

Econ 3345: Public Finance Fall 2023

Dalhousie University acknowledges that we are in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People and pays respect to the Indigenous knowledges held by the Mi'kmaq People, and to the wisdom of their Elders past and present. The Mi'kmaq People signed Peace and Friendship Treaties with the Crown, and section 35 of the Constitution Act, 1982 recognizes and affirms Aboriginal and Treaty rights. We are all Treaty people.

Dalhousie University also acknowledges the histories, contributions, and legacies of African Nova Scotians, who have been here for over 400 years.

Instructor: Casey Warman

E-mail: warmanc.dal.3345@gmail.com (→ please use your @dal.ca address when emailing me, I will only respond to @dal.ca addresses.)

Lectures: The class will be in person unless there are further covid restrictions or other interruptions. The course content will be available on Dalhousie's Brightspace.

Office location 6214 University Avenue, Room A14

Office hours: After class or by appointment.

Course Description

The course will focus on expenditure decisions (including fiscal debts, health care, education, employment insurance, social assistance, and public pensions) and the federal-provincial dimension of the public sector in Canada. It will also cover basic public finance theory and related microeconomics.

Course Prerequisites

Intermediate Microeconomics. Econ 2200 or equivalent with a minimum C grade.

Course Exclusion

None

Learning Objectives

- Students will attain, through lectures, readings and problem sets, knowledge of the building blocks of economic analysis in public finance.
- Students will develop, through lectures, readings and problem sets, some tools to analyze, critically assess, and develop creative solutions to public policy problems.
- Problem sets and exams will enable students to apply basic principles of critical thinking, problem solving, and technical proficiency in economics.
- This course will introduce students to expenditure decisions in Canada related to health care, education, employment insurance, social assistance, and public pensions.

At the end of the course, students should:

- Have a general understanding of Canada's governmental structure.

- Be able to understand the fundamentals of welfare economics and cost-benefit analysis.
- Be able to understand of public goods as well as externalities and when there should be public or private response to such externalities.
- Be able to determine the implications of given public expenditure programmes including issues such as externalities, moral hazard, and adverse selection.

Course Materials

- Required Text:

Rosen, Tedds, Tombe, Wen, and Snoddon, (2023), Public Finance in Canada (6th Ed), Toronto: McGraw-Hill Ryerson

For purchase in the bookstore or

E-book online access at:

[https://bookstore.dal.ca/CourseSearch/?course\[\]=SUB,FALL23,ECON,ECON3345,01&](https://bookstore.dal.ca/CourseSearch/?course[]=SUB,FALL23,ECON,ECON3345,01&)

REQUIRED: PUBLIC FINANCE IN CANADA

Author: Rosen

Choose an Option

▶ Buy New \$112.68

▶ Buy Digital: 180 Day Ebook (CampuseBookstore.com Access Code) \$60.16

Around 92% of the course will follow the textbook and I highly recommend that you read the sections covered in class. Additional supplementary material and information will make up the remaining 8%, such as issues related to the implications of Covid-19 for public finance.

I will post partial notes and other items on Brightspace.

Course Assessment

Component	Weight (% of final grade)	Date
<i>Midterm Exam</i>	(2X20%=) 40%	October 11 th and November 20 th
<i>Final exam</i>	40%	Scheduled exam period by Registrar's Office
<i>Attendance¹</i>	5%	
<i>Assignments</i>	(5X3%=) 15%	

¹ Miss at most two classes (for illness etc.), 5 out of 5; Miss three classes, 4.5 out of 5; Miss four classes, 4 out of 5; Miss five classes, 3.5 out of 5; Miss six classes, 3 out of 5; Miss seven classes, 2.5 out of 10; Miss eight classes, 2 out of 5; Miss nine classes, 1.5 out of 5; Miss ten classes, 1 out of 5; Miss more than ten classes, 0 out of 5. Please do not email me to tell me you will be away (unless for an extended period). **If you sign another student in, you will receive 0 out of 5. If someone signs you in, you will receive 0 out of 5.**

Assignments: There will be 5 assignments containing problem-solving questions. Each will have a deadline for submission and will be worth 3% of your grade. They are to test your understanding of the content of the class and readings.

