

Syllabus

Public Finance
Economics 320.R01
CRN: 75225

Instructor: Amanda Dawsey

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Office hours: By appointment via Zoom

Course Description:

In Public Finance, we study the economic role of the public sector. This role includes expenditure programs, revenue and resource acquisition, and regulations, which significantly affect the “rules of the game” under which other economic actors operate.

Learning Objectives:

After completing this course, you will have acquired the following knowledge and skills:

1. A familiarity with the basic efficiency and equity trade-offs policy-makers often face in decision-making
2. How to use diagrams to illustrate the government’s potential role in ameliorating market failures such as public goods, externality and information problems
3. How to use economic analysis to discuss income inequality and poverty and the pros and cons of different income redistribution and poverty alleviation programs
4. How to use the tools of economic welfare to illustrate the efficiency and equity implications of taxes
5. A working knowledge of the U.S. income tax system and the elements of the tax code which support or violate a comprehensive definition of income

Resources and Requirements:

Textbook (recommended): *Public Finance: A Contemporary Application of Theory to Policy* by David N. Hyman

[Moodle](#) (required)

[Zoom](#) (required)

[iClicker Reef](#) (required)

Detailed instructions for how to create an iClicker account, register for our class, and how to participate in iClicker sessions are posted in the *Syllabus and Instructions* section on Moodle.

Grading:

Participation	10%
Homework (one dropped)	15%
iClicker Quizzes and Activities (three dropped)	15%
Midterm (October 8)	30%
Final (November 19)	30%

Class Structure:

We will meet remotely via Zoom on Tuesdays and Thursdays, from 12:30 – 1:50 PM. Your participation grade will be based on attendance and your participation in class discussions. I will take attendance using the iClicker app (beginning August 27).

Accessibility:

This course is accessible to and usable by otherwise qualified students with disabilities. To request reasonable program modifications, please come and talk to me, and make sure that you're in touch with [Disability Services](#) (243-2243).

iClicker Quizzes:

The iClicker app is required both for class attendance and for class quizzes and polls. Most quizzes will be announced before class, but some quizzes will be unannounced. There will always be a quiz on required readings. These quizzes will occur at the beginning of class on the day the reading assignment is due, and there will be **no make-ups**. You may drop your three lowest iClicker grades.

Exams:

Make sure you have no conflicts with the exam dates and times. Please let me know as soon as possible if you will need to schedule an alternative exam time; in general, you will be expected to take the exam at the assigned time except under extraordinary circumstances.

Academic Integrity:

I expect you to know and abide by the Honor Code in all matters pertaining to this course. Violations of this code will be pursued in accordance with the code.

Contingency Planning:

This is an unusual semester, and it's likely that we will have to contend with unexpected hurdles. Please let me know as soon as possible about any circumstances that will hinder your ability to participate in this class. Keep up with coronavirus-related news at the [UM coronavirus page](#).

Course Schedule: Subject to change.

Date	Test/Quiz*	Topic	Readings*
Aug 20		Introduction & Tools	Chapters 1 & 2
Aug 25			
Aug 27		Externalities	Chapter 3
Sept 1	Reading		<i>Peer Effects and Alcohol Use</i>
Sept 3			
Sept 8		Public Goods	Chapter 4
Sept 10	Reading		<i>The Market for Blood</i>
Sept 15		Social Insurance	Chapter 8
Sept 17			
Sept 22		Health Economics	Chapter 9
Sept 24	Reading		<i>Is American Health Care Uniquely Inefficient</i>
Sept 29			
Oct 1	Reading		<i>Health Insurance and Income Inequality</i>
Oct 6	Midterm		
Oct 8		Poverty and Redistribution	Chapter 7
Oct 13			
Oct 15			
Oct 20		Government Finance	Chapter 10
Oct 22			
Oct 27		Taxes: Efficiency/Equity	Chapter 11
Oct 29	Reading		<i>The Top 1 Percent</i>
Nov 3	Vote!	No Class	
Nov 5		Income Taxation	Chapter 13 & 14
Nov 10	Reading		<i>Optimal Taxation</i>
Nov 12			
Nov 17	Last Day		
Nov 19	Final	3:20 – 5:20 PM	

***Chapters are recommended readings from *Public Finance: A Contemporary Application of Theory to Policy* by David N. Hyman. All other readings are required; there will be iClicker quizzes on the days they are due:**

Kremer, Michael and Dan Levy, "Peer Effects and Alcohol Use among College Students," *Journal of Economic Perspectives*, Summer 2008

Slonim, R. et al., "The Market for Blood," *Journal of Economic Perspectives*, Spring 2014

Garber, Alan M. and Jonathan Skinner, "Is American Health Care Uniquely Inefficient," *Journal of Economic Perspectives*, Fall 2008

Kaestner, Robert and Darren Lubotsky, "Health Insurance and Income Inequality," *Journal of Economic Perspectives*, Spring 2016

Alvaredo, et al., "The Top 1 Percent in International and Historical Perspective," *Journal of Economic Perspectives*, Summer 2013

Mankiw, N. Gregory et al., "Optimal Taxation in Theory and Practice." *Journal of Economic Perspectives*, Fall 2009