



蘇州大學
Soochow University

ECO 708 Economics of the Public Sector

Winter 2024

Course Credits: 4

Contact Hours: 56 hours

Instructor: TBA

Email: TBA

COURSE OBJECTIVES

Public Finance is a subfield of microeconomics. This course provides a comprehensive exploration of the economics underlying the public sector, with a focus on the role of government in the economy, the rationale for government intervention, public goods, externalities, taxation, public expenditure, public choice theory, and the analysis of government policies. Throughout the course, students will be able to bridge the gap between theoretical concepts and practical applications, taking the economic theories, principles, and analytical frameworks learned in the course to assess and understand real-world public policies and programs.

Upon completion of this course, students will be able to:

1. Gain a deeper understanding of the rationales for government intervention in the market, including addressing public goods, externalities, and equity concerns;
2. Explore different tax systems, how taxes affect the economic behavior, and consider their implications and potential for reform;
3. Analyze and evaluate public policy issues through the use of economic tools and frameworks;
4. Critically analyze complex economic situations, identifying trade-offs, and proposing well-reasoned solutions to public finance challenges;
5. Explore the ethical dimensions of public finance, considering issues related to income redistribution, social welfare, and the balance between individual and collective interests.

PREREQUISITES



ECO 636 Advanced Microeconomics I

GRADING

Grades will be determined by accumulating points, with 100 points being the maximum, as follows:

ITEM	POINTS
Assignments	40 Points
Midterm Exam	15 Points
Group Project & Presentation	20 Points
Final Exam	25 Points
Total	100 Points

Late submissions will be graded at the end of the course. Grades will be assigned according to the following rule:

$$A \geq 90 > B \geq 80 > C \geq 70 > D \geq 60 > F.$$

We reserve the right to make adjustments to the overall grading policy.

COURSE MATERIALS

Required Texts:

Jonathan Gruber, *Public Finance and Public Policy*, 6th Edition, Worth Publishers, 2019.

Recommended (Optional) Texts or Other Materials:

Supplementary readings will be assigned in alignment with class activities and discussions.

COURSE TOPICS

MODULE	TASKS
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Module 1	<p>Topics: Topic 1: Introduction and Background: Understanding the Effects of Government Intervention in the Economy Topic 2: Microeconomic Tools Topic 3: Empirical Tools Topic 4: Budget Analysis and Deficit Financing Assessments: Assignment#1</p>
Module 2	<p>Topics: Topic 5: Externalities: Problems and Solutions Topic 6: Externalities in Action: Environmental and Health Externalities Topic 7: Public Goods Topic 8: Cost-Benefit Analysis Assessments: Assignment#2</p>
Module 3	<p>Topics: Topic 9: Political Economy Topic 10: State and Local Government Expenditures Topic 11: Education Topic 12: Social Insurance: The New Function of Government Assessments: Midterm Exam</p>
Module 4	<p>Topics: Topic 13: Social Security Topic 14: Unemployment Insurance, Disability Insurance, and Workers' Compensation Topic 15: Health Insurance Topic 16: Income Distribution and Welfare Programs Assessments: Assignment#3</p>
Module 5	<p>Topics: Topic 17: Taxation: How It Works and What It Means Topic 18: The Equity Implications of Taxation Topic 19: Tax Inefficiencies and Their Implications for Optimal Taxation Topic 20: Taxes on Labor Supply Assessments: Assignment#4</p>



Module 6	<p>Topics: Topic 21: Taxes on Savings Topic 22: Taxes on Risk Taking and Wealth Topic 23: Taxation of Business Income Topic 24: Fundamental Tax Reform and Consumption Taxation</p> <p>Assessments: Group Project & Presentation Final Exam</p>
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ATTENDANCE

1) Class attendance is required. Missing classes without permission will lead to decrease in overall grade.

Missing less than two classes: no penalty.

Missing more than two classes: 7% will be taken off from the overall grade.

If the instructor reports a student's frequent missing of class to the Soochow University Academic Administration Office, the student might get a written warning and might be prohibited from attending final exam.

2) Participants in this course are expected to arrive in class promptly and adequately prepared. The primary objective of this course is to critically engage with the readings and the subject matter. Therefore, course participants are expected to have completed the reading prior to class and prepare thoughtful reflections/commentaries to share with fellow colleagues.

LEARNING REQUIREMENTS

- 1) Late assignments are not acceptable and are subjected to grade deductions.
- 2) Assignments submitted in the wrong format will be counted as not submitted.
- 3) Failure to submit or fulfill any required course component results in failure of the class.
- 4) Make-up for midterm and final exams only with valid excuses, as defined by the University.
- 5) In order to earn a Certificate of Completion, participants must thoughtfully complete all assignments by stated deadlines and earn an average quiz score of 50% or greater.



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TECHNOLOGY POLICY

The use of electronic devices in class is distracting, both for the user and for the rest of the class. Only non-programmable calculators can be used in the tests and exam. Any attempts to use cell phones and other electronic communication devices will be seemed as cheating. Laptops are discouraged, unless you use them for activities DIRECTLY related to the course (e.g., note taking, reading course documents).

ACADEMIC INTEGRITY POLICY

Soochow University highly values the academic integrity and aims to promote the academic fairness, honesty and responsibility. Any academic dishonesty behaviors and any attempts to cheats and plagiarism will be reported to the university administration office. A written warning and the relevant penalties will be imposed. The record might be shown on the official university transcript.

DISABILITY ACCOMMODATION

Soochow University is committed to maintaining a barrier-free environment so that students with disabilities can fully access programs, courses, services, and activities at Soochow University. Students with disabilities who require accommodations for access to and/or participation in this course are welcome.

Note:

Please contact the University Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material.