

THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE
Department of Political Science and Public Administration

PSPA 331-01
Public Finance

Spring 2007

3 Hours Credit

MWF 12:30 – 1:15

Dial Humanities Building Room 238

William Albrecht, Ph.D.

Professor of Political Science & Public Administration

[Course Description](#)

[Teaching Methods](#)

[Evaluation Methods](#)

[Course Schedule](#)

The instructor pledges to teach this course under the university guidelines for the academic honor code. UNCP has a commitment to maintaining an atmosphere of intellectual integrity and academic honesty. Students of the university pledge to knowingly neither give nor receive any inappropriate assistance in academic work, thus affirming a personal commitment to honor and integrity. You are requested to read UNCP's Honor Code as found in the 2006-2007 Student Catalog. Included in that publication are rules and regulations governing student rights and responsibilities, the university judicial system, disciplinary sanctions, penalties, violations, and types of offenses.

COURSE DESCRIPTION

Public finance, is the study of how the government carries out its functions through spending and regulatory programs, and the tax policies the government uses to raise the revenue it needs to finance various activities. Also known as "public sector economics" public finance utilizes the theories and models of the economic discipline to describe, explain, and predict the outcomes of various government programs and policies. These include the effects of government provided goods, transfer programs, regulations, and tax systems.

Primary Objectives & Intended Outcomes

This course covers the economic principles and major policy issues of the subject, mainly with reference to the United States, but also drawing on the experience of other nations when and if appropriate. Specifically, by the end of the course participants will be able to:

1. Comprehend the size and scope of the public sector.
2. Understand the nature of public and private goods, externalities, and the need for government.
3. Describe the income distribution of an economy, how it is measured, and redistributed.
4. Discuss collective decision making in a representative democracy.
5. Explain the essentials of benefit-cost analysis and its uses in public finance.
6. Explain the economics of government production of public goods & services.
7. Comprehend the efficiency and equity effects of various taxes and subsidies.

Although a significant amount of attention will be given to the analysis of issues related to public finance other aspects will also be addressed. For example, during the semester students will also be exposed to supplementary readings, lecture topics, and discussions that address microeconomics and social policy topics in general.

In summary, by the end of the course students will be able to apply rudimentary economic concepts to make informed recommendations in terms of public policy.

Prerequisites

The official prerequisite for this course is ECN 100 “Economics of Social Issues.” However, it is preferable that students have completed ECN 202 “Principles of Microeconomics” prior to taking public finance. While the instructor intends to develop relevant microeconomic concepts and/or theories during the delivery of the course students without this background, on average, should anticipate spending additional time comprehending certain aspects of this material.

Textbooks (Required)

John E. Anderson (2003). Public Finance.

James F. Willis & M. Manfred Fabritius (2005). Explorations in Microeconomics 7th Edition.

In addition students will need access to a calculator, computer and the internet.

TEACHING METHODS

Teaching methods will involve class lectures, pedagogical videos, discussions, and efforts geared toward oral and written work. Periodically, small groups may be formed in order to allow course participants to gain experience with “collective work” and to practice combining a variety of perspectives and skills in confronting issues, events, and personalities seen in the public arena.

Note: Students are expected to be active participants in class by being prepared to discuss current topics pertaining to current political and public policy issues. Therefore, members should review websites, newspapers, magazines, journals, etc., that will facilitate this process.

EVALUATION METHODS*

Final grades will be based on three exams, a series of short reflection papers, a public finance journal, class presentation, and a class participation.

Evaluation Method		Proportion of Final Grade
Examinations	Exam 1	10%
	Exam 2	20%
	Exam 3	30%
Written Assignments	Reflection Paper: Microeconomics	10%
	Journal: Public Finance	10%
Class Presentation	PowerPoint	05%
Quizzes	Equally Weighted	10%
Class Participation	Including “Other” Assignments	05%

* NOTE: No late work will be accepted under any conditions. This includes exams. However, if either of the first two exams are missed the following exam will be counted as 80% in replacing a missing score. No student may miss more than one exam. No replacement grade will be given for the final exam. You are responsible for all announcements made in class.

Grading Scale

94 - 100 = A

90 - 93 = A-

87 - 89 = B+

84 - 86 = B

80 - 83 = B-

77 - 79 = C+

74 - 76 = C

70 - 73 = C-

60 - 69 = D

< 60 = F

Examinations

There will be three examinations in this course. The first two exams will be approximately fifty minutes in length of time. The final exam will be comprehensive and two hours in length of time. Each exam may consist of a variety of queries including multiple choice, fill in the blank, short answer and essay style questions. Further details concerning each examination event will be announced in class.

