**Course Descriptor**

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| Title of the course | **Economics of Public Sector** |
| Title of the Academic Programme  | Bachelors in Economics |
| Type of the course  | Elective, available to foreign students |
| Prerequisites | Intermediate Microeconomics |
| ECTS workload | 3 |
| Total indicative study hours | Directed Study | Self-directed study  | Total |
| 36 | 78 | 114 |
| Course Overview | This course focuses on the role of the government in the economy, on the mechanisms and outcomes of government intervention. To better examine these issues, the course is structured into two parts. The first part of the course (called Public Expenditures) explores how governments spend public money. This part provides rationales for government intervention in the market, including public goods and spatial aspects of their provision (local public goods). This leads us to a discussion of local government and fiscal federalism. The second part of the course (called Public Finance) explores how governments raise public money. We will begin by considering the optimal commodity and income taxation, moving then into a discussion of tax evasion and avoidance that coherent to practical tax administration. We will also explore efficiency costs of taxation and tax incidence. |
| Intended Learning Outcomes (ILO) | Students should acquire an understanding of the principles and methods of analyzing various government programs such as taxes and transfers as well as their effects on economic agents |
| Teaching and Learning Methods | Discussions; work in groups |
| Content and Structure of the Course |
| **№** | **Topic / Course Chapter** |
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| 1 | Public goods |
| 2 | Club goods and local public goods |
| 3 | Intergovernmental relations: Fiscal federalism; Decentralization |
| 4 | Tax burden and tax incidence |
| 5 | Optimal commodity taxation |
| 6 | Optimal income taxation |
| 7 | Tax evasion and avoidance |
| Indicative Assessment Methods and Strategy  | Student’s progress will be measured by one individual homework assignment and final exam. That is, the final grade is a weighted sum (with the weights 0.3 and 0.7) of the cumulative grade (homework assignment) and the grade for the written exam. The cumulative grade and the grade for the exam are averaged arithmetically. |
| Readings / Indicative Learning Resources | Mandatory: Hindriks, Jean, and Gareth D. Myles. Intermediate Public Economics, MIT Press, 2013. ProQuest Ebook Central, - Authorized access: <http://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=3339608> (ProQuest Ebook Central as a ebook provider)Optional: International Financial Markets : The Challenge of Globalization, edited by Leonardo Auernheimer, University of Chicago Press, 2003. ProQuest Ebook Central, - Authorized access: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=534346> (ProQuest Ebook Central as a ebook provider).Kaplow, Louis. The Theory of Taxation and Public Economics, Princeton University Press, 2010. ProQuest Ebook Central, Authorized access: <https://ebookcentral.proquest.com/lib/hselibrary-ebooks/detail.action?docID=769614> (ProQuest Ebook Central as a ebook provider). |
| Academic Support for the Course | Academic support for the course is provided via LMS, where students can find: guidelines and recommendations for doing the course; guidelines and recommendations for self-study; samples of assessment materials |
| Course Instructor | Yulia Kuchumova |