Course Objectives
This course covers many aspects of Public Economics; broadly speaking, we will discuss governmental fiscal (taxations and spending) policies. We will discuss the efficiency and equity of various programs in general as well as programs that are specific to the United States. Almost exclusively we will focus on Federal fiscal policies, though some time will be spent discussing local governmental policies.

Prerequisites
EC 201. EC 202. EC 311

Required Textbook

Expectations
As this is a 400 level course, students are expected to have a more than basic understanding of the concepts of economics. Further, students are required to do the readings before class. Students should expect to spend two to three hours outside of class working for each hour spent in class (six to eight hours a week).

Homework and Quizzes
This course will not have any required problem sets. I will give out suggested problems for you to do, but they are not required and their completion will have no direct effect on your final grade. These problems will be similar to those you see on your exams, so I would suggest doing them as you will likely perform better on the exam having done similar problems to what is on the exam.

We will have rather consistent quizzes during the term. There are not make-ups on quizzes without a University accepted absence.

Diagnostic Exam
As students are required to know the basic principles of economics before taking this course, an exam will be given that covers the basic principles of economics. This exam will take place on the second day of classes. The exam will be ten questions and a nine out of ten is required to pass. This exam is worth five percent of your grade and is pass fail.
Exams and Grading Policy
A midterm and final exam will be given on the dates listed below.

<table>
<thead>
<tr>
<th>Exam</th>
<th>Date</th>
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<tr>
<td>Midterm</td>
<td>Thursday, April 30th</td>
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<tr>
<td>Final</td>
<td>Thursday, May 6th</td>
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Cell phones may not be used as calculators. A PSU or other photo ID should be brought with you and you may be asked to show this ID upon turning in the completed exam.

Your grade will be based on your performance on two exams, quizzes during the term, your participation in class seminars and a project. The breakdown of these parts of your total grade is demonstrated below:

- Quizzes: 15%
- Seminar Participation: 10%
- Midterm Exam: 30%
- Final Exam: 20%
- Project: 25%

Traditional grading assignments will be used (e.g., an 87% is a B+, and a 76% is a C, etc.).

Attendance and Class Participation
Students are expected to attend all lectures unless they are ill or prevented from attending by exceptional circumstances. Students are responsible for all lecture materials, including all class announcements. Please come prepared to class. Further, students are required to have read all the materials before the class and be able to discuss those topics in the readings.

Classroom Etiquette
In order to maximize learning in the classroom we must minimize distractions. Cell phones must be in silent mode while you are in the classroom. No other electronic devices (other than calculators) may be used during class without the permission of the instructor. If a cell phone rings in class, a student is at risk to lose a portion of her grade for that week.

Extra Help
Office hours are a time that I set aside to work with students, so please don’t hesitate to stop by and ask questions. If you are unable to make it to scheduled office hours, you are encouraged to make an appointment to see me at another time. You can also get help at the Economics Department Computer Lab (CH 230) and the PSU Learning Center (2nd floor of Millar Library, Room 245) which is open to all PSU students and has economics tutors (see tutor schedule for details).

Affirmative Action
Portland State University supports equal opportunity for all, regardless of age, color, disability, marital status, national origin, race, religion or creed, sex or gender, sexual or gender identity, sexual orientation, veteran status, or any other basis in law.

**Disability Resources at PSU**
Students with accommodations approved through the Disability Resource Center are responsible for contacting the faculty member prior to or during the first week of the term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval should contact the [DRC](#) immediately.

**Academic Honesty**
Academic honesty is expected and required of students enrolled in this course. Suspected academic dishonesty in this course will be handled according to the procedures set forth in the [Student Code of Conduct](#).

**Tentative Schedule**

| Week One | Review of Economic Principles and Intro  
| | • Chapters 1 and 2  
| | Empirical Tools of Public Finance  
| | • Chapter 3  
| | • Chapter 4  
| Week Two | Externalities: Problems and Solutions  
| | • Chapter 5  
| | Externalities in Action: Environmental and Health Externalities  
| | • Chapter 6  
| Week Three | Public Goods  
| | • Handout  
| | • Chapter 7  
| | Cost-Benefit Analysis  
| | • Chapter 8  
| Week Four | Political Economy  
| | • Chapter 9  
| | State and Local Government Expenditures  
| | • Chapter 10  
| Week Five | Midterm Exam  
| | Project Outline Due  
| Week Six | Social Insurance  
| | • Chapter 12  
| | Social Security  
| | • Chapter 13  
| Week Seven | Health Insurance,  
| | • Chapters 15 and 16  
| | Income Distributions and Welfare Programs  
| | • Chapter 17  
| Week Eight | Taxation in US and Around the World  

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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| Nine | Chapter 18  
Equity Implications of Taxation: Tax Incidence  
Chapter 19 |
|      | Chapter 19  
Taxes on Labor Supply and Savings  
Chapter 21 and 22  
Corporate Taxation  
Chapter 24 |
| Ten  | Chapter 20  
Tax Inefficiencies and Their Implications for Optimal Taxation  
Chapter 20  
Fundamental Tax Reform  
Chapter 25  
Project Due |
|      | Review and Final Exam |

I reserve the right to alter the syllabus as I see fit during the course. Proper notice will be given if such a change is made.