

University of Waterloo
Department of Economics
ECON 443-001
Advanced Public Economics
Spring 2020
May 11–Aug 5
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Instructor and T.A. Information

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T.A.: There is no T.A. for this course.

Course Description

This course explores important topics in public economics such as welfare economics, public goods, externalities, government taxes and expenditures. Relevant policy applications are also considered. Topics covered include analytical tools of economic theory such as partial and general equilibrium analysis, comparative statics and dynamics, numerical policy models and computations.

Course Goals and Learning Outcomes

The course goal is to encourage students to apply the methodology and techniques of economic analysis to relevant government policy actions in the public sector. The course goals and learning outcomes are to help students develop essential analytical skills needed for government public policies.

Prerequisites

The prerequisite background includes basic skills in calculus and algebra (ECON 211), statistics and econometrics (ECON 221, 322), partial equilibrium (ECON 290) and general equilibrium (ECON 393). Previous courses in public economics (ECON 241, 341) are useful but not absolutely required.

More importantly, students should be able to use and apply, not just know, basic tools of economic analysis such as Cobb-Douglas and CES functions, utility maximization, output maximization, cost minimization, comparative statics, dynamics, and market structures.

A summary of course prerequisite is shown as follows:

ECON 443 requires

- (a) ECON 393 (Market Failures) which requires
 - ECON 391 (Equilibrium in Market Economies) which requires
 - ECON 290 (Models of Choice in Competitive Markets) which requires
 - ECON 101 (Introduction to Microeconomics)
- (b) ECON 323 (Econometric Analysis 2) which requires
 - ECON 322 (Econometric Analysis 1) which requires
 - ECON 221 (Statistics for Economists) which requires
 - ECON 211 (Introduction to Mathematical Economics) and
 - ECON 101 (Introduction to Microeconomics)

Part (a) prepares students with basic analytical skills in micro-economic theory while part (b) prepares them with basic statistical and econometric skills to read the applied literature in the field.

Required Text & Class Participation and Interaction

Required Text

Public Finance in Canada, fifth Canadian edition by Harvey S. Rosen, Jean-François Wen and Tracy Snoddon, McGraw-Hill Ryerson, 2016 [ISBN 978-1-25903077-2, UW BookStore]. Students can choose either online etext or traditional printed text.

Class Participation and Interaction

In addition to the text, it is important that students maintain class participation and interaction (including answering discussion questions) and take their own notes. Reading the text alone in isolation is not enough to pass the course.

Course Assessments

Assessments

Class attendance and participation	10%
Assignments	20%
Midterm 1 (Thu, Jun 11, 2020, to be confirmed)	20%
Midterm 2 (Thu, Jul 16, 2020, to be confirmed)	20%
Final exam (TBA)	30%
Total	100%

Class Participation

1. Fully attend all class meetings (joining online), e.g., remain in class for the full class period with full attention to ongoing class activities. Students are responsible for all class activities and course materials, whether they attend classes or not for whatever reasons.

Examples of failure to fully attend classes are:

(a) joining late or leaving early more than 50% of class time;

(b) being in class but not fully participating in class activities, e.g.,

study for other courses,

inappropriate use of computers, iPhones, iPads, and all electronic devices (e.g., Internet activities not related to class work).

3. Students missing classes for three weeks (almost a month) or more risk a failing mark for the course with or without cause regardless of performance in tests and exams and/or regardless of health-medical excuses. There are no make-ups or substitutes for missing classes.

Course Topics

The following list of topics and order of presentation may be changed to suite the background and interest of the class.

1. Introduction & Overview & Background Review
2. Harberger Theory
3. Shoven-Whalley Theory
4. Clarke-Groves Theory
5. Externality Ttheory
6. Ramsey Optimal Theory
7. Fiscal Federalism

Course Policy

Classroom Protocols

Avoid distractions such as late arrival, early leave, study for other courses, computer games, unrelated online activities, and inappropriate uses of computers and electronic devices during class.

Electronic Device

Computers and electronic devices may be used in class for class-related activities only. Turn off all other electronic and photographic devices. Students are encouraged to take their own notes during lectures. No audio recordings, video recordings or pictures may be taken in class (university policy).

Effective Date

This course outline become effective starting the first day of class. Students, especially those missing the first class and/or any of the remaining classes of the term for whatever reasons should familiarize themselves with the rules and policy of the course. All students are bounded by the rules and policy of the course.

Information on Plagiarism Detection

Students might want to learn Turnitin to pre-screen their work for potential issues of academic integrity. Students who do not wish to have their work screened by Turnitin should inform the instructor in writing or email no later than the end of the second week to arrange for an alternative option.

UW Policy on Intellectual Property

This course contains the intellectual property of the instructor such as

- (a) lecture content, spoken and written and audio/video recording,
- (b) lecture handouts, slides, presentations, and other course materials,
- (c) questions and solutions from assignments, quizzes, tests, final exams,
- (d) copyright-protected work authored by the instructor.

These course materials are provided to help student learning the required course content. Sharing them without permission of the instructor is a violation of intellectual property rights. Students may not upload and share the course materials online (e.g., on online note-sharing web sites).

