

**DEPARTMENT OF ECONOMICS  
Faculty of Science**



**PUBLIC FINANCE II  
ECON 3345**

**June 4-25, Summer 2020**

**Dr. Wimal Rankaduwa**

**Contact Hours (by e-mail):** Tues/Thurs: 4:30-5:30pm

Or, appointment by e-mail.

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**TA Contact Information:**

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**Course Description:** This class studies the economics of taxes and transfers. Equity and efficiency effects of both are considered. Approved with Canadian Studies.

**Notes:** All Economics courses, unless stated otherwise, have a minimum grade requirement of C for their prerequisite courses.

**Format:** Distance (online)

**Prerequisites:** **ECON 2200.03**, (or **ECON 2210.03** or **ECON 2220\_03**) and **ECON 2201.03** with minimum grades of C

**Course Objectives/Learning Outcomes:** The main objective of the course is to introduce advanced undergraduate students to the economics of taxation in theory and practice. The course examines how the government raises revenue through taxation, and the related issues of incidence, incentive, efficiency, and income distribution. The course covers the theory of taxation as well as its application to the Canadian tax system. Upon successful completion of this course – which includes following scheduled readings, completing assignments and quizzes, and understanding and applying the assigned material – you will be able to:

- understand the rationale for government's economic role in a market economy.
- understand the basic institutional structure of Canadian government, fiscal federalism, and public finance in Canada.
- learn about important fundamental theories of Welfare Economics.
- understand the economic rationale behind the design of modern tax systems.
- understand how the Canadian tax systems reflect the economics of taxation and other social considerations.

**Instructional Approach:** This course will be taught online using the Brightspace site for the course at Dalhousie University. Students will be assigned a weekly schedule of required readings (chapters) from the textbook. Relevant supplementary readings from additional sources may be recommended from time to time. Students will be evaluated through a series of quizzes, assignments, and tests/exams, with weighting for each as indicated below.

**Required Textbook:** Rosen, Harvey S, Jean-Francois Wen, and Tracey Snoddon, *Public Finance in Canada*, Fifth Canadian Edition, McGraw-Hill Ryerson, Toronto, 2016.

The digital copy of the textbook (ebook) with Connect (access to the publisher's online platform) can be purchased from the Dalhousie Bookstore. Students who purchased digital copies from the Bookstore can access the textbook/connect at the following URL:

<https://connect.mheducation.com/class/w-rankaduwa-summer-2020>

Students can use either a print or digital copy (ebook) of the textbook for the course. However, the Bookstore does not process orders for printed copies at present.

**Readings and Class notes:** A selection of chapters from the textbook will be covered in this course. These chapters are listed below under the weekly schedule of readings. Class notes and other material for each chapter are available on the Brightspace site in various formats, such as slides in PDF or PPT format. The class notes highlight important subject matter discussed in the textbook chapters, and are intended to help guide students to read and better understand the core concepts and ideas. Students must read the relevant chapters to fully learn the required material.

<b>Weekly Schedule of Readings</b>			
<b>Week</b>	<b>Period</b>	<b>Topic</b>	<b>Chapters</b>
1	June. 04 – 06	Introduction to Public Finances in Canada Fundamentals of Welfare Economics	1 and 2
2	June 07 – 13	Taxation and Income Distribution Taxation and Efficiency Efficient and Equitable Taxation	14, 15, and 16
	<b>June 16, 2020</b>	<b>MID-TERM TEST</b>	<b>1-2, and 14-16</b>
3	June 14 – 20	The Personal Income Tax Personal Taxation and Behaviour Consumption Taxation	17, 18 and 19
4	June 21- 25	Taxes on Wealth and Property The Corporation Tax	20 and 21
	<b>June 26, 2020</b>	<b>FINAL EXAM</b>	<b>All chapters</b>

**Quizzes and Assignments:** There will be four quizzes and four assignments as indicated in the schedules given below. **The quizzes** are composed mainly of 10-20 multiple choice questions, and may include numerical or short answer questions. Each quiz is timed for 20-30 minutes depending on the number of questions in that quiz.

