

# EC 340: ISSUES IN PUBLIC ECONOMICS

Summer 2020

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<b>Instructor:</b> Jacob Thompson	<b>Time:</b> Online, Asynchronous delivery
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## Course Pages:

1. <https://canvas.uoregon.edu/courses/161155>

**Objectives:** Public Finance and Public Economics are a sub-field of microeconomics that aims to examine and evaluate the role of government in society. Students by the end of the course will know how economists use both economic theory and econometric techniques to weigh the costs and benefits of government policies. To that end we shall explore the following topics:

1. The concept of Pareto efficiency
2. The concept of social welfare
3. The first fundamental theorem of welfare economics
4. Failures of the first fundamental theorem of welfare economics  $\phi_{t-1}$ 
  - Public Goods
  - Externalities
  - Incomplete markets
  - Imperfect Competition
5. Public Goods and the public provision of goods
  - Publicly provided public goods
  - Publicly provided private goods
  - Privately provided public goods (charities)
6. Externalities: The problem and some solutions
  - The Coase Theorem and transactions costs
  - The failure of the Coase Theorem
7. Cost/benefit analysis, Social Welfare Functions
8. Taxation
  - efficiency
  - equity

**Prerequisites:** EC 201, Introduction to Economic Analysis: Microeconomics

**Grading Policy:** This course will be graded on a curve. Individual letter grades will be determined according to relative standing. Per departmental policy, expect about 65-75% of enrollees to receive As and Bs, with reasonable deviations determined by student performance

**Assessment:** There will be online homework due most weeknights, which is worth collectively 10% of the final grade. These will be administered through Connect. Each week there will be an exam administered through canvas. These exams will each count for 22.5% of the final grade for a total of 90% of the final grade.

**Office Hours:** MTWRF 11:00AM-12:00PM PST (1100-1200)

**Office Location:** 431 PLC

**Meeting Time and Location:** Lectures delivered asynchronously. One lecture will be uploaded each weekday and any homework assignments based thereupon will be due at least one day after lecture delivery.

**Disabilities:** If you have a documented disability please email me in the first week of the quarter so that I may make appropriate accommodations

**Academic Dishonesty:** The University of Oregon takes Academic Dishonesty very seriously. Students are expected to do homework and exams on their own. Clear and convincing evidence of cheating or academic dishonesty defined under University of Oregon policy number III.01.01 will result in a grade of "F" for the course. Students caught cheating will be reported to the Academic Misconduct Office to begin formal disciplinary proceedings. Official penalties for academic dishonesty are severe, up to and including expulsion from the University of Oregon

**Textbook for the course:** Ted Gayer and Harvey Rosen, *Public Finance*, McGraw Hill, 2015

#### **Tentative Course Outline:**

- **Week 1** Review of Microeconomics, Efficiency in Consumption, Efficiency in Production and Consumption, Fundamental Theorems of Welfare Economics,
- **Week 2** Efficiency in Production and Consumption, Market incompleteness, externalities, solutions to externalities, asymmetric information
- **Week 3** Market power, Incidence and equity of taxation, equity/efficiency tradeoff, redistribution
- **Week 4** Overflow week (any prior material unable to cover in weeks 1-3)

#### **Important Dates:**

Exam #1 due ..... Jun 28, 2020 at 11:59pm  
 Exam #2 due ..... Jul 5, 2020 11:59pm  
 Exam #3 due ..... Jul 12, 2020 11:59pm  
 Exam #4 due ..... Jul 19, 11:59pm