

Econ 4330 Syllabus

Prof. M. Finney

This course, entitled *Economics of the Public Sector*, examines how government expenditure, taxation and regulatory policies affect the distribution of goods and services. Economics is the study of the distribution of scarce resources. Markets (the interaction of individual consumers and producers) play a large role in determining that distribution. There are, however, circumstances in which markets fail. We will study such topics as the justification for government's role in markets, voting, and the marginal impact of taxation on producer and consumer behavior.

Econ 4330 meets in room SH C255 at 6:00-7:15pm on Tuesday/Thursday. My office hours are 1:40 to 2:40pm Monday, and 3:00 to 4:00pm Tuesday/Thursday. The text for the course is **Public Finance and Public Policy** (5th edition) by Jonathan Gruber.

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- I. Introduction to the Economics of Government**
Chapter 1
- II. Supply/Demand and the Concept of Efficiency**
Chapter 2, p. 49-53
- III. Externalities and Public Sector Remedies**
Chapter 5 sections 5.1 and 5.3
- IV. Coase Theorem and Discussion of RECLAIM Program**
Chapter 5 sections 5.2 and 5.4
- V. Public Goods**
Chapter 7
- VI. Public Choice and the Median Voter**
Chapter 9 p. 243-249 and p. 253-256

[Midterm](#)

VII. Overview of Federal Government Income Support Programs

- A. [Means Tested Programs](#)
Chapter 17
- B. [Non-means Tested Programs](#)
Chapter 12 section 12.1, Chapter 13

VIII. [Government and Health Care](#)

Chapters 15 and 16

IX. Introduction to Government Finance and Analysis of Taxation

Chapter 18 sections 18.1, 18.2, 18.3 and 18.6, Chapter 19 section 19.1

X. Federal Budget Deficit and Government Debt

Chapter 4

[Final Exam](#)

There will be a midterm and final exam. Both exams will consist of some problem solving as well as short essay questions. Take-home essay assignments will replace a formal paper requirement. I will give you two questions that you will answer in long essays. I will add five points to the essay grade if you prepare the assignment early and allow me to review it with you. Extra credit can be earned for only one of the two essays. There will also be one homework assignment.

Grade Distribution

Midterm	36%
Final Exam	36%
Essay Assignments	25%
Homework	3%