**The assignments** contain questions that require numerical, graphical and short written answers.

These quizzes and assignments are also intended to encourage students to study the course material in a timely manner, and help them better prepare for the midterm test and final exam.

**Only the top three quizzes and top three assignments are counted towards the final grade. There will be no make-up quizzes or assignments.**

<b>Quiz Schedule</b>			
<b>Assignment (% of Grade)</b>	<b>Chapters Covered</b>	<b>Released</b>	<b>Due (by midnight)</b>
Assignment #1 (5%)	Chap 1- 2	June 06, 2020	June 08, 2020
Assignment #2 (5%)	Chap 14-15	June 11, 2020	June 13, 2020
Assignment #3 (5%)	Chap 16 -17	June 19, 2020	June 20, 2020
Assignment #4 (5%)	Chap 18-20	June 23, 2020	June 24, 2020

<b>Assignment Schedule</b>			
<b>Assignment (% of Grade)</b>	<b>Chapters Covered</b>	<b>Released</b>	<b>Due (by midnight)</b>
Assignment #1 (5%)	Chap 1- 2	June 06, 2020	June 08, 2020
Assignment #2 (5%)	Chap 14-15	June 11, 2020	June 13, 2020
Assignment #3 (5%)	Chap 16 -17	June 19, 2020	June 20, 2020
Assignment #4 (5%)	Chap 18-20	June 23, 2020	June 24, 2020

**Mid-Term Test and Final Exam:** Both the mid-term test and final exam will have two parts. **Part 1** will be a timed quiz (with a specified time limit) consisting of multiple-choice questions. **Part 2** will also be timed, and will contain questions that require numerical, graphical and short written answers. Both sections will have a maximum allowable time limit specified in advance, within which the student must complete and submit their answers. More information will be available under “Announcements” on the Brightspace site, closer to the exams.

There will be **no makeup midterm exams**. If a student misses the midterm **for a valid reason**, as defined in Section 16.8 of the University Calendar, then the weight of the midterm will be added to the final exam so that the final exam will count as 70% of the final grade. If a student misses the final exam **for a valid reason**, the student will have the opportunity to write a makeup exam.

<b>Schedule of Tests /Exams</b>			
<b>Test/Exam (% of Grade)</b>	<b>Chapters Covered</b>	<b>Released</b>	<b>Due on or before</b>
Mid-Term Test (30%)	Cha. 1-2 and 14-16	June 06, 2020	June 06, 2020
Final Exam (40%)	Cha. 1-2 and 14 -21	June 26, 2019	June 26, 2020

**Grading System:**

<b>Quizzes</b>	(Top 3 out of 4)	<b>15%</b> (The lowest mark dropped)
<b>Assignments</b>	(Top 3 out of 4)	<b>15%</b> (The lowest mark dropped)
<b>Mid-Term Test</b>		<b>30%</b>
<b>Final Examination</b>		<b>40%</b>

### **Conversion of Numerical Grade to Letter Grades:**

<b>Grade</b>	A+	A	A-	B+	B	B-	C+	C	C-	D	F
<b>Percentage</b>	90 -	85-	80-	77-	73-	70-	65-	60-	55-	50-	0-
<b>Equivalent</b>	100	89	84	79	76	72	69	64	59	54	49

### **Academic Integrity:**

Students are strongly advised to consult the following websites for the statements of Dalhousie University and the Department of Economics on academic integrity:

[https://www.dal.ca/dept/university\\_secretariat/academic-integrity.html](https://www.dal.ca/dept/university_secretariat/academic-integrity.html)

[https://cdn.dal.ca/content/dam/dalhousie/pdf/faculty/science/economics/Dept%20of%20Economics%20Statement%20on%20Academic%20Integrity\\_2017.pdf](https://cdn.dal.ca/content/dam/dalhousie/pdf/faculty/science/economics/Dept%20of%20Economics%20Statement%20on%20Academic%20Integrity_2017.pdf)