

**PUBLIC FINANCE: EXPENDITURE
ECONOMICS 3328A-001**
Department of Economics
Western University

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Office Hours: M 3:00 – 4:30 pm, Th 12:30 – 1:30
Classroom meeting times & location: Monday 8:30-10:30 and Wednesday 8:30-9:30, SSC 2028
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 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 a 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 2223A/B and Economics 2261A/B**

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an anti-requisite course. Lack of pre-requisites 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 overview

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*.

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.

Course 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.

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))

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 29). Detailed instructions and examples will be posted on the course website.

There will be one cumulative midterm exam, held in class on October 23, 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:

Article Summaries:	5%
Writing Assignment:	15%
Midterm Exam:	30%
Final Exam:	50%

Electronic Devices

The only electronic device you may use during exams is a non-graphing, non-programmable calculator. Graph-ing/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.

Important dates:

9/11:	First day of class
10/23:	In-class Midterm
11/29:	Assignment due
12/6:	Last day of class
TBD:	Final exam

Please Note
Department Policies for 2017 – 2018

Remember that the University expects all students to take responsibility for their own academic Programs. Also remember to check your registration to make sure you 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://westerncalendar.uwo.ca/2017/pg136.html>.
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 your official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offence Policy in the current UWO Academic Calendar at <http://westerncalendar.uwo.ca/2017/pg113.html>).

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the University's Procedures in the current UWO Academic Calendar (<http://westerncalendar.uwo.ca/2017/pg112.html>). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and 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:

Last day to **add** a first term half course:
Friday, September 15th, 2017

Last day to **drop** first term half course without academic penalty:
Monday, November 13th, 2017

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

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

If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is **not** permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within **24 hours** of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca (Social Science Room 4075). **Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.**

Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your *home* Faculty **as soon as possible (preferably within 24 hours of the test)** if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must 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 any other circumstances, if you are not sure what documentation to provide, ask your Academic Counsellor. If your 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 examinations). Once you have this form, contact your instructor as soon as possible to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your *home* Faculty Counsellor, your instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in an examination grade of zero. You 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. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

Information about the Faculty of Social Science's policies regarding academic accommodation is found on its website at <http://counselling.ssc.uwo.ca/procedures/havingproblems.asp> or in Social Science Room 2105. Your "Academic Rights and Responsibilities" are also outlined in the current UWO Calendar at <http://westerncalendar.uwo.ca/2017/pg111.html>. 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 your instructor views your class attendance as unsatisfactory, you can be prohibited from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

Statement on Mental Health and Support Services

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit <http://www.uwo.ca/uwocom/mentalhealth/> for more information and a complete list of resources, as well as how to obtain help.