

Course Syllabus
Public Finance, ECON 6945, 3 S.H.
Spring, 2008
Tuesday and Thursday, 2:00-3:15 pm

Instructor: Dr. Tod Porter
Office: 303 DeBartolo Hall
E-mail: tsporter@ysu.edu
Phone: (330)941-3431
Office Hours: Tuesdays and Thursdays 9-10:30, Wednesdays 9-11, and by appointment

Messages: If you call my number and the line is busy or I am not in my office, you can leave a voice mail message. Messages can also be left with the department secretary (330-941-3428) between 8 a.m. and 5 p.m.

Texts and Readings: The material that will be covered in the course is listed on the reading list.

Course Objective:

Content Objectives

This course covers the rationale for government provision of goods in a market economy and the effects of taxes on economic efficiency and income distribution. We will also contrast the traditional public finance view of the role of government with the public choice school of thought. The primary emphasis is on expenditures and taxes at the federal level.

In the first part of the course we will discuss the conditions under which a market economy would produce inefficient levels of a good. Given that market failure may justify government intervention, we will talk about the implications of using voting to determine the level of output of a publicly provided good, and show that majority rule voting procedures will not necessarily result in an optimal provision of the public good.

The theory of taxation will be the subject of the second part of the course. We will study the personal and corporate income tax, and in both cases examine the incidence, progressivity, and efficiency implications of the tax. The public choice view of taxation will also be covered.

In the third part of the course we will complete our examination of the tax system with a discussion of different possible tax reforms. We will also exam the issue of redistribution, cost-benefit analysis and the basics of local government finance.

Skill Objectives

This course will provide you with numerous applications of micro economic theory. Through the readings you will become more familiar with some of the professional journals in the field and gain exposure to original research.

Schedule

Dates	Chapters and Readings	Topics
Jan. 16- Feb. 13	Readings 1	Pareto optimality, public goods, externalities, and voting rules
Feb. 15	Exam 1	
Feb. 20 - March 29	Readings 2	Cost-benefit analysis, social justice, politics and redistribution, retirement programs, and poverty programs
April 3	Exam 2	
April 5 – May 3	Readings 3	Taxes and economic efficiency, tax incidence and income distribution, income taxation, corporate income taxation, tax reform
May 6	Exam 3, 1:00-3:00 pm	

Last Day to Withdraw with a W: March 27

Attendance Policy:

Regular class attendance is crucial to your success in this course. If you miss a class you are responsible for any material covered during the lecture and for any homework that is assigned.

Exam Format:

The exams will consist of essay questions, graphical questions, and mathematical problems. Each exam is worth 100 points (the final is not comprehensive). All exam dates, except for the final, are tentative. The instructor reserves the right to reschedule the exam dates

Make-up Exams:

Make-up exams will be given only if I am notified in advance and if the circumstances are extreme enough to justify a make-up.

Homework Assignments:

Homework assignments worth a total of 55 points will be given during the semester.

Papers:

Prior to each exam students will be asked to pick one article on the reading list, find a related article from a professional journal not on the reading list, and write a 3 page paper comparing the two articles. Each paper will be worth 15 points (for a total of 45 points). A copy of the article off the reading list must be handed in with the paper.

Grades:

The grade will be based on the sum of the points from the exams, homework, and paper (a total of 400 points). The final grade will be assigned as follows: greater than 85%, A; 75-84%, B; 65-74%, C; 55-64%, D; below 54%, F.

Academic Honesty:

If a student is caught cheating, he or she will be given a failing grade and referred for disciplinary action. (Refer to the Undergraduate Bulletin.) You need to document from any sources you use, and if you are copying material directly from a source you should put that material in quotation marks. I encourage you to use material from the Internet, but recognize that "cutting and pasting" information from the Internet without appropriate attribution is plagiarism.

Disability Policy: If you have a documented disability and require accommodations to obtain equal access please contact me privately. You must be registered with Disability Services Office to qualify and provide a letter from them to receive special accommodations.