

ECON 470/670 – Public Finance – BH 370  
Spring 2012 Tu Th 2:30 - 3:45  
Instructor: Dr. Jeremy Jackson  
Contact: Office – Barry Hall 542  
Email – jeremy.jackson@ndsu.edu  
Office Hours: T 9:30-10:30  
W 9:30-11:00  
and by appt.

Prerequisites:

**ECON 341 or BUSN 487**

All students in this class are expected to have already fulfilled the prerequisites. You are expected to have a working knowledge of applied calculus and a good understanding of intermediate microeconomics. If you have not fulfilled the prerequisites, you **should not** be taking this course now!

Course Description:

Taxation, intergovernmental fiscal relations, and public expenditures; implications of various taxation policies.

Course Objectives:

Although the title of the course is Public Finance, perhaps a better name is Public Economics. Traditionally, public finance as a field in economics has relegated itself to analysis of government taxation (revenue) and spending (expenditure) with little regard for the motives government has in setting policy. Modern approaches account for the political forces that are inherently involved in any governmental action while also focusing on program evaluation. This course will cover topics that span the entire scope of the field in its modern form. We will explore both the theory of public economics and empirical applications.

Required Text:

Gruber, J., *Public Finance and Public Policy*, 3<sup>rd</sup> Edition, Worth 2011.

Teaching Methods:

The primary delivery of material for this course is through in class lectures. Lecture material for many topics will go beyond the material in your textbook. A review lecture of intermediate microeconomics is provided on the course blackboard page. You are expected to already know most of this material but you should watch the lecture to reacquaint yourself with these topics. I expect students to attend class and be actively

engaged during lecture. Questions are welcomed and encouraged! On occasion some additional class material might be provided on Blackboard, however this will be minimal.

### Exams:

There will be three intraterm exams taken by all students (undergrad and grad) enrolled in the course. Exams will be composed of a mixture of problems, essays, true-false, and short answer questions. The final (comprehensive) exam will only be taken by graduate students taking the course for graduate credit. Intraterm exams will NOT be cumulative (they will each cover a specific set of chapters).

If any exam is missed for an unexcused reason, a course grade of “F” will be given. If you know ahead of time that an exam will be missed due to an excused absence, then arrangements must be made to take the exam early. An excused absence is one supported by official documentation bearing proof of University business, serious injury or illness, or a death in the family. If an absence for an exam was unexpected but qualifies as excused, the student should contact the professor as soon as possible to make arrangements. Documentation for excused absences is required.

### Homework:

Approximately 3 Homework assignments will be made throughout the semester (at least one per exam). The purpose of the homework assignments is to give you practice working similar problems to those that will appear on exams. You may work on homework in groups but each individual is responsible for turning in their own homework which represents your own understanding of the course material.

If I find it necessary (due to lack of classroom attendance and participation) I may give pop quizzes at any time.

### Project

Each student in the class will be assigned a group of peers who will work together for the completion of a term project. Details on the project will be released after exam 1.

### Grade Determination:

Undergraduates

Exam 1	20%
Exam 2	20%
Exam 3	20%
Homework and Quizzes	15%
<u>Project</u>	<u>25%</u>
Total	100%

## Graduate Students

Exam 1	20%
Exam 2	20%
Exam 3	20%
Final Exam	20%
Term Project	20%
Total	100%

The grade scale may have to be adjusted, but this will serve as a benchmark. If all students perform exceptionally, I have no problem giving the whole class A's.

A	90-100%
B	80-89.99%
C	70-79.99%
D	60-69.99%
F	0-59.99%

### Academic Integrity:

All work in this course must be completed in a manner consistent with NDSU University Senate Policy, Section 335: Code of Academic Responsibility and Conduct (<http://www.ndsu.nodak.edu/policy/335.htm>).

All students taking any course in the College of Agriculture, Food Systems, and Natural Resources are under the Honor System (<http://www.ag.ndsu.nodak.edu/colag/honor.htm>). Strict compliance to the College's academic honesty and integrity policies will be adhered to throughout this course.

Any cheating on quizzes and exams will be dealt with harshly and will likely result with the students involved receiving an F for the course. All cheating will be reported.

### Students with disabilities:

Any students with disabilities or special needs should schedule an appointment to discuss any accommodations.

*Veterans and student soldiers with special circumstances or who are activated are encouraged to notify the instructor in advance.*

Tentative Schedule: *(may be revised throughout semester based on speed and interest)*

1/10	Syllabus and Chapter 1
1/12	Chapter 2: Theoretical Tools of Public Finance
1/17	Cont
1/19	Cont
1/24	Chapter 3: Empirical Tools of Public Finance (Econometrics)
1/26	Cont
1/31	Chapter 5: Externalities: Problems and Solutions
2/2	Cont ( <b>HW #1 Due</b> )
2/7	<b>Exam 1: Chapters 1-3</b>
2/9	Chapter 7: Public Goods
2/14	Cont
2/16	Chapter 8: Cost-Benefit Analysis
2/21	Chapter 9: Political Economy
2/23	Cont
2/28	Cont
3/1	Chapter 10: State and Local Government Expenditures
3/6	Cont
3/8*	<b>Exam 2: Chapters 5,7,8,9,10</b>
3/20	Chapter 12: Social Insurance: The New Function of Government
3/22	Cont
3/27	Chapter 18: Taxation in the United States and Around the World
3/29	Chapter 19: The Equity Implications of Taxation: Tax Incidence
4/3	Cont
4/5	Chapter 20: Tax Inefficiencies and Their Implications for Optimal Taxation
4/10	Cont
4/12	Chapter 21: Taxes on Labor Supply
4/17	Cont
4/19	Chapter 22: Taxes on Savings
4/24	Cont
4/26	<b>Exam 3: Chapters 12, 18, 19, 20, 21, 22</b>
5/1	Group Project Presentations
5/3	Group Project Presentations
5/9	<b>Group Project Paper and Individual Evaluations Due</b> <b>Graduate Students: Final Exam 1:00pm - 3:00pm</b>