Course Syllabus
ECON 4210: Public Economics
Spring Semester, 2019
3.0 Credit Hours

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Class Meetings: Tuesday/Thursday, 11:20 am – 12:45 pm
Office Hours: Mondays, 9:30-11:30 am

Teaching Assistant: David Chen, hchen6@memphis.edu

Course Overview:

Much of the political and economic debate in the United States comes down to one question: what is the proper role of the government in the economy? In this course, we study that question from an economic perspective. When should the government intervene in the market, and when should it not intervene? What are the market failures that government programs are designed to address, and how effective are those programs? How does the government raise revenue, and what problems are caused by taxation? The goals of the course are: 1) to develop a framework for analyzing whether or not the government should intervene in a given situation, 2) to learn the programs and mechanisms used by the government to intervene in markets, and 3) to develop a set of methodological tools to evaluate the effectiveness of government policies and programs.

Pre-Requisites/Co-Requisites:

This course is intended for advanced undergraduates. Completion of principles of microeconomics (Econ 2020) is required; knowledge of intermediate microeconomics (Econ 3310) will be helpful, but is not required.

Required Texts (and Related Materials):

*Public Finance and Public Policy* by Jonathan Gruber
You do not have to get the newest edition. However, I will sometimes assign problems from the book for homework assignments, so you will need to make sure you are doing the right problems.

**Recommended Texts (and Related Materials):**

I will sometimes provide you with extra articles, speeches, and/or videos for class. These will be provided and require no additional purchases.

I also recommend that if you want to be a serious student of public economics, you regularly read news sources like *The New York Times* and *The Economist*. There are many good economics blogs as well. If you would like recommendations, please contact me.

**Location of Course Materials:**

Course information, such as the syllabus, homework assignments, and test grades will be available via ecourseware. To log on to ecourseware, simply go to [http://elearn.memphis.edu/](http://elearn.memphis.edu/) and follow the instructions.

**Grading and Evaluation Criteria**

Over the semester, you will have a variety of opportunities to earn points towards your final (overall) letter grade in this course. This section of the syllabus describes the assessed work you will be doing and how overall (final) letter grades will be computed.

**Final Course Grades**

Final course grades are earned according to the following table:

<table>
<thead>
<tr>
<th>Grade Range</th>
<th>Assigned Grade</th>
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</thead>
<tbody>
<tr>
<td>90-100</td>
<td>A</td>
</tr>
<tr>
<td>80-89</td>
<td>B</td>
</tr>
<tr>
<td>70-79</td>
<td>C</td>
</tr>
<tr>
<td>60-69</td>
<td>D</td>
</tr>
<tr>
<td>Under 60</td>
<td>F</td>
</tr>
</tbody>
</table>

I reserve the right to give “plus” and “minus” grades at my discretion. For example, a grade of 91 may be given an A-minus and a grade of 88 may be given a B-plus.
Your overall grade for the semester is based on how well you perform on a mixture of exams, assignments, and a final presentation. A detailed description of each of the assessed activities can be found after the scoring summary table below.

**Summary of Graded Activities**

Points earned on the assessed activities will be distributed as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Total Percentage of Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm exams (2 of them)</td>
<td>45</td>
</tr>
<tr>
<td>Assignments</td>
<td>25</td>
</tr>
<tr>
<td>Group presentation</td>
<td>15</td>
</tr>
<tr>
<td>Policy paper</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

You will have 2 midterm exams. Together, the exams are worth 45% of your grade. The midterm exams will take place on **February 19** and **April 2**.

You will also have several (probably 5) homework assignments. All together, these will account for 25% of your grade. Assignments will consist of questions from the textbook, or perhaps of reading an assigned news article and answering questions from it. You will have one week from the time I announce an assignment to turn it in. I will drop your lowest assignment grade.

Every student will do a group presentation on a relevant policy topic, using economic analysis to provide information and recommendations for policymakers on that topic. More information will be provided later in the semester.

Finally, each student will write a short, 1-to-2 page policy paper. For this paper, you will take a quote by a politician about a public policy issue and analyze it. Was the politician right? Wrong? Somewhere in between? The key is to apply the concepts we have learned in class. The paper will be due on **Friday, April 26**.

**Course Topics:**

The course is divided basically into 3 sections.

**Section 1: Theoretical and empirical tools (about 3-4 weeks)**

- Introduction: Why Study Public Economics? (chapter 1)
- Theoretical Tools (chapter 2)
- Empirical Analysis in Public Economics (chapter 3)
- Externalities (chapters 5 and 6)
- Public Goods (chapter 7)
- Political Economy (chapter 9)
• Federalism: State and Local Governments (chapter 10)
• Education (chapter 11)

Section 2: Social insurance and redistribution in the United States (about 4-5 weeks)

• Overview of US Programs (chapter 12)
• Unemployment Insurance, Disability Insurance, and Workers’ Comp (chapter 14)
• Social Security (chapter 13)
• Redistribution and Welfare Policy (chapter 17)
• Health Insurance and “Obamacare” (chapters 15-16)

Section 3: Taxation (about 3 weeks)

• Taxation in the United States: Overview (chapter 18)
• Tax Incidence (chapter 19)
• Tax Inefficiencies (chapter 20)
• Impacts on Individual Behavior (chapters 21-23)
• Corporate Taxation (chapter 24)
• Tax Reform (chapter 25)

Near the end of the course, if time allows, I will also give a special lecture called “The Textbook Meets the Real World of Politics: Lessons from the White House”, based on my experiences working in Washington, D.C.

