

Syllabus
Economics of the Public Sector
Fall Semester 2017
ECON 8080-003
(CRN 86706)
Wednesdays 7:15 pm – 9:45 pm
Sparks Hall, room 311

Instructor: Mark Rider
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Office hours: Mondays and Wednesdays: 2:00 pm – 4:00 pm (or by appointment)

Prerequisites: Principles of Microeconomics (ECON 2106 or PAUS 8141)

Course materials:

Textbook: Joseph Stiglitz and Jay K. Rosengard (2015). *Economics of the Public Sector*, 4th edition. New York, NY: W.W. Norton & Company, Inc.
ISBN: 978-0-393-92522-7 (paperback), 978-0-393-90639-5 (loose-leaf), and 978-0-393-27017-4 (ebook).

Reading 1: Coleman, Chelsea, Kendon Darlington, Mark Rider, and Morgan Sinclair (2012). “The incentive effects of the tax-benefit system facing low-income families in Georgia.” available on iCollege.

Reading 2: Cox, James, Mark Rider, and Astha Sen (2012). “Tax incidence: Do institutions matter?” Available on iCollege.

Catalog description: Analysis of the role of government in the economy. Survey of the problems of natural monopoly, government regulation, externalities, public goods, and income distribution. The emphasis is on measuring the output and costs of government services.

Course objective: The goal of ECON 8080 is to develop a framework which the student may use to analyze the role of government in a market economy. This framework introduces the student to the economic way of thinking about the forces at work in society which guide economic policy.

Learning outcomes:

1. The student should be able to understand and describe a public good and evaluate public and private institutions and government policies addressing the public goods problem.
2. The student should be able to understand and describe production and consumption externalities and evaluate government policies to address problems arising from production and consumption externalities.
3. The student should be able to understand and describe why a market economy is likely to lead to an unequal distribution of income and evaluate the pros and cons of government efforts to redistribute income.
4. The student should be able to understand, describe, and evaluate social insurance programs.
6. The student should be able to understand and describe the effects of taxes on the distribution of income (e.g., tax incidence theory).
7. The student should be able to understand and describe the effects of taxes on the efficiency of resource allocation (e.g., the theory of excess burden).
8. The student should be able to describe the major revenue sources (e.g., personal income tax, corporate income tax, deficit finance, taxes on consumption, and taxes on wealth), and evaluate their effects on individual and firm behavior.

Method of instruction: ECON 8080 is taught through a combination of lecture, discussion, and examinations. Class interaction allows the students to discover the strengths and weaknesses of alternative policy recommendations.

Grading policy: There will be three exams. Your course average will be computed by summing your scores on the three exams and dividing by three. A letter grade for the course will be assigned based on your course average (CA) and the corresponding letter grade from the table below.

Average	Final Grade	Average	Final Grade
$98 \leq CA \leq 100$	A+	$78 \leq CA < 80$	C+
$94 \leq CA < 98$	A	$74 \leq CA < 78$	C
$90 \leq CA < 94$	A-	$70 \leq CA < 74$	C-
$88 \leq CA < 90$	B+	$60 \leq CA < 70$	D
$84 \leq CA < 88$	B	$CA < 60$	F
$80 \leq CA < 84$	B-		

Attendance policy: Attendance is strongly recommended. On some date after the mid-point of the course (a date set by the Provost), students on the grade rolls but no longer taking the class will be given a grade of WF, and the last day of class that the student attended or turned in an assignment will be reported to the GSU administration.

Academic honesty: All university regulations, deadlines, and policies must be observed. In particular, students are expected to follow the GSU “Policy on Academic Honesty” (Section 409 of the Georgia State University Faculty Handbook).

Student evaluation of the course: Your constructive assessment of this course plays an indispensable role in shaping education at GSU. Upon completing the course, please take time to fill out the online course evaluation.

Accommodation: Students who wish to request accommodation for a disability may do so by registering with the Office of Disability Services (ODS). Students are only accommodated upon issuance by ODS of a signed Accommodation Plan. Students are responsible for providing a copy of that plan to instructors of all classes in which an accommodation is sought.

Tentative Course Schedule

The course syllabus provides a general plan for the course; deviations may be necessary.

No.	Date	Reading assignments
1	Wednesday, Aug 23	Defining public sector responsibilities (chapters 1 & 2)
2	Wednesday, Aug 30	Market efficiency (chapter 3)
3	Wednesday, Sep 6	Market failure (chapter 4)
4	Wednesday, Sep 13	Public goods and publicly provided private goods (chapter 5)
5	Wednesday, Sep 20	Exam 1 (chapters 1-5) No class
6	Wednesday, Sep 27	Externalities and the environment (chapter 6)
7	Wednesday, Oct 4	Efficiency and equity (chapter 7)
8	Wednesday, Oct 11	Welfare programs and the redistribution of income (Chapter 15 and reading 1)
9	Wednesday, Oct 12	Social insurance (chapter 16)
10	Wednesday, Oct 25	Exam II (chapters 6, 7, 15, and 16)
11	Wednesday, Nov 1	Introduction to taxation (chapter 17)
12	Wednesday, Nov 8	Tax incidence (chapter 18 and reading 2)
13	Wednesday, Nov 15	Taxation of capital (chapter 21)
*	Wednesday, Nov 22	Thanksgiving Break -- no class
14	Wednesday, Nov 29	The personal income tax and corporate income tax (chapters 22 & 23)
*	Wednesday, Dec 6	Final Exam (chapters 17, 18, 21, and 23) 7:00 – 9:30 pm Sparks Hall, room 311
*	Thursday, Dec 14	Grades due at 5:00 pm
*	Friday, Dec 15	Grades available through PAWS after 10:00 am

* Some important dates are indicated by an asterisk (*).