

# THE COLLEGE OF WILLIAM AND MARY

## ECONOMICS 321 ECONOMICS OF THE PUBLIC SECTOR Fall 2020

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### **Introduction:**

This course presents a comprehensive overview of the field of economics of public sector. It covers both conceptually and at a more practical level the general areas of government expenditures, taxation, as well as deficits and debt, all mostly at the federal level.

It provides the tools necessary to better understand and to critically think about the information around us pertaining to the public sector.

### **Course requirements and grading policy:**

The course is organized in three modules of lectures followed by a test. There will be three 50-minute tests. The tests are not cumulative. The first test is on Sept 16; the second on Oct 16; and the third test/final exam on Nov 23.

Each test contributes 25% to the final grade. The remaining 25% are based on attendance.

Re-grades on each test will be considered during the first week after the test is returned. Deviations from these guidelines (i.e., missing tests, changing weights) must be cleared in advance. Retakes of the first two tests for extra credit are available to those with grades lower than 70%. All adjustments must be completed by the last day of classes.

### **Recommended course materials:**

*Economics of the Public Sector*, by Joseph Stiglitz, Norton, 3<sup>rd</sup> Edition.

Lecture Notes - available through Blackboard

Miscellaneous Readings - available through Blackboard.

### **Office hours:**

My office hours will be Mondays and Wednesdays from 11:00 am to 12:00 pm or any other time by appointment. You are encouraged to submit questions by e-mail.

### **Schedule changes and other important dates:**

Classes cancelled for personal reasons: Sept 28.

Add/Drop deadline: Aug 28. Withdraw deadline: Oct 12.

**PLEASE CHECK  
“COURSE INTRODUCTION AND ORGANIZATION”  
FOR MORE DETAILED INFORMATION**

# **THE COLLEGE OF WILLIAM AND MARY**

## **ECONOMICS 321 ECONOMICS OF THE PUBLIC SECTOR**

### **SYLLABUS AND READINGS**

#### **MODULE ONE – An Overview of the Public Sector in the United States**

##### **1. Introduction - The Public Sector in the United States**

[Book - Chapter 2]

[Lecture Notes – Chapter 1]

#### **MODULE TWO – The Case for Government Intervention. Policy Evaluation**

##### **2. Non-interventionism**

[Book - Chapter 3, pages 55-61]

[Lecture Notes – Chapter 2]

##### **3. Market Failures**

[Book - Chapter 4]

[Lecture Notes – Chapter 3]

##### **4. Market Failures: Public Goods**

[Book - Chapter 6, pages 127-136]

[Lecture Notes – Chapter 4]

##### **5. Market Failures: Externalities**

[Book - Chapter 9, pages 214-233]

[Lecture Notes – Chapter 5]

##### **6. From Market Failures to Government Intervention**

[Book - Chapter 10, pages 247-249]

[Lecture Notes – Chapter 6]

##### **7. Alternative Forms of Intervention**

[Book - Chapter 8, pages 136-140]

[Lecture Notes – Chapter 7]

##### **8. Policy Evaluation: Efficiency and Equity**

[Book - Chapter 10]

[Lecture Notes – Chapter 8]

##### **9. Policy Evaluation: Benefit-Cost Analysis**

[Book - Chapter 11]

[Lecture Notes – Chapter 9]

## **MODULE THREE – Taxation**

### **10. Theory of Taxation: Preliminary Concepts**

[Lecture Notes – Chapter 16]

### **11. Theory of Taxation: Criteria for a Good Tax System**

[Book - Chapter 17, pages 456 - 475]

[Lecture Notes – Chapter 17]

### **12. Theory of Taxation: Taxation and Economic Efficiency**

[Book - Chapter 19, pages 518 - 528]

[Lecture Notes – Chapter 18]

### **13. Theory of Taxation: Tax Incidence and Fairness**

[Book - Chapter 18, pages, pages 482 – 496, 502- 505]

[Lecture Notes – Chapter 18]

### **14. Taxation in the United States: The Personal Income Tax**

[Book - Chapter 22, pages 607 - 643]

[Lecture Notes – Chapter 20]

### **15. Taxation in the United States: Tax Reform**

[Book - Chapter 25, pages 693 - 710]

[Lecture Notes – Chapter 22]