Midterms: There will be 2 midterms for the course, each counting for 20% of your grade. It will have multiple choice and problem-solving exercises. The exams are currently scheduled to be in class unless something changes with Covid restrictions or other events.

Final Exam: The final exam will be cumulative and schedule by the Registrar's Office.

Conversion of numerical grades to Final Letter Grades follows the Dalhousie Common Grade Scale

A+ (90-100)	B+ (77-79)	C+ (65-69)	D	(50-54)
A (85-89)	B (73-76)	C (60-64)	F	(<50)
A- (80-84)	B- (70-72)	C- (55-59)		

Course Policies

Late assignments will not be accepted.

Missed Exams: The midterms are mandatory and count if written. There is a very strict policy concerning any missed exam. (See notes on **Student Declaration of Absence form**). If an exemption is not granted, a grade of zero will stand. If an exemption is granted, the weight, material and length of the midterm will be allocated to a final exam. If at least one midterm and the final are missed then a grade of *Incomplete* may be given.

If you miss a midterm due to medical reasons, the weight will be placed on the final exam.

You must pass the final to pass the course. To earn an A+ in the course, you must earn at least an A on the final exam.

Cell Phones, Blackberries etc. must be **turned off** and put away during lectures. Recording of lectures is prohibited.

Note - Student Declaration of Absence form:

The Faculty of Science follows the University policy for missed or late academic requirements due to short term student absences. The link to the policy is included in the course syllabus, and can be accessed here https://www.dal.ca/dept/university_secretariat/policies/academic/missed-or-late-academic-requirements-due-to-student-absence.html Course sites (Brightspace) will have a link to the **Declaration of Absence form**, and online submission of the forms will be enabled this fall via the widget on Brightspace.

Note that students are not able to obtain medical notes from the Dalhousie Student Health and Wellness Centre for short term absences (3 consecutive days or fewer) during term. Students may submit a MAXIMUM of 2 separate forms per course per term. Students with recurring absences should be referred to the Assistant Dean Student Affairs. Students with long term absences may need to be referred to the Student Accessibility centre. Please note students with an Accommodation Plan in place do not need to submit Student Declarations of Absence.

The policy does not apply to final coursework or exams scheduled by the Registrar's Office.

Outline (Order of chapters covers subject to change):**Introduction**

Introduction to Public Finance in Canada Ch 1

Fundamentals of Welfare Economics Ch 2 (Micro theory)

Cost-Benefit Analysis Ch 3 (**Not** covering: Uncertainty on page 48 or Games Cost–Benefit Analysts Play on page 49).

Market Failures

Public Goods Ch 4

Externalities Ch 5

Information Asymmetries

Debt

Deficit Financing and Public Debt Ch 7

Programs

Provincial Income Assistance Programs Welfare Ch 12

Eissa, Nada and Jeffrey B. Liebman (1996) "Labor Supply Response to the Earned Income Tax Credit," *Quarterly Journal of Economics*, 111(2): 605-637. Read only pages 605-613 and 635-636. Access journal article through the library

(Un)employment Insurance Ch 10

Public Pensions Ch 11

Education Ch 13

Health Care Ch 9

Response to Covid-19 Class notes and supplementary material (merged in with other sections).

Public Choice Supplement from Version 5 (124, 128 (median voter theorem), 133 to 143. 2 Page PDF on Niskanen model.) - if we cover this, I will put the notes on Brightspace.

Market Shortcoming

Income/Wealth Distribution Ch 6

Tax Analysis

Taxation and Income Distribution Ch 14

Taxation and efficiency Ch 15

Personal Income Tax Ch 17

Other readings may be assigned during the course.