Written Assignments

Students will complete two different types of written assignments. During the first half of the semester students will write a series of short reflection papers that are designed to connect key microeconomic concepts with daily experiences. During the second half of the semester students will keep a public finance journal that connects the discipline with daily experiences. Further details will be addressed in class.

Class Presentation

All students will prepare a short PowerPoint presentation on Tim Harford's audio book titled "The Undercover Economist." Further details concerning presentations will be addressed in class.

Quizzes

Periodically the instructor may administer quizzes with no less than one quiz being administered. Each quiz will be equally weighted and may be announced or unannounced. Each quiz may entail a variety of queries including multiple choice, fill in the blank, short answer and essay style questions.

Class Participation

The teaching methods for this course require both physical and mental attendance. Consequently, unexcused absences are likely to lower a student's final grade. As an incentive five-percent of a student's grade will be awarded in terms of class participation. Beyond any specific assignments the evaluation of this criteria will be a subjective assessment by the instructor.

INSTRUCTOR INFORMATION

Dr. William Albrecht
Dial Humanities Building
Room 244

Office Hours

Monday 1:15 - 2:30
Wednesday 1:15 - 2:30
Friday 1:15 - 2:30

And by Appointment

Contact Information

Voice: 521-6822
Fax: 521-6446
Email: william.albrecht@uncp.edu

NOTE: Any student with a documented disability needing academic adjustments is requested to speak directly to Disability Support Services and the instructor, as early in the semester (preferably within the first week) as possible. All discussions will remain confidential. Please contact Mary Helen Walker, Disability Support Services, DF Lowry Building, 910-521-6695.

COURSE SCHEDULE

The course schedule lists required readings for each week of the semester. The schedule also lists **reflection paper, journal, presentation and exam dates**. The instructor reserves the right to alter the course schedule and add additional readings if necessary.

Week	Dates	Readings, Assignments, Presentation & Exam Dates
1	Jan 08 Jan 12	“Course Introduction” Required: Anderson Ch. 1, pgs. 3-12; Willis & Fabritius Chapters 1
2	Jan 17 Jan 19	“Economics of The Public Sector” Required: Anderson Ch. 1, pgs. 12-22; Willis & Fabritius Chapters 2
3	Jan. 22 Jan 26	“Measurement & Methods in Public Finance” Required: Anderson Ch. 2, pgs. 25-39; Willis & Fabritius Chapters 3
4	Jan. 29 Feb 02	“Welfare Economics & Public Goods” Required: Anderson Ch. 3, pgs. 55-68; Willis & Fabritius Chapter 4
5	Feb 05 Feb 09	“Welfare Economics & Public Goods” Required: Anderson Ch. 3, pgs. 68-80; Willis & Fabritius Chapter 5
6	Feb 12 Feb 16	“Externalities” Exam 1: February 16 Required: Anderson Ch. 4, pgs. 85-105; 6
7	Feb 19 Feb 23	“Income Distribution & Transfer Programs” Required: Anderson Ch. 5. Pgs. 111-121, 134-140; Willis & Fabritius Chapter 7
8	Feb 26 Mar 02	“Collective Decision Making” Reflection Papers Due March 02 Required: Anderson Ch. 6 pgs. 153-175; Willis & Fabritius Chapter 8
9	Mar 12 Mar 16	“Program Evaluation: Benefit-Cost Analysis” Required: Anderson Ch. 7 pgs. 182-195; Willis & Fabritius Chapter 9 & 10
10	Mar 19 Mar 23	“Government Production & Pricing of Public Goods & Services” Required: Anderson Ch. 8 pgs. 220-226; Exam 2: March 23
11	Mar 26 Mar 30	“The Structure of Taxes” Required: Anderson Ch. 9 pgs. 243-256; Willis & Fabritius Chapter 11 & 12
12	Apr 02 Apr 04	“Efficiency Effects of Taxes & Subsidies” Required: Anderson Ch. 10 pgs. 274-289; Willis & Fabritius Chapter 13 & 14
13	Apr 09 Apr 13	“Equity Aspects of Taxes & Expenditures”; Journal Due April 13 Required: Anderson Ch. 12 pgs. 335-352; Willis & Fabritius Chapter 15 & 16
14	Apr 16 Apr 20	“Government Budgets, Borrowing, & Deficit Finance”; Presentations Due April 16 Required: Anderson Ch. 17 pgs. 505-525.
15	Apr 23 Apr 27	Class Presentations Class Presentations
16	May 02 May 02	Final Exam 11:00 – 1:30