

EC 340: Public Economics

Brett Garcia

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Office Hours: MTW 1-2pm

Office: 507 PLC

Web: [Course Website](#)

Class Hours: MTWR 10-11:50am

Class Room: 211 LIL

Course Description

In this four unit course we will develop and apply several tools to analyze public policy. Efficiency is a key concept and we will study it in a variety of conditions: competitive markets, public goods, externalities, taxes, corruption, and more. By the end of the quarter you should be able to think critically about public issues from an economic perspective and improve your ability to analyze policy.

Prerequisites

This course builds on the microeconomics tools and intuition from EC 201 (Principles of Microeconomics). It is also much more math intensive than the Principles level courses you may have taken. You will need to solve models using both algebraic and graphical methods. Many students struggle with algebra as they transition to upper level Economics courses. If you are having difficulties, feel free to come to me for assistance.

Required Materials

Joseph Stiglitz and Jay Rosengard, *Economics of the Public Sector*, 4th ed. (Norton)

Grades

- 10% Active Readings
- 20% Problems Sets
- 30% Midterm
- 40% Final

Course Policies

Assignments

Active Readings are due by 8pm and graded pass-fail. Problem Sets will be turned in at the *beginning* of lecture on the day they are due. Late assignments will *not* be accepted. A selected subset of questions on each problem set will be graded.

Extra Credit

You will have two opportunities for extra credit throughout the course. I administer surveys to understand your economics background and to get feedback for my teaching methods halfway through the course. Surveys are anonymous and due by 8pm. Each survey will contribute 1% to your overall grade.

Grade Appeals

Appeals must be made within 2 days from when I hand back the exam. Any appeal will require a written explanation of why you believe it was incorrectly graded. I reserve the right to regrade the question.

Policies on Late Assignments and Make-Up Exams

Late assignments will be accepted for no penalty if a documented excuse is communicated to the instructor before the deadline. Make-up exams will not be given for any reason. If you speak to me prior to the exam and have a documented excuse, then I will allow you to take the same exam as a take-home with certain conditions. You must score higher than a 90% on the take-home exam to earn an opportunity to have your midterm grade rolled into the final exam. Scores below 90% on the take-home exam will receive a midterm score of 0.

Academic Integrity and Honesty

Any form of cheating, including plagiarism, will be dealt with severely. At best, any student caught cheating will receive no credit for the assignment (or exam). At worst, the student will be referred to the Office of Student Conduct for further disciplinary action. Possible outcomes include failing the course and being expelled from the university. Takeaway: the expected benefit from cheating is far outweighed by the expected loss from cheating. So be a rational economic agent and don't cheat.

Modifications

If you require modifications of any kind due to a documented disability, you will need to provide a letter from the Accessible Education Center (Oregon Hall, Suite 360) detailing the appropriate modifications.

Schedule

The schedule is tentative and subject to change. The course will closely follow the textbook. Reading should be completed *before* attending lecture to maximize your own understanding. In addition to the textbook, any additional readings will be available on Canvas. Chapters below refer to chapters in the Stiglitz textbook.

Week 1

- Introduction to Public Economics & Size and Role of Government *Chapters 1-2*
- Market Efficiency and 1st Fundamental Welfare Theorem (FFWT) *Chapter 3*
- Market Failure *Chapter 4*

- Survey 1 : due Monday, June 25
- Active Reading 1 : due Tuesday, June 27
- Problem Set 1 : due Thursday, June 28

Week 2

- Public Goods *Chapter 5*
- Externalities *Chapter 6*
- Efficiency and Equity *Chapter 7*

- Active Reading 2 : due Tuesday, July 3
- No class Wednesday, July 4
- Problem Set 2 : due Thursday, July 5

Week 3

- Public Choice *Chapter 9*
- Introduction to Taxation *Chapter 17*
- Tax Incidence *Chapter 18*

- **Midterm** : in class Monday, July 9
- Survey 2 : due Tuesday, July 10
- Active Reading 3 : due Wednesday, July 11
- Problem Set 3 : due Thursday, July 12

Week 4

- Taxation and Economic Efficiency *Chapter 19*
- Optimal Taxation *Chapter 20*

- Active Reading 4 : due Tuesday, July 17
- Problem Set 4 : due Thursday, July 19
- **Final** : in class Thursday, July 19