Final Exam Schedule

You will have final presentations instead of a final exam. The presentations will take place the last two days of class, so we will not use the assigned final exam time.

Policy on technology use in class

I require you to put away your phones during class. If there is an emergency, you may leave the sound on in your pocket/bag. Otherwise, it needs to be on silent. If you are on your phone during class, I will ask you to put it away. If this is a regular occurrence, you will be asked to leave.

You may use a laptop to take notes, but I encourage you not to. Studies show clearly that taking notes by hand helps you learn better and get better grades. Also, computers are distracting to those around you. However, if you choose to use a laptop, I will require you to sit in the back rows, so as not to distract students behind you. Any student in the front rows using a laptop will be asked to move back or put it away.
Course Objectives:

By successfully completing this course, students will be able to:

- Know how to apply microeconomic theory to policy-related problems.
- Make cases for and against government intervention in a given market.
- Identify the market failures in a market that suggest government intervention may be warranted.
- Analyze policy issues from an economic perspective.
- Understand different forms of taxation and their purposes and pitfalls.
- Analyze the strengths and weaknesses of various government social programs.

Fogelman College: Learning Outcomes for Your Degree

This course is designed to help you to meet the overall learning objectives for the BBA degree offered by the Fogelman College. You should take the time to become familiar with the overall learning objectives as a student in the BBA degree program.

- BBA Program Outcomes (opens in new window)
- BBA in Accounting Program Outcomes (opens in new window)
- MBA Program Outcomes (opens in new window)
- IMBA Program Outcomes (opens in new window)
- EMBA Program Outcomes (opens in new window)
- MSBA Program Outcomes (opens in new window)
- MS in Accounting Program Outcomes (opens in new window)
- MA in Economics Program Outcomes (opens in new window)
- PhD Program Outcomes (opens in new window)

Course Methodology

This is a traditional lecture course. We will meet twice a week.

Professor’s Expectations of Students:

I expect you to be in class. This will factor into your grade (see grading section below). Attendance involves not only showing up, but also paying attention and not being disruptive. In addition to being built into the grade itself, good attendance and behavior will earn you the benefit of the doubt if your grade is “close” to being rounded up.

In the interest of promoting a classroom environment that is conducive to learning, you must turn your cell phones on silent before class begins. Additionally, there will be no excessive talking or disruptive behavior. Failure to observe these rules will affect the attendance portion of your grade.
**Student's Expectations of the Professor:**

In my role as your instructor, there are certain things you can expect from me including: well-organized and engaging learning experience, response to emails within two (2) business days, and feedback on all work submitted within 7-10 calendar days.

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**Course Policies**

**E-MAIL:**

All students are required to maintain and access their University of Memphis (@memphis.edu) email account. You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility.

**Attendance:**

Attendance is expected unless you have a university-approved excuse or other extreme circumstance. If you know you have to miss class, please let me know beforehand.

**Adding / Dropping:**

If you have questions about adding or dropping classes, please refer to this page on the Registrar’s website (opens in new window).

**Academic Integrity:**

The University of Memphis has clear codes regarding cheating and classroom misconduct. If interested, you may refer to the Student Handbook section on academic misconduct for a discussion of these codes. Note that using a “Solutions Manual” is considered cheating. Should your professor have evidence that using a “Solutions Manual” has occurred, he/she may take steps as described on the campus’ Office of Student Conduct website (opens in new window). If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the Fogelman College's Website on Academic Integrity (opens in new window).

**Participation:**

To be successful in this course as a student, you must stay active and involved throughout the entire semester. Students are expected participate in all interactive aspects of the course. You should also regularly communicate with the instructor as part of your overall learning experience, check into the course frequently for announcements (usually on the course home page), and actively participate in threaded discussion events (both formal and informal). You should plan on logging into the course at least three times each week.
Classroom or Online Behavior:

All participants in the course should be considerate of the other course participants and treat them (as well as their opinions) with respect. Insensitivity in this area will not be tolerated. If you have any questions about online communication, you should review the Fogelman College's Netiquette website (opens in new window).

Late Assignments:

Assignments may be submitted anytime up to and including the date due. Please check eCourseware regularly for information about assignments and deadlines. Late work will receive a penalty of 20% if turned in within one day of the deadline, and 50% if turned in within one week of the deadline.

Except in extreme circumstances, exams may not be made up. If you need to take an exam at a different time than what I plan, let me know as soon as possible.

Extra Credit:

I do not guarantee any extra credit, but I will look for opportunities for extra credit as the semester goes along.

Reporting Illness or Absence:

In this course, deadlines are taken very seriously. Please do not wait until the last minute to submit assignments. If an emergency should arise, it is the student’s responsibility to contact the instructor prior to the deadline to discuss the matter. A deadline extension will be considered only if all of the following conditions are met:
(1) Extreme emergency and (2) Instructor contacted prior to the due date.

Inclement Weather:

In the event that inclement weather requires the cancellation of classes at The University of Memphis, local radio and television media will be immediately notified. Additionally, The University of Memphis has established an Inclement Weather Hotline at 678-0888 as well as TigerText (opens in new window), an emergency alert text messaging service to students, faculty and staff. This optional service is used in the event of an on-campus emergency, an unscheduled university closing, or a delay or cancellation of classes due to, for instance, inclement weather. Additional information on TigerText (opens in new window).

Syllabus Changes:

The instructor reserves the right to make changes as necessary to this syllabus. If changes are necessitated during the term of the course, the instructor will immediately notify students of such changes both by individual email communication and posting both notification and nature of change(s) on the course bulletin board.


Student Services

Please access the FCBE Student Services (opens in new window) page for information about:

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance