

Syllabus

for course at first level

Public Finance

Public Finance

7.5 Higher Education

Credits

7.5 ECTS credits

Course code:	EC2106
Valid from:	Autumn 2008
Date of approval:	2008-05-15
Department	Department of Economics
Subject	Economics
Specialisation:	G1F - First cycle, has less than 60 credits in first-cycle course/s as entry requirements

Decision

This syllabus was approved by the Board of the Department of Economics on May 15, 2008.

Prerequisites and special admittance requirements

Economics I, 30 credits, or equivalent.

Course structure

Examination code	Name	Higher Education Credits
210A	Public Finance	7.5

Course content

This course begins with a general discussion of why the subject of public finance is important, and provides an analysis of the role of the state in the economy. When should the state intervene in the economy? When is state ownership preferable to private ownership? The course then proceeds to discuss the basic theoretical and empirical tools of public finance, and then goes on to cover such diverse market imperfections as externalities and public goods, with comparison made to political economics where appropriate. The course then discusses taxation and tax evasion, before surveying the role of the state in the education system, as well as issues related to criminality.

The aim of this course is to provide a general overview of the subject of public finance. The most central methods and results in the above-mentioned areas will be presented.

Learning outcomes

Upon completion of this course, the student is expected to be able to:

- Give an account of basic effects of externalities, public goods, regulation and different types of taxation. Describe the effects of state intervention in these areas. Have general knowledge about the education system and criminality from a public finance perspective;
- Discuss recent research and relate this to earlier contributions to the literature;
- Apply independently theoretical and empirical tools of analysis to relevant economic issues.

Education

Instruction is given in the form of lectures. The language of instruction is English.

Forms of examination

The course is examined on the basis of written examinations. Students will receive letter grades on a seven-point scale related to the learning objectives of the course: Passing grades are A, B, C, D and E, where A is the highest grade and E the lowest. Failing grades are F and Fx, where F is the lowest.

Assessment criteria:

- A (Excellent): The student has a well-developed overall grasp of the theoretical and empirical tools of public finance, and can comprehensively describe standard theoretical approaches to the following issues: externalities, public goods, regulations and taxation. Moreover, the student has a good understanding of the contributions to public finance that involve economics of education and criminality. The student is able to present argumentation clearly through the appropriate use of graphs and mathematics. The student is also able to describe and analyse in detail the methods, results and approaches of the empirical literature, and relate previous empirical research to the major theoretical approaches in this field.
- B (Very Good): The student has a well-developed overall grasp of the theoretical and empirical tools of public finance, and can comprehensively describe standard theoretical approaches to the following issues: externalities, public goods, regulations and taxation. The student is able to present argumentation through the appropriate use of graphs, and, to some extent, mathematics. In addition, the student has a good understanding of the contributions to public finance that involve economics of education and criminality. The student is also able to describe and analyse the methods and results of previous empirical research, and to relate such research to current theory in this field.
- C (Good): The student has a good understanding of the theoretical and empirical tools of public finance and standard theoretical approaches to the following issues: externalities, public goods, regulations and taxation. The student is able to present argumentation through the appropriate use of graphs, and, to some extent, mathematics. In addition, the student has a good understanding of the contributions to public finance that involve economics of education and criminality. The student is also able to describe and analyse the methods and results of previous empirical research, and to relate such research to current theory in this field.
- D (Satisfactory): The student has a basic understanding of the theoretical and empirical tools of public finance and is able to give a satisfactory account of standard theoretical approaches to the following issues: externalities, public goods, regulations and taxation. The student is able to describe central results in the literature through the appropriate use of graphs, and, to some extent, mathematics. In addition, the student is able to somewhat understand the contributions to public finance that involve economics of education and criminality. The student is also able to describe and analyse the methods and results of previous empirical research, and to relate such research to current theory in this field.
- E (Adequate): The student is able to give an account of standard theoretical approaches to the following issues: externalities, public goods, regulations and taxation. In addition, the student is able to somewhat describe some of the basic contributions to public finance that involve economics of education and criminality. The student is also able to describe some of the most important empirical research, and relate this, to some extent, to current theory in this field.
- Fx (Inadequate): The student is only able to account very partially for standard theoretical approaches to the following issues: externalities, public goods, regulations, taxation and the contributions to public finance that involve economics of education and criminality. The student is only able to give a limited account of the results of the empirical literature.
- E (Totally Inadequate): The student is unable to account for any of the central theories of the following areas: externalities, public goods, regulations, taxation and the contributions to public finance that involve economics of education and criminality. The student is only able to give a very limited account of the results of the empirical literature.

If students fail a course unit and receive the grade Fx or F on an examination, there are no restrictions on how many times they are allowed to retake the examination in order to obtain a grade of E or higher.

Interim

If this course is discontinued, students have the right to be examined on the course once per semester for three further semesters.

Required reading

- Gruber Jonathan (2005), Public Finance and Public Policy (Worth Publishers).

- Articles. Full list available on the course website.