

Public Finance - Syllabus

Class: Robinson B120, 12:00-1:15pm T, Th
Instructor: Professor Yong J. Yoon Office: Buchanan House
Office Hour: 1:30-2:20pm T, Th and by appointment
Phone: 703 993-2332 E-Mail Address: yyoon@gmu.edu
Website: Blackboard

Textbook and Readings:

1. *Public sector economics* by Randy Holcombe, Prentice Hall 2006 (main text)
2. *Justice* by Michael Sandel, New York : Farrar, Straus and Giroux, c2009.
3. *What money can't buy: the moral limits of markets* by Michael J. Sandel.
New York : Farrar, Straus and Giroux, c2012.
4. *Why capitalism?* by Allan H. Meltzer.
Oxford ; New York : Oxford University Press, 2012.

Public economics is the study of government policies. It analyzes the effects of those policies on economic activities and the political processes (**public choice**) by which those policies are formed. **Public Finance** studies the fiscal aspects of public economics. These include government expenditures, taxation, and debt. Modern democratic governments directly control more than a third of gross national product and influence much of the rest through their fiscal and regulatory policies. This course provides students with the microeconomic tools to understand the impacts of those fiscal policies. Microeconomic tools are also used to analyze the political pressures that generate a nation's fiscal policies.

Grades: Midterm (25%), Final (50%) **No Exceptions;**

Paper (15%), 5-7 pages long on a topic from the three books by Sandel and Meltzer,
Due dates, 3/19 one-page outline, 4/18 first-draft, 5/2 final draft;
Class attendance, Homework, and Weekly quiz (10%).

The course is "lecture driven" in that most relevant material is covered in class. Lecture notes will be uploaded on Blackboard. A useful webpage is Roger Congleton's lectures on public finance (undergraduate), his webpage at WVU. Each week students will expect:

Quiz about the textbook material on each Tuesday, 15 minutes before class.

One page Class note-handout

- Last Day to Add (Full-Semester Course): January 29, 2013
- Last Day to Drop (Full-Semester Course): February 22, 2013

COURSE OUTLINE (Tenative): Revised outline will be uploaded in Blackboard

Weekly Topics and Readings

| | |
|----------------|--|
| week1 (1/22-) | H:1 The Public Sector |
| Week2 (1/29-) | H:2 Principles for Analyzing Government |
| Week3 (2/5-) | H:3 Property Rights and Economic Efficiency |
| week4 (2/12-) | H:4 Externalities |
| week5 (2/19-) | H:5 Public Goods |
| week6 (2/26-) | H:6 The Economic Role of the State; introduce S:Justice, Money; and M:Capitalism |

3/1 Midterm Exam

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|---------------------|---|
| Week7 (3/5-) | Exam returned and reviewed; No class on 3/8 Thursday |
| Week8 (3/11--) | Spring Break |
| Week9 (3/19-) | H:10 Positive principles of taxation; Due 3/19: One page outline of your paper |
| Week10 (3/26-) | H:11 Principles of Tax Policy Discuss your outline |
| Week11(4/2-) | H:12 Taxes on Economic Transactions Discus your outline |
| Week12 (4/9-) | H:13 The taxation on income |
| Week 13(4/16-) | H:14 Personal income taxation in the U.S. Due 4/18: First draft of the paper |
| Week14 (4/23-) | H:15 Taxes on business income and wealth; H:16 The tax system in the U.S. |
| Week15 (4/30-) | H:22 Health Care; Due 5/2: Final draft paper 5/2 Review for Final Exam |
| 5/15 Tuesday | Final Exam 10:30AM – 1:15PM |

If you are a student with a disability and you need academic accommodations, please see me and contact the disability Resource Center (DRC) at 703-993-2474. All academic accommodations must be arranged through that office.