 8 (or parts I to III); the Final Exam will cover the whole course but put more weight on the material covered in topics 9 to 14. We will discuss further the nature of the midterm and final exams as they approach.

Weekly Assignments (15%):

Starting from week 3, students are expected to hand-in a total of thirteen Weekly Assignments. Assignments consist of a number of multiple choice and short-answer (up to 100 words) questions. Weekly Assignments will mostly cover material presented in lectures in the previous week. I will upload the question set due for any given week on the Wednesday of the previous one. Weekly Assignments are due on Monday before the lecture starts, with the exception of the first Assignment which is due on Wednesday the 18th of January. Late submissions will not be accepted.

Classroom Experiments

Students are expected to actively participate in two classroom experiments on February 8th and April 12th. The experiments will take place before the relevant theoretical material is explained in a lecture. The idea is that you “get your hands dirty” by taking decisions in a simulated economic problem, and then to observe how all the participants’ decisions aggregate into specific individual and global outcomes (e.g. student welfare, aggregate welfare, segregation, inequality).

Contents and Schedule

Please note that the scheduled content of lectures is subject to changes due to the normal evolution of the course.

Week #	Date	Topic	Textbook Chapter Due Assignment
1	Jan 4 th	Introduction	
PART I: THE ROLE OF GOVERNMENT IN MIXED ECONOMIES			
2	Jan 9 th	1. The Role and Size of the Public Sector	Chapters 1 & 2
PART II: FUNDAMENTALS OF PUBLIC ECONOMICS			
	Jan 11 th	2. Market Efficiency	Chapter 3
3	Jan 18 th		WA 1 (Topics 1 & 2)
4	Jan 23 rd	3. Market Failure	Chapter 4 WA 2 (Topics 1 & 2)
	Jan 25 th	4. Government Failure: Public vs Private Production.	Chapter 8
5	Jan 30 th	5. Public Goods & Externalities	Chapters 5 & 6 WA 3 (Topics 3 & 4)

	Feb 1 st		
6	Feb 6 th		WA 4 (Topics 3,4,5)
	Feb 8 th	Classroom Experiment (I)	
7	Feb 13 th	6. Social Choice	Chapters 7 & 9
	Feb 15 th		WA 5 (Topic 5)
PART III: PUBLIC EXPENDITURE			
8	Feb 20 th	7. Expenditure Policy (I): Education	Chapter 14
	Feb 22 nd		WA 6 (Topic 6)
9	Feb 27 th	8. Expenditure Policy (II): Health Care	Chapter 13
	Mar 1 st		WA 7 (Topic 7)
PART IV: TAXATION			
10	Mar 13 th	9. Introduction to Taxation	Chapter 17
	Mar 15 th	Midterm Exam (35%)	Topics 1 to 8
11	Mar 20 th	10. Tax Incidence	Chapters 18
	Mar 22 nd	11. Tax Efficiency	Chapter 19
12	Mar 27 th	12. Optimal Taxation	Chapter 20
			WA 10 (Topic 10, 11)

	Mar 29 th		
13	Apr 3 rd	13. Taxation of Capital, Labor and Corporate Income	Chapters 21, 22 & 23 WA 11 (Topic 12)
	Apr 5 th		
14	Apr 10 th		WA 12 (Topic 13)
PART V: SUBNATIONAL GOVERNMENTS			
	April 12th	Classroom Experiment (II)	
15	April 17 th	14. Fiscal Federalism	Chapters 26 & 27 WA 13 (Topic 13)
	April 19 th		
16	Time & Venue TBC	Final Exam (50%)	Topics 1 to 14