Course Objectives: The objective of this course is to introduce students to public finance and provide them with the tools to examine the role of government in the economy. Throughout the course, we will address four questions of public finance: When should the government intervene in the economy? How might the government intervene? What is the effect of those interventions on economic outcomes? Why do governments choose to intervene in the way that they do?

Specific objectives are:
1. Examine the rationale behind government expenditure programs.
2. Provide the student with the methodology used in the evaluation of government activities.
3. Analyze the efficiency and equity aspects of major taxation forms and tax reform.
4. Inform the student about the structure and character of public finance in the U.S. and elsewhere.
5. Acquaint students with some of the empirical research related to taxation and government expenditure.
6. Help students write short policy essays.

Course Outcomes: This course is designed to help you evaluate public policy issues involved in taxation and spending functions of government. This course will be a good preparation for students considering careers or further study in economics, law, business, public administration, land-use planning, political science, and international relations.

Required Textbook:
Other Recommended Books:


http://www.urban.org/uipress/publications/211534.html

http://mitpress.mit.edu/books/clash-generations

http://mitpress.mit.edu/catalog/item/default.asp?ttype=2&tid=11424

Reading Assignments: These will be provided to students on the class Webcampus page or as handouts during class.

Background and Reference Books:


**WebCampus:** There is a class web site available through the University WebCampus. To access the class page through WebCampus, go to [https://wcl.unr.edu/](https://wcl.unr.edu/) and login using your UNR NetID for the username and your NetID password for the password. You should be able to see this course in the course list after you login. I’ll put course related material (Powerpoint slides, assignments, announcements, interesting articles, etc.) on the web site so you should check this site regularly.

**Grading:** The course grade is based on two homework exercises (5% each), two case studies (15% each), a midterm exam (25%), and a final exam (35%). Final exam is scheduled to take place on Tuesday, May 14, 2013, 5:00 -7:00 pm. Attendance to all class sessions is mandatory. Students registered in ECON 651 will be required to answer one or more alternative or extra questions in the homework exercises and the exams. They are also expected to use data for at least a basic statistical analysis in their case studies.

Your final grade will be calculated according to the following scale:
90-100%=A, 80-89%=B, 70-79%=C, 60-69%=D, 59% or less=F

**Late Assignments and Missed Exams:** Students are expected to complete the assignments by the announced due dates. Failure to do so will result in zero credit for that assignment. There will be no make-up exams without prior approval except under extremely unusual circumstances.

**Case Studies:** The objective here is to provide students with basic research experience. Students will write short essays related to these case studies. There will be one case study related to government expenditures and one related to government revenues. I’m planning to have one of the case studies to have a data analysis component. More information on the case studies will be provided later.

**Class Courtesy:** Late arrival should be an exception. When necessary sit on entering side; do not disturb class. Early departure should be an exception – only in an emergency or with prior consultation. Early preparation for departure – please don’t. Talking – with everyone or with no one.
**Disability Statement:** If you have a disability and will be requiring assistance, please contact me or the Disability Resource Center (Thompson Building Suite 101) as soon as possible to arrange for appropriate accommodations.

**Academic Integrity:** Honesty and personal integrity are key facets of the University of Nevada community. The issue of academic integrity is taken very seriously at the University and College of Business Administration. Since the majority of students take pride in total academic integrity, it is hoped that you, as a student, will take action to influence the practice of integrity in academic community. I understand that students feel pressure to perform well in their classes, and I will do everything that I can to ensure that you have the resources necessary to succeed. However, cheating on exams and course assignments will not be tolerated, and students who fail to comply with the University’s honor code (www.unr.edu/stsv/acdospol.html, www.unr.edu/stsv/nsop/dishones.htm) will be subject to the maximum university penalties. Please visit the university website if you are unfamiliar with the actions which constitute academic dishonesty.
Course Outline:

1. Introduction

Week 1 – Week 2 (January 22 – January 31)
Definitions
Why Study Public Finance? Chapter 1
Theoretical and Empirical Tools of Public Finance: Chapters 2, 3 (brief summary)
Budget Analysis and Deficit Financing: Chapter 4

2. Externalities and Public Goods

Week 3 – Week 6 (February 5 – 26)
Externalities: Chapters 5, 6
Public Goods and Political Economy: Chapters 7, 9
State and Local Public Finance: Chapters 10, 11

3. Social Insurance and Redistribution

Week 6 – Week 8 (February 28 – March 14)
Social Insurance Principles: Chapter 12
Social Insurance Programs: Social Security and Health Insurance, Chapters 13, 15 and 16

Week 9, Spring Break (March 16 – 24) – No Classes

Midterm Exam (Thursday, March 28)

4. Taxation

Week 10 – Week 16 (March 26 – May 7)
Introduction: Chapter 18
Equity and Efficiency Implications: Chapters 19, 20
Behavioral Effects of Income Taxation: Chapters 21, 22
Corporate Taxation: Chapter 24
Fundamental Tax and Budget Reform: Chapter 25

Final Exam (Tuesday, May 14, 2013, 5:00 - 7:00 pm)