



Economics 3328A, Section 550 Public Finance: Expenditure

COURSE INFORMATION

Huron University College, Fall 2022

Classroom: HC-W6

Time: Tuesdays 11:30AM - 1:30PM and Thursdays 11:30AM - 12:30AM

Prerequisite: Economics 2261A/B; Antirequisite: Economics 2159A/B

INSTRUCTOR'S INFORMATION

Ian Herzog

E-Mail: iherzog2@uwo.ca

Office: A303

Office Hours: Tuesday and Thursday from 2:30 to 3:30 PM (remote available by appointment)

Please use your UWO email when communicating with me. This prevents your email from going to spam. Please also include the course code in the subject line.

COURSE DESCRIPTION

This course studies the role of government in the provision of goods and services from theoretical and empirical perspectives. We do not directly address topics in public accounting or budgeting and instead focus on identifying markets that warrant government intervention and evaluating public policy. This includes positive and normative analysis of government programs, public goods, externalities, and economic models of government decision making.

COURSE OBJECTIVES

- Deepen our understanding of theoretical welfare economics and approaches to determining when, why, and how government should intervene in markets.
- Learn to evaluate both the stated goals and effectiveness of public policy from an economic perspective.
- Identify market failures, propose ideal policy responses, and understand their limitations.
- Use political economy concepts to understand issues in group decision making and implications of existing institutional structures.

CLASS METHODS

Classes will be primarily lecture based with guided discussions and presentations. This course will include a substantial written component where students will apply tools learned in class to a topic of their choice.

TEXTBOOK

Main Text

Rosen, Harvey, Jean-Francois Wen, and Tracy Snoddon. Public Finance in Canada, 5th Canadian Edition, 2012, McGraw-Hill Ryerson.

Additional Texts

Gruber, Jonathan. Public Finance and Public Policy.

- 6th edition is most recent, any edition will suffice.

Jonathan Gruber's MIT OpenCourseWare materials are also a good resource and available at: <https://ocw.mit.edu/courses/economics/14-41-public-finance-and-public-policy-fall-2010/download-course-materials/>

The following books contain additional examples and exercises you may find useful when working on problem sets and preparing for exams:

- *Hindriks, Jean and Gareth D. Myles. Intermediate Public Economics, 2nd Edition, MIT Press.* (Library e-book access link: https://ocul-uwo.primo.exlibrisgroup.com/permalink/01OCUL_UWO/1brq4iv/cdi_askewsholts_vleb_ooks_9780262303293)
- *Feldman, Allan M. and Roberto Serrano. Welfare Economics and Social Choice Theory, 2nd Edition, 2006, Springer.* (Library e-book access link: https://ocul-uwo.primo.exlibrisgroup.com/permalink/01OCUL_UWO/1hdoga6/alma991044359478805163)

COURSE SCHEDULE

The following course schedule is organized to follow lecture slides, which are largely self-contained and will be provided via OWL. Readings in the Rosen text (R) are the highest priority and the Gruber text (G) is secondary except for topic 2 where it is the only textbook (this reading will be available digitally without purchasing the Gruber text). The Feldman (F) text is largely for additional exercises and references for technical problem set question. This outline is tentative and I will allocate lecture time for discussions, problem set debriefing, and final exam review.

Topic	Readings
Intro to public finance and welfare economics	R1,2; G2; H2; F2,3
Income redistribution	R6
Evaluating evidence	G3
Externalities	R5; G5,6; H7; F7
Public goods	R4; G7; H5; F8
Public choice	R7; G9
Fiscal federalism	R8; G10
Social insurance (Time-permitting and can include health, pensions, employment insurance)	R9,10,11; G12,13,14,15,16

COURSE EVALUATION

6% Discussion participation and reflections

- Inequality: Oct. 6
- Climate change: Nov. 24

15% Problem sets (3 x 5% Each)

- PS1: Oct. 4
- PS2: Oct. 27
- PS3: Dec. 1

22% Mid-term exam: Nov. 8

27% Term paper:

- 2% Preliminary report: Oct. 25
- 25% Final submission: Dec. 9

30% Final Exam: Date TBD

Class participation

Two one-hour sessions are allocated to discussing public policy issues in the context of assigned readings. Additional details and instructions for discussions will be posted on OWL.

Problem sets

Students will provide solutions to problems building on in-course material. These problem sets will be a mix of mathematical derivations, interpretation, and analysis. They will be good preparation for the final exam. Students are encouraged to collaborate, solving problems in groups, but each must submit their own solutions.

Details and submission instructions will be posted on OWL.

Term paper

Each student will submit a policy briefing regarding an economic policy issue. Students are expected to give the requisite background in how the policy at hand is and/or should be implemented, use concepts and models discussed in class to provide analysis, and augment their argument with evidence from economic literature.

You will select a topic and begin working early. Your mid-semester preliminary report will describe your topic and its relationship to course material.

Additional guidelines and instructions will be posted on OWL.

Mid-Term Exam

There will be an in-class mid-term exam containing mathematical and written answer questions.

There will be no opportunity to make up a missed mid-term. If you are unable to attend either mid-term exam, perhaps due to an illness, you must seek academic accommodations through the appropriate official university channels. Failure to do so will result in a mark of zero. If necessary, please see the academic policies and regulations listed below for more information about seeking academic consideration for missed work. If you are granted academic consideration for a missed mid-term exam, its weight will be added to your final exam.

