

Econ 132— SYLLABUS—Fall 2018, Aug. 22 - Dec 13

Economics 132-01 (47822)

Public Finance, 4 units

San José State University

Mon-Wed 4:30 – 5:45 PM

Classroom: DMH 166

Dr. Fred Foldvary

Office: DMH 219

fred.foldvary@sjsu.edu

www.foldvary.net/econ132.html

Phone: 510-590-2469,
office MW 408-924-5407

Office hours: Mondays & Wednesdays 1:30-2:30 PM.

Course Description and Objectives:

Public Finance includes public revenue, expenditure, debt, and budgeting. Our main focus will be the analysis of taxation on household and firm behavior.

Students' Objectives: Learn the theory and practice of public finance. Develop analytical skills and understanding from earlier economics courses by studying public finance topics. Develop analytical and research experience and scholarly writing and presentation skills.

Prerequisite: econ 1B

Course Requirements and Assignments

As this class is a four unit class, successful students should expect to spend about 180 hours (normally twelve hours per week or three hours per unit per week) throughout the semester, including reading, preparing for class, attending class, participating in course activities, completing assignments, and so on.

More details about student workload can be found in [University Policy S12-3](http://www.sjsu.edu/senate/docs/S12-3) at <http://www.sjsu.edu/senate/docs/S12-3.pdf>.

The term paper is a comparative study of tax reform. Select one tax reform and analyze its impact relative to other tax bases. Include an analysis of the incidence of the tax, the deadweight loss, the efficiency, the equity, and environmental effects. The length is 4 pages or more, double spaced.

Required Materials and Preparation:

Course Readings: Two required textbooks and several articles on web sites. Students are responsible for accessing articles on the Internet using the provided web site addresses.

Randall Holcombe, *Public Sector Economics*, Pearson ISBN 978-0131450424

Stephen Smith, *Taxation: A Very Short Introduction*, Oxford Univ. Press,
ISBN 978-0-19-968369-7

Grading:

Your grade in this course will be based on the following categories:

Problem sets and quizzes

20%

2 midterm exams, 25% each	50%
Term paper	10%
Final exam	20%

Corresponding letter grades will be assigned as follows:

97-100% A+	87-89%...B+	77-79%...C+	67-69%...D+	
94-96%...A	84-86%...B	74-76%...C	64-66%...D	
90-93%...A-	80-83%...B-	70-73%...C-	60-63%...D-	0-59%...F.

Assignments submitted one week late will have a grade deduction of 20 percent. No credit is provided for any later submissions unless there is a documented medical reason.

Attendance Policy:

Missing class can reduce your grades through preparation for graded assignments. If you miss class, please find out what you missed, get relevant assignments, and do the work to catch up. Missing exams is not an option except under circumstances of medical excuse (documentation necessary) or a death in your family. Please come to class on time.

Classroom protocols:

1. In class, turn off cell phones, pagers, and other noisy electronic devices. Laptop computers and audio recorders are okay so long as they are silent.
2. For exams, simple calculators are permitted, but please avoid using devices that can communicate with others.
3. All problem sets and the research project have to be submitted on paper, not as email attachments. This includes late submissions. Please do not send me any attachments.
4. Put "Econ 132" and your name on the subject line when you send me an email message.

Academic Integrity:

All assignments must be done individually, and any data and texts derived from sources have to be cited and referenced. Any copying without citation constitutes plagiarism, and is strictly forbidden by university policy.

Students need to know the SJSU Policy on Academic Dishonesty:

<<http://www.drc.sjsu.edu/aboutUs/files/DRCAcademicDishonestyPolicy.pdf>>

<http://www.sjsu.edu/studentconduct/docs/Academic_Integrity_Policy_S07-2.pdf>

University policy states: "Your own commitment to learning, as evidenced by your enrollment at San Jose State University and the University's Academic Integrity Policy requires you to be honest in all your academic course work. Faculty are required to report all infractions to the Office of Judicial Affairs."

Furthermore, the Department of Economics Academic Fairness Standards states:

"An individual instructor who discovers, or is presented with, conclusive evidence of cheating shall assign a course grade of 'F' and inform the Chairperson of the Department of the reasons for the grade and for further disciplinary action."

Please bear in mind that cheating and plagiarism can occur without the student's knowledge or intent. Please be careful. Read the policies. If you think you are at risk by the actions of another student, please bring the matter to me privately.

Disabilities:

Presidential Directive 97-03 requires that students with disabilities register with DRC. A student requiring accommodation should make this need known to the instructor in the first two weeks of class. A reasonable effort will be made to accommodate the student's needs.

Course Schedule:

Students should come to class prepared for a discussion of every assigned reading that week.

The schedule is approximate, and other topics will also be discussed.

There will be 3 econ dept "provocative lectures" for extra credit.

Week of	Topic	Readings
1: (08-22)	The incidence of taxes. Excess burdens.	http://www.foldvary.net/ec132/lecs/lec01incid.html
2: (08-27)	Efficient sources of public revenue.	Holcombe 324-7, Smith 60-62 http://www.foldvary.net/works/policystudy.pdf
3: (09-05)	Externalities	Holcombe chapter 4 http://www.scu.edu/scm/summer2007/feature6.cfm
4: (09-10)	Analyzing government	Holcombe chapters 1-3
5: (09-17)	Public goods.	Holcombe chapters 5-6.
6: (09-24)	Public choice	Holcombe chapters 7-9 http://www.foldvary.net/ec232/demandr.html
07: (10-01)	Exam 1, fiscal policy	Smith chapters 1, 2
08: (10-08)	Tax principles	Holcombe chapters 10-11
09: (10-15)	Structure, burden	Smith, chapters 3-4
10: (10-22)	Sales and income taxes	Holcombe chapters 12-13
11: (10-29)	Taxing income, inheritance, property.	Holcombe chapters 14-15
12: (11-05)	US tax system, Government budgets,	Holcombe chapters 16-17
13: (11-14)	Redistribution, Social Security	Holcombe chapters 18-20 Term papers due Nov.14
14: (11-19)	Midterm 2	No class Nov 21, Thanksgiving Day Nov. 22
15: (11-26)	Education, Medical services, defense	Holcombe chapters 21-23.
16: (12-03)	Federalism	Holcombe chapter 24. Private communities; Fred Foldvary, <i>Public Goods and Private Communities</i> . Chapters 3, 8, 10, linked at class web site
17: (12-10) last class	Smith	Chapters 5, 6: evasion, tax policy Review
(12-13)	Final Exam	In the classroom, 2:45-5:00 PM (14:45 - 17:00) http://info.sjsu.edu/static/catalog/final-exam-schedule-fall.html