More information can be found from the Secretariat web page "Faculty, Staff and Students Entering Relationships with External Organizations Offering Access to Course Materials" (UW Policy 71, 73) <https://uwaterloo.ca/secretariat-general-counsel/faculty-staff-and-students-entering-relationships-external>

More Policies

Course Postings on LEARN

- ∇ Course materials (e.g., assignments, readings, handouts) are posted on LEARN for a specified limited time during the term. As LEARN could be down without warnings, students should save course materials, especially those with time-sensitive deadlines, as soon as they are posted.
- ∇ Extensions of deadlines due to LEARN being down are rare.

Late Work

- ∇ Electronic submissions must be submitted on LEARN no later than 8:30 am on due dates (the computer will automatically reject late submissions).
- ∇ Likewise, hardcopies must be also submitted in class no later than 8:30 am on due dates.
- ∇ Late work will not be accepted and will be given a zero mark.

Group Work

- ∇ Group work is not allowed. While discussions of course materials are allowed for the sake of learning, students are expected to do all course work (with or without marking) on their own.

Marked Course Work

- ∇ Marked assignments and tests are returned in class and handed only to the students who wrote them (i.e., you can pick up your own assignments/tests only).
- ∇ Marked course work must be picked up in class within one calendar week after they are returned. Marked course work not picked up when they are returned are treated abandoned and no consideration will be given to unclaimed marked course work.

Information on Plagiarism Detection

- ∇ Alternative Option to Turnitin: students who do not wish to have their course work screened by Turnitin (see "If Using Turnitin in Your Course" below) should inform the instructor in writing or email no later than the end of the second week to arrange for an alternative option.

Electronic Device Policy

- ∇ Computers may be used for class-related activities only.
- ∇ Students are encouraged to take their own notes during lectures.
- ∇ Turn off all electronic devices including cell phones and photographic/digital devices.
- ∇ No audio recordings, video recordings or pictures may be taken in class.
- ∇ Inappropriate uses of computers and electronic devices unrelated to the course any time during class might be counted as missing class in the attendance records.

Fee Arrangement

- ∇ Students are responsible for all administrative matters of registration and fee arrangements with the Registrar's Office.
- ∇ No accommodations will be given for loss of access to LEARN and academic consequences arising from any issue or dispute (including fees) with the Registrar's Office.

Statements and Links to Be Included on All Course Outlines

Cross-Listed Course

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity and Discipline

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [Office of Academic Integrity webpage](#) for more information.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. Check [the Office of Academic Integrity](#) for more information. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

Grievances and Appeals

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read [Policy 70 - Student Petitions and Grievances](#), Section 4. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

Appeals: A decision made or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 - Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals](#).

Accommodation for Students with Disabilities

Note for students with disabilities: The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

If You Are Using Turnitin® in Your Course

Turnitin.com: Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course. Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information.

Optional Statements That May Be Included on Course Outlines

Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus

- ∇ Counselling Services: counselling.services@uwaterloo.ca Tel 519-888-4567 ext. 32655
- ∇ **MATES**: one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- ∇ Health Services Emergency service located across the creek from Student Life Centre

Off Campus 24/7

- ∇ **Good2Talk**: Free confidential help line for post-secondary students. Tel 866-925-5454
- ∇ Grand River Hospital: Emergency care for mental health crisis. Tel 519-749-433 ext. 6880
- ∇ **Here 24/7**: Mental Health and Crisis Service Team. Tel 844-437-3247
- ∇ **OK2BME**: set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Tel 519-884-0000 ext. 213

Details are online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe app](#) to your phone to quickly access mental health support information

Territorial Acknowledgement

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes 10 kilometres on each side of the Grand River. For more information about the purpose of territorial acknowledgements, please see the [CAUT Guide to Acknowledging Traditional Territory \(PDF\)](#).

Academic Freedom at the University of Waterloo

[Policy 33, Ethical Behaviour](#) states, as one of its general principles (Section 1):

“The University supports academic freedom for all members of the University community. Academic freedom carries with it the duty to use that freedom in a manner consistent with the scholarly obligation to base teaching and research on an honest and ethical quest for knowledge. In the context of this policy, 'academic freedom' refers to academic activities, including teaching and scholarship, as is articulated in the principles set out in the Memorandum of Agreement between the FAUW and the University of Waterloo, 1998 (Article 6). The academic environment which fosters free debate may from time to time include the presentation or discussion of unpopular opinions or controversial material. Such material shall be dealt with as openly, respectfully and sensitively as possible.”

This definition is repeated in Policies 70 and 71, and in the Memorandum of Agreement, Section 6.

Retention of Examination Papers and Course Work

- ∇ According to UW TL55 Record Retention Schedule, completed final examination papers and course work will be retained one year after last use (i.e., after the end of the term in which the work was submitted or after the resolution of any grade revision request or appeal).
- ∇ **Note to Students**: Course work which the instructor attempts to return during the term (e.g., tests, assignments) but remains unclaimed when term grades become official in Quest may be destroyed earlier than one year (**two terms**) provided the students have been so advised on the course outline.