Final Exam

A final exam will be held in the December exam time period. This exam will cover all course material. Details of the administration of this exam will be forthcoming.



Appendix to Course Outlines: Academic Policies & Regulations Fall/Winter 2022

Pandemic Contingency

Huron will continue to follow the guidance of public health and government officials. It is anticipated that there will be no further disruptions to in-person instruction. This is subject to change.

Student Code of Conduct

Membership in the community of Huron University College and Western University implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. While in the physical or online classroom, students are expected to behave in a manner that supports the learning environment of others. Please review the Student Code of Conduct at: <https://huronatwestern.ca/sites/default/files/Res%20Life/Student%20Code%20of%20Conduct%20-%20Revised%20September%202019.pdf>.

Prerequisite and Antirequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites and that they have not completed any course antirequisites. Unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Review the policy on Attendance Regulations for Examinations here: [Academic Calendar - Western University \(uwo.ca\)](#)

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following website: [Academic Calendar - Western University \(uwo.ca\)](http://www.uwo.ca/academic_calendar). The appeals process is also outlined in this policy as well as more generally at the following website:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/appealsundergrad.pdf.

Turnitin.com

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

Statement on Use of Electronic Devices

It is not appropriate to use electronic devices (such as, but not limited to, laptops, tablets, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Statement on Use of Personal Response Systems (“Clickers”)

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Academic Consideration for Missed Work

All students pursuing academic consideration, regardless of type, must contact their instructors no less than 24 hours following the end of the period of absence to clarify how they will be expected to fulfill the academic responsibilities missed during their absence. **Students are reminded that they should consider carefully the implications of postponing tests or midterm exams or delaying submission of work, and are encouraged to make appropriate decisions based on their specific circumstances.**

Students who have conditions for which academic accommodation is appropriate, such as disabilities or ongoing or chronic health conditions, should work with Accessible Education Services to determine appropriate forms of accommodation. Further details concerning policies and procedures may be found at: <http://academicsupport.uwo.ca/>.

Policy on Academic Consideration for a Medical/ Non-Medical Absence

- (a) Consideration on **Medical Grounds** for assignments worth *less than 10%* of final grade:
Consult Instructor Directly and Contact Academic Advising

When seeking consideration on **medical grounds** for assignments worth *less than 10%* of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. If documentation is requested, the student will need to complete and submit the [Student Medical Certificate](#). The instructor may **not** collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation.

b) Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising

University Senate policy, which can be found at [Academic Calendar - Western University \(uwo.ca\)](#) requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at: https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

c) Consideration on Non-Medical Grounds: Consult Huron Support Services/Academic Advising, or email huronsss@uwo.ca

Students seeking academic consideration for a **non-medical** absence (e.g. varsity sports, religious, compassionate, or bereavement) will be required to provide appropriate documentation. All consideration requests must include a completed [Consideration Request Form](#). Late penalties may apply at the discretion of the instructor.

Please review the full policy on Academic Consideration for medical and non-medical absence at: [accommodation_medical.pdf \(uwo.ca\)](#). Consult [Huron Academic Advising](#) at huronsss@uwo.ca for any further questions or information.

Support Services

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation, students should email an Academic Advisor in Huron’s Student Support Services at huronsss@uwo.ca. An outline of the range of services offered is found on the Huron website at: <https://huronatwestern.ca/student-life/student-services/>.

Department Chairs, Program Directors and Coordinators are also able to answer questions about individual programs. Contact information can be found on the Huron website at:

<https://huronatwestern.ca/contact/faculty-staff-directory/>.

If you think that you are too far behind to catch up or that your workload is not manageable, you should consult your Academic Advisor. If you are considering reducing your workload by dropping one or more courses, this must be done by the appropriate deadlines. Please refer to the Advising website,

<https://huronatwestern.ca/student-life/student-services/academic-advising/> or review the list of official Sessional Dates on the Academic Calendar, available here:

<http://www.westerncalendar.uwo.ca/SessionalDates.cfm>.

You should consult with the course instructor and the Academic Advisor who can help you consider alternatives to dropping one or more courses. Note that dropping a course may affect OSAP and/or Scholarship/Bursary eligibility.

Huron Student Support Services: <https://huronatwestern.ca/student-life/student-services/>

Office of the Registrar: <https://registrar.uwo.ca/>

Student Quick Reference Guide: <https://huronatwestern.ca/student-life/student-services/#1>

Academic Support & Engagement: <http://academicsupport.uwo.ca/>

Huron University College Student Council: <https://huronatwestern.ca/student-life/beyond-classroom/hucsc/>

Western USC: <http://westernusc.ca/your-services/#studentservices>

Wellness and Health Supports at Huron and Western

University students may encounter setbacks from time to time that can impact academic performance. Huron offers a variety of services that are here to support your success and wellbeing. All Huron staff and faculty have received training on responding to disclosures of Gender-Based Sexual Violence (GBSV); students should know that the Community Safety Office is a resource for survivors, providing support and, if desired, guidance while referring them to the further supports that they may require. Please visit <https://huronatwestern.ca/student-life-campus/student-services/wellness-safety> for more information or contact staff directly:

Wellness Services: huronwellness@huron.uwo.ca

Community Safety Office: safety@huron.uwo.ca

Additional supports for Health and Wellness may be found and accessed at Western through, <https://www.uwo.ca/health/>.

Western Calendar - Policy Pages -

[Academic Calendar - Western University \(uwo.ca\)](#)