ECON 325 A01
Public Economics
11122

Fall Session: 2018 09

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**Course Content**
This course provides a general introduction to the economics of government expenditures and taxation. We will consider the role of government in the economy and use economic analysis to predict and verify the effect of government intervention on the behaviour of individuals, households and firms. We will discuss the implications of policy for efficiency and equity. Throughout the course, relevant Canadian and British Columbia public policy will be discussed.

**Textbook**
The required textbook for this course is “Public Finance in Canada” (fifth edition) by Rosen, Dahlby, Smith, Wen and Snodden. Some sections of the text are more difficult than required for this course and will not be required reading. **For each chapter covered, specific chapter sections and page numbers that are required for this course will be listed in CourseSpaces.** Students are encouraged to check CourseSpaces to determine specific reading assignments. Note: You may also use the third or fourth edition of the text, although page numbers for readings will be different and some content is not covered in the third edition.

**Grading**
Evaluation in this course will consist of two in-class exams, and a comprehensive final exam. Exams will be held according to the schedule listed below. The determination of your final grade for the course will be based on the better of the two midterm tests (30%), the midterm exam with your lower score (20%), and a cumulative final exam (50%).

To receive a passing grade, you MUST attempt the final exam and at least one midterm exam. Failure to complete at least one midterm exam and/or the final exam will result in an “N” grade. (For clarity, note that this does not mean you should only write one midterm – you do not want to receive a zero for missing a midterm as this will significantly lower your overall grade.)

**Midterm(s):** The midterm exams are scheduled for Monday, October 1 and Monday, November 5.

**Final exam:** Summer exam timetables are posted at the end of June.

Grading Scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Score</th>
</tr>
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<tbody>
<tr>
<td>A+</td>
<td>90-100</td>
</tr>
<tr>
<td>A</td>
<td>85-89</td>
</tr>
<tr>
<td>A-</td>
<td>80-84</td>
</tr>
<tr>
<td>B+</td>
<td>77-79</td>
</tr>
<tr>
<td>B</td>
<td>73-76</td>
</tr>
<tr>
<td>B-</td>
<td>70-72</td>
</tr>
<tr>
<td>C+</td>
<td>65-69</td>
</tr>
<tr>
<td>C</td>
<td>60-64</td>
</tr>
<tr>
<td>D</td>
<td>50-59</td>
</tr>
<tr>
<td>F or N</td>
<td>0-49</td>
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</tbody>
</table>

Students should review the University’s more detailed summary of grading.
Course Policies
This course adheres to the Undergraduate Course Policies of the Department of Economics that deal with the following issues:

- Academic concessions
- Academic integrity (plagiarism and cheating)
- Attendance
- Grading
- Inclusivity and diversity
- Late adds
- Late assignments
- Repeating courses
- Review of an assigned grade
- Students with a disability
- Term assignments and debarment from examinations
- Travel plans
- Waitlists

The following policies are explicitly included because of their importance.

Examinations
Attendance at all scheduled examinations is mandatory. Consideration for missed examinations will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. In the event of a missed final examination, students are advised to follow the procedures outlined in the University Calendar.

Students are advised not to make work or travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. There will be no special accommodation if travel plans conflict with the examination.

Waitlist Policies
- Instructors have no discretion to admit waitlisted students or raise the cap on the course.
- Students on the waitlist should discuss with the instructor how to ensure they are not behind with coursework in the event they are admitted.
- Registered students who do not show up in the first seven calendar days from the start of the course may be dropped from the course.
- Registered students who decide not to take the course are responsible for dropping the course, and are urged to do so promptly out of courtesy toward waitlisted students.
- Waitlist offers cease after the last date for adding courses irrespective of published waitlists.

Academic Integrity
Academic integrity requires commitment to the values of honesty, trust, fairness, respect, and responsibility. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. A student who is found to have engaged in unethical academic behaviour, including the practices described in the Policy on Academic Integrity in the University Calendar, is subject to penalty by the University.

Review What is Plagiarism for the definition of plagiarism. Note: Submitted work may be checked using plagiarism detection software.
University Policy on Human Rights, Equity and Fairness
The University is committed to promoting, providing and protecting a positive, supportive and safe learning and working environment for all its members.

See General University Policies

Accessibility
Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, you are free to approach me; however, you must register with the Centre for Accessible Learning (CAL) for formal arrangements to be made. The CAL staff are available by appointment to assess specific needs, provide referrals and arrange appropriate accommodations. The sooner you let us know your needs the quicker we can assist you in achieving your learning goals in this course.

