

PUBLIC FINANCE: EXPENDITURE
ECONOMICS EC3328A-001
Department of Economics
Western University

September 2018

General Information:

Instructor: Nirav Mehta
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E-mail: Nirav.mehta@uwo.ca
Office hours: M 3:00-4:30pm; Th 12:30-1:30pm
Classroom meeting time(s) & location: M 8:30-10:30, W 8:30-9:30 SSC 2028
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@uwo.ca

Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note:

The prerequisites for this course are Economics 2223 and 2261A/B. The antirequisite for this course is Economics 2159A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objectives:

This course studies the role of government in the provision of goods and services from theoretical and empirical perspectives. Please note that this is not a public *finance* course but, rather a course in public *economics*.

Course Learning Outcomes:

After this course, students should be able to: (i) explain economic concepts and theories related to basic welfare economics and the role of government in addressing the provision of public goods and externalities and (ii) explain, from an economic perspective, aspects of government involvement with education and social insurance programs.

Textbook:

This course covers many different topics. There is no required textbook because there is no one text covering all these topics at the appropriate level. The classes will consist of lectures and discussion that will present the material in a self contained way. This means it is very important that you attend class to make sure you get appropriate coverage of the material. While there is no assigned textbook, background to much of the material is available in standard undergraduate textbooks, such as:

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

Note: I have placed several copies of this on reserve at Weldon.

Feldman, Allan M. and Roberto Serrano. Welfare Economics and Social Choice Theory, 2nd edition, 2006, Springer

Note: This book is available as an ebook through the Weldon Library (<http://alpha.lib.uwo.ca/record=b4472282~S20>), where it has also been placed on reserve.

Grading:

We will read and discuss some empirical papers in this course. Participation in these discussions has *positive externalities* (something we will learn about). To ensure that you've completed the papers before we discuss them in class, I will collect and grade brief (approximately 100 words) **article summaries** online, before the beginning of the class during which we will discuss each article to be graded. This will be done for three readings, which will be designated the class before; the lowest article summary grade will be dropped.

There will be one short **writing assignment**, where you can submit your choice of an op-ed or article critique. Late assignments are forfeited; an assignment is considered late if it has not been turned in to me by the beginning of class on the day it is due (November 28). Detailed instructions and examples will be posted on the course website.

There will be one cumulative **midterm exam**, held in class on October 22, and a cumulative **final exam**, date to be determined. There will be no make-up midterm exams. If you lack official justification for missing the midterm, a grade of zero will be attributed to the exam. You may submit an exam for a regrade within one week of when it has been handed back in

class; since I may scrutinize the entire exam during the regrade, your grade may go up, go down, or stay the same.

The course grade will be computed using the following weights:

Course Outline:

This is a tentative outline of our course. For those who would like additional background, I have included book chapter references for Rosen denoted “R” and Feldman and Serrano denoted “F” in parentheses. Note that material in lectures that is not in the textbook may still appear on exams. The outline may be adjusted based on our progress.

1. Part One: Introduction
 - Introduction (R1)
 - Fundamentals of Welfare Economics (R2, F1-3)
2. Part Two: A Framework for the Analysis of Public Expenditure
 - Public Goods (R4, F8)
 - Externalities (R5, F7)
 - Income Redistribution (R6)
3. Part Three: Political Economy
 - Public Choice (R7)
 - Fiscal Federalism (R8)
4. Part Four: Public Expenditures
 - Education and Education Reform (R13)
 - Social Insurance (Health Care (R9), Employment Insurance (R10), Social Security (R11))

Electronic Devices:

The only electronic device you may use during exams is a non-graphing, non-programmable calculator. Graphing/programmable calculators, cell phones, etc. must be kept in your bag. If you have any of these devices out during an exam they will be taken from you and will only be returned once you have turned in the exam.

Please Note
Department Policies for 2018-2019

Remember that the University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at:
<http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations”
http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as a notation on an official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the Student Academic Appeals section in the current Western Academic Calendar at:
http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14.

Please note the relevant deadlines.

The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A checklist is provided at:
http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals.

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.

8. Note the following add and drop deadlines:

Deadline to add a first term half course:

Friday September 14, 2018

Deadline to drop a first term half course:

Monday November 12, 2018

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

*Academic accommodation will **not** be granted automatically on request. Students **must** demonstrate by documentation that there are **compelling** medical or compassionate grounds before academic accommodation will be considered.*

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or having their value reweighted on a retroactive basis, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.

Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

Students who seek a makeup exam must also provide supporting medical or other relevant documentation that their absence from a scheduled test or exam is beyond their control. Documentation should be submitted to the Academic Counselling Office of the student's *home* Faculty **as soon as possible (preferably within 24 hours of the scheduled test)**. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. If the documentation submitted is not acceptable, students will receive a zero for the missed test.

For personal illness, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit. The off-campus medical certificate form must also be used and can be found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.

Notes stating "For Medical Reasons" are not considered sufficient.

For religious or compassionate circumstances, students should ask their Academic Counsellor what documentation to provide. If documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple-

color form for final exams). Once students have this form, they must contact their instructor as soon as possible to make arrangements. Even if approved by their Academic Counsellor, there is no guarantee that students will be allowed to write the makeup test/exam.

For final examinations, students need to seek permission from their *home* Faculty Counsellor, Instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in a grade of zero. Students must ensure that the Special Examination form has been signed by the Instructor and Department Undergraduate Director and that the form is returned to the Academic Counselling Office for approval without delay. If approved, makeup examinations will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

The Faculty of Social Science's policies regarding academic accommodation is found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.

"Academic Rights and Responsibilities" are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. Claiming that "you didn't know what to do" is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If the instructor deems a student's class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

Statement on Mental Health and Support Services

Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.