Economics of Public Finance and Public Policy
ECON 3374
Sam Houston State University
College of Business Administration
Department of Economics and International Business
Fall 2011

Course Instructor: Dr. Aditi Bhattacharyya
Email: axb023@shsu.edu
Phone: (936) 294-4791 (Office)

Class Information: Lecture: Tuesday and Thursday 2:00 – 3:20 p.m.; SHB 133
Office: Smith-Hutson Business Building, 241F
Office Hours: Monday and Thursday 3:30 – 5:00 p.m., and by appointment

Course Description: The course is focused on the role of government in the economy by applying basic economic principles to analyze and evaluate government’s revenue generation methods, expenditure programs, and the relevant social issues. Topics to be discussed in this course will include instances of market failure, provision of public goods, and current policy issues in the fields of education, social insurance, health care, and taxation. Upon completion of this course, students are expected to develop the ability of understanding and analyzing social issues in economic terms.

Prerequisites: Principles of Microeconomics (ECON 2302), or equivalent.

Textbooks:

Additional readings/handouts will be assigned and/or distributed as the semester progresses

Course Outline:

• Introduction – why study public finance: Chapter 1
• Competitive equilibrium and social welfare: Chapter 2
• Externalities: Chapters 5 and 6
• Public Goods: Chapter 7
• Cost-benefit analysis: Chapter 8
• Education: Chapter 11
• Social Insurance: The new function of government: Chapter 12
• Social Security: Chapter 13
• Unemployment insurance, disability insurance, and workers’ compensation: Chapter 14
• Health insurance and health care reform: Chapters 15 and 16
• Income distribution and welfare programs: Chapter 17
• Taxation: Chapters 18, 19, and 20

The schedule is subject to change. You are responsible for following up all the announcements made during the lectures.

Teaching Approach: The instruction will consist of lectures, class discussions, and homework problems. Each topic will be introduced and students are expected to participate in the discussion by sharing their views and comments. Homework problems will be assigned in lectures but will not be graded. However,
you are expected to solve all homework problems; understanding of the current issues in public finance and policy, and also your learning and success in the course critically depends on regular study and solving the assigned questions. All students must regularly check Blackboard (https://blackboard.shsu.edu/webapps/login/) for course materials, announcements, and points obtained for quizzes and exams.

Exams and Grading: There will be several quizzes (the lowest quiz score will be dropped), 2 exams, and a group project (including presentation and a term paper). Dates of quizzes, exams, presentations and submission of term papers will be announced in lecture. The detailed instructions about the presentation and writing up the term paper in a group will be discussed during the lecture as well. Quizzes will consist of multiple choice questions. However, exams will consist of multiple choice and short answer type questions. Quizzes, exams, and group project will count toward the course grade as follows.

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<tr>
<td>Quizzes</td>
<td>10%</td>
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<td>Exam 1</td>
<td>30%</td>
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<td>Exam 2</td>
<td>30%</td>
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<tr>
<td>Group project (presentation and term paper)</td>
<td>30%</td>
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<tr>
<td><strong>Total</strong></td>
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There will be NO MAKE-UP quiz and exam for any reason. All quizzes and exams are closed book.

Some extra credit questions will be assigned during the semester. You must follow the announcements made during the lectures for information relevant to extra credit questions.

The exam scores will be posted on Blackboard, and letter grades will be assigned on the following basis -

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<tr>
<th>% of total available points</th>
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<tr>
<td>90 - 100</td>
<td>A</td>
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<td>80 – 89</td>
<td>B</td>
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<td>0 – 59</td>
<td>F</td>
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Attendance: Class attendance is required in this course. Attendance will be recorded for each class meeting. You’ll be considered absent from a class session if you are not in attendance when the class starts, or if you leave without permission before the class is dismissed. Further, students will be penalized for being absent in any of the group presentations (a student will loose 1 point for missing each group presentation).

Students with Special Needs: Please let me know in writing (with necessary documents) at least 2 weeks before an exam, if you need special accommodations. If you have a disability that may adversely affect your work in this class, then contact me, or the school/department chair, or the Chair of the Committee for Continuing Assistance for Disabled Students and Director of the Counseling Center. All disclosure of disabilities will be kept strictly confidential. NOTE: no accommodation can be made until you register with the Counseling Center.

E-mail policy: You are expected to check your SHSU email account on a frequent and consistent basis in order to stay current with course related communications. Any email from me about this course will only be sent to your official SHSU email address. Any communication from you to me must come from your SHSU email address.
Use of telephones and text messagers: Any use of telephone or text messager or any device that performs these functions during class-times and test periods is prohibited. These devices should not be present during a test or should be stored securely in such a way that they cannot be seen or used by the student. Even the visible presence of such a device during the test period will result in a zero for that test. Use of these devices during a test is considered de facto evidence of cheating and could result in a charge of academic dishonesty. Arrangements for handling potential emergency situations may be granted at the discretion of the instructor. (see student code of conduct http://www.shsu.edu/students/guide/StudentGuidelines2010-2012.pdf#page=29)

Academic dishonesty: Please see SHSU’s “Academic Policy Statement 810213” available on the university website, for a discussion of what constitutes academic misconduct, including cheating and plagiarism, and for a discussion on the procedures utilized in adjudicating such cases. The minimum penalty for cheating and plagiarism is a failing grade.

Student absences on religious holidays: Section 51.911(b) of the Texas Education Code requires institutions of higher education to excuse a student from attending classes or examinations for the observance of a religious holiday, including travel for that purpose. A student excused under this subsection may not be penalized for that absence and shall be allowed to make alternative arrangements for an examination and/or assignment for which the student is excused. Refer to the academic calendar for the deadline date for notification by students to the faculty members of the student’s intent to be absent on religious holidays.

Code of conduct: I expect you to maintain an effective learning environment during the lectures including, but not limited to:
- Coming to every class
- Not being late to the class
- Staying in class until the class is dismissed
- Being prepared for class every day
- Participating in class
- Doing all assigned works, graded or ungraded
- Refraining from talking to your classmates during lectures/presentations
- Refraining from using laptop and headphone during the lectures/presentations
- Turning off your pager or cell phone before the class starts
- Maintaining professionalism with your classmates, particularly, while working on the group project.