CourseSpaces
- CourseSpaces is used extensively for the course. All students are expected to be fully functional with the system.
- The lecture notes will be posted in CourseSpaces. Please note that the lecture notes online are only outlines of the actual lectures.
- All announcements will be posted in CourseSpaces. Students are advised to check it frequently.

Course Experience Survey (CES)
I value your feedback on this course. Towards the end of term you will have the opportunity to complete a confidential course experience survey (CES) regarding your learning experience. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

When it is time for you to complete the survey, you will receive an email inviting you to do so. If you do not receive an email invitation, you can go directly to the CES log-in. You will use your UVic NetLink ID to access the survey, which can be completed on your laptop, tablet or mobile device. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

- What strengths did your instructor demonstrate that helped you learn in this course?
- Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
- Please provide specific suggestions as to how this course could be improved.
**Course Schedule**

<table>
<thead>
<tr>
<th>Date</th>
<th>Schedule</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 10</td>
<td>Lecture 1</td>
<td>Introduction to Public Finance &amp; The Economic Role of Government</td>
</tr>
<tr>
<td>Sept 17</td>
<td>Lecture 2</td>
<td>Public Goods</td>
</tr>
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<td>Sept 24</td>
<td>Lecture 3</td>
<td>Externalities</td>
</tr>
<tr>
<td>Oct 1</td>
<td>Midterm 1 (6:30-7:45pm) Lecture 4 (8:00-9:20pm)</td>
<td>Midterm 1: Covers Lectures 1-3 Public Choice</td>
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<tr>
<td>Oct 8</td>
<td>Thanksgiving</td>
<td>No class</td>
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<tr>
<td>Oct 15</td>
<td>Lecture 5</td>
<td>Taxation: Income Distribution, Efficiency, &amp; Equity</td>
</tr>
<tr>
<td>Oct 22</td>
<td>Lecture 6</td>
<td>Personal Income Tax</td>
</tr>
<tr>
<td>Oct 29</td>
<td>Lecture 7</td>
<td>Consumption Taxes</td>
</tr>
<tr>
<td>Nov 5</td>
<td>Midterm 2 (6:30-7:45pm) Lecture 8 (8:00-9:20pm)</td>
<td>Midterm 2: Covers Lectures 4-7 Taxes on Wealth and Property</td>
</tr>
<tr>
<td>Nov 12</td>
<td>Reading Break</td>
<td>No class</td>
</tr>
<tr>
<td>Nov 19</td>
<td>Lecture 9</td>
<td>Income Redistribution &amp; Social Welfare Programs</td>
</tr>
<tr>
<td>Nov 26</td>
<td>Lecture 10</td>
<td>Employment Insurance &amp; Public Pensions</td>
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<tr>
<td>Dec 3</td>
<td>Lecture 11</td>
<td>Health Care &amp; Education</td>
</tr>
<tr>
<td>TBD</td>
<td>Final Exam</td>
<td>Covers Lectures 1-11</td>
</tr>
</tbody>
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**Problem sets**
A series of problem sets will be posted on the CourseSpaces page throughout the course. While these will not be graded, you are encouraged to work through the problem sets to gauge your understanding of the material. Most students will find that carefully solving the practice problems significantly increases their understanding of the material. Students are encouraged to work on these problems in groups after first attempting them individually.

**E-mail correspondence**
Please reserve emails for administrative issues, such as inability to attend class, an exam, or prolonged illness, or to provide general feedback about the course or course content. Please utilize office hours and class time to ask questions on course material. To ensure I can understand your message, please avoid text message jargon in your email. Note that I use email forwarding and you may receive a reply from my alternate email account. Also note that while I generally read emails throughout the day, I will usually respond to email in the late evening.

**Electronic devices**
Please turn your cell phone to silent (or, if absolutely necessary, to vibrate mode) before the start of each lecture. During exams, you are permitted to use a basic calculator that performs functions limited to addition, subtraction, multiplication, division, and scientific functions (e.g. exponents, trigonometry). I reserve the right to use my
discretion in determining the appropriateness of any student’s calculator and to approve or deny its use during an exam. The use of cell phones and all other electronic devices (including calculator functions or apps on your cell phone or other electronic device) is strictly forbidden during exams. Please leave all such devices in your bags and out of sight. **If you are found using or looking at a cell phone or other electronic device during an exam, you will receive an automatic score of zero for that exam.**

**Identification**
Students will be required to present valid student ID at the midterm and final exams.

**Public policy discussion**
Throughout the course we will supplement our theory by discussing current public policy issues. You are encouraged to ask questions and participate in class discussions. We will discuss multiple viewpoints with emphasis on an economist’s perspective. Please note that any viewpoints discussed in class are entirely my own and do not represent those of the university or any other organization.