

Public Economics and Finance

Summer Semester 2021

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Office: Virtual

Office Hours: by appointment

General Information

Course Website: TBA

Time and Location: TBA

Course Description

This course focuses on the role of the government in the economy. The aim is to provide an understanding of the reasons for government intervention in the economy, analyzing the benefits of possible government policies, and the response of economic agents to the government's actions. The course covers tax policy and inequality, social insurance programs and public goods. Special emphasis is on current policy issues such as social security reform and income inequality. This is a Bachelor level course. Students with an interest in public finance, public policy and inequality are recommended to take this course. Enrollees must have passed Bmik and Bmak exams and should be comfortable with multivariate calculus and basic economic concepts.

Course Material

Reading: Lecture notes

Optional Reading: Jonathan Gruber, "Public Finance and Public Policy"

Other readings: Can be found in each lecture note

Grading

Final Exam (100%)

The exam will be based on both conceptual understanding of ideas taught in lectures and solving mathematical problems related to those covered in classes. Note that the lecture notes are not self-explanatory, so attending the lectures will be critical.

Course Outline

1. Introduction to public finance and review of tools
 - What is public finance/public economics?
 - When and why should the government intervene in the economy?
 - Review of theoretical and empirical tools used in the course
2. Taxation and redistribution
 - Background and tax incidence
 - Efficiency cost of taxation
 - Labor income taxes and transfers
 - Labor supply
3. Social Insurance
 - Social Security
 - Unemployment insurance
 - Health insurance
4. Role of the government
 - (Externalities)
 - Public Goods

Schedule

TBA