University Policies and Statements

Recognition of Mi'kmaq Territory

Dalhousie University would like to acknowledge that the University is on Traditional Mi'kmaq Territory. The Elders in Residence program provides students with access to First Nations elders for guidance, counsel, and support. Visit or e-mail the Indigenous Student Centre at 1321 Edward St or elders@dal.ca. Additional information regarding the Indigenous Student Centre can be found at: https://www.dal.ca/campus_life/communities/indigenous.html

Internationalization

At Dalhousie, 'thinking and acting globally' enhances the quality and impact of education, supporting learning that is "interdisciplinary, cross-cultural, global in reach, and orientated toward solving problems that extend across national borders." Additional internationalization information can be found at: <https://www.dal.ca/about-dal/internationalization.html>

Academic Integrity

At Dalhousie University, we are guided in all our work by the values of academic integrity: honesty, trust, fairness, responsibility, and respect. As a student, you are required to demonstrate these values in all the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity. Additional academic integrity information can be found at: https://www.dal.ca/dept/university_secretariat/academic-integrity.html

Accessibility

The Student Accessibility Centre is Dalhousie's centre of expertise for matters related to student accessibility and accommodation. If there are aspects of the design, instruction, and/or experiences within this course (online or in-person) that result in barriers to your inclusion, please contact the Student Accessibility Centre (https://www.dal.ca/campus_life/academic-support/accessibility.html) for all courses offered by Dalhousie with the exception of Truro. For courses offered by the Faculty of Agriculture, please contact the Student Success Centre in Truro (<https://www.dal.ca/about-dal/agricultural-campus/student-success-centre.html>)

Conduct in the Classroom – Culture of Respect

Substantial and constructive dialogue on challenging issues is an important part of academic inquiry and exchange. It requires willingness to listen and tolerance of opposing points of view. Consideration of individual differences and alternative viewpoints is required of all class members, towards each other, towards instructors, and towards guest speakers. While expressions of differing perspectives are welcome and encouraged, the words and language used should remain within acceptable bounds of civility and respect.

Diversity and Inclusion – Culture of Respect

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. We stand for equality. Dalhousie is strengthened in our diversity. We are a respectful and inclusive community. We are committed to being a place where everyone feels welcome and supported, which is why our Strategic Direction prioritizes fostering a culture of diversity and inclusiveness (Strategic Priority 5.2). Additional diversity and inclusion information can be found at: <http://www.dal.ca/cultureofrespect.html>

Student Code of Conduct

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner - perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution. The full Code of Student Conduct can be found at: https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html

Fair Dealing Policy

The Dalhousie University Fair Dealing Policy provides guidance for the limited use of copyright protected material without the risk of infringement and without having to seek the permission of copyright owners. It is intended to provide a balance between the rights of creators and the rights of users at Dalhousie. Additional information regarding the Fair Dealing Policy can be found at: https://www.dal.ca/dept/university_secretariat/policies/academic/fair-dealing-policy-.html

Originality Checking Software

The course instructor may use Dalhousie's approved originality checking software and Google to check the originality of any work submitted for credit, in accordance with the Student Submission of Assignments and Use of Originality Checking Software Policy. Students are free, without penalty of grade, to choose an alternative method of attesting to the authenticity of their work and must inform the instructor no later than the last day to add/drop classes of their intent to choose an alternate method. Additional information regarding Originality Checking Software can be found at:

https://www.dal.ca/dept/university_secretariat/policies/academic/student-submission-of-assignments-and-use-of-originality-checking-software-policy-.html

Student Use of Course Materials

Course materials are designed for use as part of this course at Dalhousie University and are the property of the instructor unless otherwise stated. Third party copyrighted materials (such as books, journal articles, music, videos, etc.) have either been licensed for use in this course or fall under an exception or limitation in Canadian Copyright law. Copying this course material for distribution (e.g. uploading to a commercial third-party website) may lead to a violation of Copyright law.
