



COURSE SYLLABUS

Course: **ECON 3333 Public Economics**

Prerequisite: (ECON 2013 and ECON 2023) or ECON 2143.

Course Description:

Governmental functions, revenues; tax shifting, incidence; public expenditures, their effects; and fiscal policy.

Objectives:

- (1) to explore & distinguish roles of markets along with non-market activity,
- (2) to analyze government tax policies,
- (3) to analyze government spending policies (expenditure analysis), and to have some “hands-on” expenditure analyses for selected topics,
- (4) to identify & relate “keepers” in economics and politics as market-like behavior, and
- (5) to (fill in the blank) _____.

Textbook:

Public Sector Economics: The Role of Government in the American Economy, Randall G. Holcombe, Prentice Hall, 2005. **ISBN-10:** 0131450425 or **ISBN-13:** 978-0131450424 (**buy or share** a used copy)

Succeeding Against the Odds, John Johnson, (hardcover **ISBN-10:** 0446710105 or **ISBN-13:** 978-0446710107 & available in paperback **ISBN-10:** 1567430023 or **ISBN-13:** 978-1567430028). Copies will be loaned to you.

Assignments are due:

When called in class or during an opening for electronic submission on our website (in some cases). Some assignments cannot be turned in late. If late assignments are accepted, then prices (penalties) apply to papers being received after being called in class, at the rate of one-third credit for later that day and the same proportion accumulates on each successive calendar day.

For a review of graphs:

Use "Math Skills for Introductory Economics: Introduction to Graphs" found at <http://syllabus.syr.edu/cid/graph/book.html> We'll also review their usage, in class & assignments.

Most FAQs:

(1) **Three cumulative exams:** September 29 (Th), November 3 (Th), Dec. 1 (Th). Not early – not late. Be there or be zeroed out, unless you are in surgery.

(2) **Roll** is taken every day. I care that you are here & doing well. Being engaged in class makes a vital difference.

(3) **Grades:** Traditional UA version of 90%+ = A, 80%+ = B, and so forth. Exams & other work as necessary. IF (that's a big if) there is any extra credit, it will most likely be on your exams. Scores are tentative for one week. Grade = (accumulated points)/(total points).

(4) **Keep your grade from being “close.”**

(5) **Staying past the first week**, when you can select another course, represents advance consent to abide by our syllabus.

(6) **Exams will be returned once** (later? Grab'em in my office time).

(7) Yes, **academic integrity** applies; see <http://provost.uark.edu/245.php>

(8) **Class recording or images?** Only with my advance, written permission.

(9) Sorry, but **no laptops or any other electronic devices** (b/c often abused or distracting).

(10) **Prepare** ahead & afterwards.

(11) **Transform** into your own words while it's fresh.

(12) **Complete** a “one minute note” during @ class.

(13) **Please confirm** your UA enrollment at <http://www.uark.edu/admin/isisdir/Documents/help/iacountyrslf.pdf>

Illness? Get well, *pronto*. **Religious observances?** Great! **Missing class?** One of the most likely ways to do poorly. Cannot question or share if you're not here. There is no distinction between “excused” or “unexcused” absences. Our projects involve human actions, not human intentions. Check with another buddy for missed material and updates.

Other Problem Areas: (1) **Not engaged?** (2) **False notions that you “know it”?** Let's check. (3) **Unprepared?** Focus (almost) every day. (4) **Questions?** Seek help, pronto (study buddies, tutor, text, class). (5) **Representing UA** – OK, but not on our 3 exam days. (6) **Problems?** In our first week - **See me, not e-mail me.** (7) **Check @** week in class & on-line **for updates or adjustments.**

Tentative Schedule:

8/23 Welcome, Skills Inventory; Skills Building; Public Sector- 1; review.

8/25 Analyzing government (the public sector) – 2; review.

[Remaining in class after the first week constitutes advance consent to course guidelines & procedures & rules; Please read and understand our syllabus. Thanks. Please check in class and on-line for updates or adjustments to our schedule, office time & syllabus.]

8/30 Market Success Behavior, Efficiency & “Fairness”-3; **Bring 2** completed copies of **s&d problem set #1**

9/1* Contributions to Understanding Market Behavior, by Adam Smith; in-class writing exercise; review.

9/6 Intro to externalities; Externalities and Optimum Tax/Public Policies – 2, 4; review.

9/8 Public Goods & Contrast to Private Goods; Voluntary Contribution Experiment- 5; review. **Short Budget Assignment [10 pts.] is due** when called in class (none sent by e-mail); **problem set #2 due**.

9/13 Public Goods – 5; Market & Government Failure; review; **Long Budget Assignment [15 pts.] is due** when called in class (none sent by e-mail)

Economic Role of the State – 6; review; ABC News “John Stossel Goes to Washington” in-class writing & discussion; Review.

9/15 Voting & Public Choice; Public Sector Demand – 8; review.

9/20 Iowa Electronic Markets at <http://www.biz.uiowa.edu/iem/> and review.

9/22 Non-market Decision-making; S&D in Political Markets – 9; review.

9/27 Selected Topics – TBD; review.

9/29 (Th) Exam A or First Learning Opportunity (Chs. 1-6, 8, 9, and other; Johnson topics/chapters 1-10)

10/4 Contributions of Friedrich A. Hayek; in-class writing assignment.

10/6 Elasticity and Effects on S&D & Choices – 10; ϵ_d and [new?] relative elasticity; review.

10/11 Principles of Taxation, and Tax Incidence (Who pays?) – 11; review

10/13 Tax Distortion (all taxes distort & some distort more than others) -12; Ricardian tax equivalence; review.

10/18 Fall (Class) Break (thank the Faculty Senate)

10/20 Expenditure Analysis – [*supplement*] Social Security - 20; review.

10/25 Social Security, Intergenerational Transfers, and other aspects; review.

10/27 Intro to Health Care Issues and Moral Hazard – 22; review.

11/1 Health Care and Subsidies – 22; review.

11/3 **Exam B or 2nd Learning Opportunity** (cumulative Chs. 1-6, 8-9; **10, 11, 20, part of 22, & other; Johnson topics 11-19**) abt. 2/3 – 3/4 new

11/8 Selected expenditure analysis projects – US Post Office

11/10 Selected expenditure analysis projects - State & Local Pensions

11/15 Selected expenditure analysis projects – Higher & Lower Education

11/17 Selected expenditure analysis projects – TBD

[11/18 (F) Drop Day – Last day to receive a mark of “W” in a full semester course.]

11/22* Topic TBD – and in-class writing assignment

11/24 (UA Closed - Thanksgiving)

11/29 Selected expenditure analysis projects – TBD

12/1 **Exam C or 3rd Learning Opportunity** (cumulative Chs. 1-6, 8-11, 20, 22; **and other; Johnson topics 20-31**) abt. 2/3 – 3/4 new

12/6 Welcoming 2012 and the 100th Anniversary of Milton Friedman; review

12/8 “My Last ‘Lecture’ ...”; Scores must be settled; Unclaimed papers not kept; course ends; *adios*.

[12/9 (F) “Dead Day” and 12/12-16 UA Final Exams; 12/17 (Sat.) UA Fall Commencement]