

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

September 2021

Instructor: Nirav Mehta
Office: 4037 SSC
Phone: 519-661-2111 ext. 85284
E-mail: nirav.mehta@uwo.ca

Office hours: In person, M: 9-10am; Tu: 9-10am
Delivery mode: In-person
Meeting time(s): M: 12:30-1:30pm; W: 12:30-2:30pm
Classroom: SSC 3028
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/Antirequisite 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.

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(s) and Course Materials:

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, 2016, McGraw-Hill Ryerson*
 - Note: I have placed 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 Weldon, where it has also been placed on reserve.

Assessments and Grading:

We will read and discuss some empirical papers in this course. Participation in these discussions has *positive externalities*. To ensure you've read 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 24). Detailed instructions and examples will be posted on the course website.

Late assessments with illness self-reports must be submitted within 24 hours of submission of the last illness self-report.

There will be one cumulative **midterm exam**, held in class on October 27, and a cumulative **final exam**, date to be determined. There will be no make-up midterm exam. 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. Exams are “closed-book”. The only electronic device you may use during exams is a non-graphing, non-programmable calculator. Students are forbidden from using any books, notes, study guides, diagrams, communication equipment such as a cell phone, computer programs or software, online resources or websites, or other aids unless authorized by the instructor; such authorization must be stated explicitly during the examination.

The course grade will be computed using the following weights:

Article Summaries:	5%
Writing Assignment:	15%
Midterm Exam:	31%
Final Exam:	49%

Topics Covered and Readings:

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

Professionalism, Privacy and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.

1Please Note
Department & University Policies for Fall 2021

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, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
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 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 to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in 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.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. 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 to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

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:
Deadline to drop a first term half course:

Thursday September 16, 2021
Friday November 12, 2021

Policy Regarding Makeup Tests and Final Examinations

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.

Policies Regarding Academic Accommodation

- The Faculty of Social Science's policies on academic accommodation are found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
 - for exams scheduled by the Office of the Registrar (e.g., final exams)
 - absence of a duration greater than 48 hours
 - assessments worth more than 30% of the student's final grade
 - if the student has opened or started the test or exam
 - if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf.
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

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.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.