

YORK UNIVERSITY

LA & PS
DEPARTMENT OF ECONOMICS

FALL 2020

AP/ECON 4070.03 A: PUBLIC FINANCE I
T 16:00 – 19:00

Instructor: VASSILIOS BARDIS
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Course Website: on *eClass.yorku.ca* (available by the first day of class, Tuesday, Sept. 15)

PREREQUISITES

Prerequisites: AP/ECON 2300 3.00, AP/ECON 2350 3.00, AP/ECON 2400, and AP/ECON 2450 3.00, or equivalents. Course credit exclusion: GL/ECON 3570 3.00. PRIOR TO FALL 2009: Course credit exclusions: AK/ECON 3450 3.00, AS/ECON 4070 3.00, GL/ECON 3570 3.00.

COURSE DESCRIPTION

The course identifies the role of government in a modern economy and examines the interaction between government's attempts to provide services and the financing of expenditures through traditional and non-traditional means.

COURSE ORGANIZATION

(A) Content Delivery

The course content will be delivered *asynchronously* on the course website on Moodle using a combination of the following:

- (1) detailed notes/handouts
- (2) notes/handouts accompanied by pre-recorded short videos
- (3) pre-recorded video lectures

These will be posted weekly on the course website, mainly on the officially scheduled class dates (Tuesday of each week). They will be complemented by practice sets which will also be posted approximately weekly and by the end of the week.

(B) Tests and Exams

The following apply to the tests and exams in the course:

- They will be based on (draw from) the material covered in (1), (2) and (3) above and draw from (but not be limited to) the questions in the practice sets.
- They will be available, take place and/or have to be submitted on the course website on Moodle
- All terms tests will be held and/or have to be submitted during the originally scheduled class times (see below under *Grading* for the specific dates and times).
- The final exam will be held during the examination period on the date and times scheduled by the University (to be announced).

(C) Virtual Office Hours

Regular office hours will use Zoom and will be held each week on **Tuesday**. Zoom registration is required. The *times* and *registration link and instructions* will be available under “Virtual Office Hours” on the course website.

Please note:

- 1) all handouts and recordings should be used for educational purposes only and as a means for enhancing accessibility;
- 2) students *do not have permission to duplicate, copy and/or distribute the handouts, practice sets and recordings* outside of the class (these acts can violate not only copyright laws but also [FIPPA](#)); and
- 3) all recordings will be destroyed after the end of classes.

GRADING

The course grade will be based on **term work (50%)** and a **final exam (50%)**.

Term Work

The term work will consist of three tests or quizzes, each of the best two worth 25%. Each quiz or test will have to be completed and/or submitted on the course website during the officially scheduled class times. The composition of each test will rely more heavily on the material covered in the three to four weeks before the test. The test dates are: Test 1: Oct. 6, Test 2: Nov. 3, and Test 3: Nov. 24.

Final Exam

The final exam will be comprehensive and will be held during the examination period on the date and time scheduled by the University (to be announced).

Please note:

Term Tests: There will be no make up term tests.

- *If you miss one test:* there is no penalty since only your best three tests marks count.
- *If you miss two tests:* the test you completed will be worth 35% and the final exam 65%.
- *If you miss all three tests:* the final exam will be worth 65% and *zero will be assigned for each term test missed* so that at least 35% of your grade will be zero.

Final Exam: The opportunity to write a deferred exam will be available to students for whom a religious observance coincides with the date of the final exam or who are unable to complete the exam due to reasons beyond their control. If this applies to you, please email me to let me know. (After the date of the final exam, students who did not complete the final exam must request deferred standing by completing and then uploading the required form on the course website using the link “Deferred Exam Request.” The information on deferred standing is available at <https://myacademicrecord.students.yorku.ca/deferred-standing>.

Academic Honesty and Integrity

In this course, we strive to maintain academic integrity to the highest extent possible. Please familiarize yourself with the meaning of academic integrity by completing SPARK’s [Academic Integrity module](#) at the beginning of the course. Breaches of academic integrity range from cheating to plagiarism (i.e., the improper crediting of another’s work, the representation of another’s ideas as your own, etc.). All instances of academic dishonesty in this course will be reported to the appropriate university authorities, and can be punishable according to the [Senate Policy on Academic Honesty](#).

Reappraisal of Term Work: It is strongly recommended that reappraisal of students' term work should be completed during the course of the term and prior to the submission of final course grades.

USEFUL COMPUTING LINKS

Below are some useful links for computing information, resources and help:

- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities: <https://accessibility.students.yorku.ca/>.
- [Student Guide to Moodle](#)

- [Zoom@YorkU Best Practices](#)
- [Zoom@YorkU User Reference Guide](#)
- [Computing for Students Website](#)
- [Student Guide to eLearning at York University](#)

SOME IMPORTANT DATES

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|---|--------------------|
| Classes start / end | Sept. 9 / Dec. 8 |
| Fall Reading Week | Oct. 10-16 |
| Fall Examination Period | Dec. 9-23 |
| <i>Last date to add a course without/with permission of instructor</i> | Sept. 22 / Oct. 27 |
| <i>Drop deadline: Last date to drop a course without receiving a grade</i> | Nov. 6 |
| <i>Course Withdrawal Period (withdraw from a course and receive a grade of "W" on transcript)</i> | Nov. 7 – Dec. 8 |
| <i>Holidays and University Closures:</i> | Oct. 12 |

TEXTBOOKS

There is *no* required textbook. The first textbook on the list below is recommended.

1. John Leach, *A Course in Public Economics*, Cambridge University Press, 2003.
2. Jonathan Gruber, *Public Finance and Public Policy*, 3rd edition, Worth, 2011.
3. Jean Hindriks and Gareth D. Myles, *Intermediate Public Economics*, 2nd edition, MIT Press, 2013 (1st edition, 2006)
4. Harvey S. Rosen, Jean-Francois Wen and Tracy Snoddon, *Public Finance in Canada*, 4th edition, McGraw-Hill Ryerson, 2012.
5. David N. Hyman, *Public Finance: A Contemporary Application of Theory to Policy*, 11th edition, South Western Press, 2014. (10th edition, 2011)
6. Joseph P. Stiglitz, *Economics of the Public Sector*, 3rd edition, W. W. Norton, 2000.
7. Hal Varian, *Microeconomic Analysis*, 3rd Edition, W. W. Norton & Company, Inc., 1992.
8. Walter Nicholson and Christopher M. Snyder, *Microeconomic Theory: Basic Principles And Extensions*, Nelson Education, 2011.

LIST OF TOPICS (TENTATIVE)

Review of Fundamental Concepts from Consumer and Producer Theory

Fundamentals of Welfare Economics

- Equilibrium and Efficiency in an Exchange Economy
- Equilibrium and Efficiency in an Economy with Production

Tax Incidence (Partial vs General Equilibrium Analysis)

- Taxes and Elasticities under Perfect Competition
- Tax Incidence in Input Markets
- Taxes in Imperfectly Competitive Markets

Taxes and Efficiency

- Measures of the Deadweight loss (Excess Burden) of a Tax
- Efficiency Losses and Elasticities in Equilibrium Models
- A Note on Taxes and Externalities

Optimal Taxation

- Optimal Commodity Taxation and the Ramsey Rule
- Optimal Income Taxation

Personal and Corporation Income Taxes