

ECONOMICS 151  
PUBLIC ECONOMICS: EXPENDITURES I  
Fall 2014

**SYLLABUS**

**Course goals**

This course will help you understand the role of the government in the economy from both a theoretical and an empirical perspective. It will also teach you how to analyze government expenditure policies and programs.

**Prerequisites**

This course is an applied microeconomics course. Intermediate microeconomics (Econ 100C) is a prerequisite.

**Class meetings**

Wednesdays 5:00pm-7:50pm in CENTR 222.

**Office hours and contact information**

Title	Name	Email	Office Hours
Professor	Julie Cullen	<a href="mailto:jbcullen@ucsd.edu">jbcullen@ucsd.edu</a>	F 9am-11am, ECON 319
Graduate TA	Ben Miller	<a href="mailto:b5miller@ucsd.edu">b5miller@ucsd.edu</a>	M 10am-noon, SEQU 235

We are also available by appointment outside of these times. Please send an email to arrange a convenient time to meet.

**Course website**

The course website is available on Ted (<https://ted.ucsd.edu/>). You are responsible for regularly checking the website for assignments and materials. The assignments file on the home page will indicate any upcoming assignments and due dates. Any assigned readings that are not from the textbook will be available under the Supplemental Readings tab. Lecture slides will be posted soon after the relevant lecture. Problem sets and other support materials will be posted over the course of the quarter.

## Course Content

This course is one of three upper-level courses in public economics. In Economics 151, our focus is on government interventions related to externalities and public goods. The other expenditures course, Economics 152, focuses on interventions related to redistribution and social insurance. The logic for this division is to group spending policies by the similarity of the theoretical underpinnings. Economics 150 covers tax policy.

The required textbook is *Public Finance and Public Policy* (Gruber, Fourth Edition). The companion website for the text is at <http://bcs.worthpublishers.com/gruber4e/>. You are responsible for the material in the assigned parts of the text, but are welcome to use an earlier edition. The textbook reading assignments will include a description of the broad topics, so that you will be able to identify the relevant chapters and pages.

We will cover the following chapters of the textbook:

### ***Introduction and background***

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|--|-----------|
| 1. Why study public finance?           | Chapter 1 |
| 2. Theoretical tools of public finance | Chapter 2 |
| 3. Empirical tools of public finance   | Chapter 3 |

### ***Externalities***

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| 4. Externalities: problems and solutions                           | Chapter 5 |
| 5. Externalities in action: environmental and health externalities | Chapter 6 |

### ***Public good provision***

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|--------------------------|-----------|
| 6. Public goods          | Chapter 7 |
| 7. Cost-benefit analysis | Chapter 8 |
| 8. Political economy     | Chapter 9 |

### ***Local public goods and fiscal federalism***

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|--|------------|
| 9. State and local government expenditures | Chapter 10 |
| 10. Education                              | Chapter 11 |

We will also read relevant journal articles. These will be challenging and your goal should be to understand the question the researchers are asking and how it relates to the course, as well as to understand how they go about answering the question. You are not expected to be able to follow the more technical aspects of the theory or methods, but are expected to be able to contribute to the in-class discussions.

## Evaluation

Activity	Share of grade	Details
Participation	10%	You will be asked to: i) participate in activities during class ii) respond to a variety of surveys and open-ended questions posted on the course website or via email iii) contribute to the Ted discussion board
Textbook tests	5%	You will be asked to complete chapter tests from the textbook website. Registration for the website is free, and you are then able to submit your results to my email address ( <a href="mailto:jbcullen@ucsd.edu">jbcullen@ucsd.edu</a> ). The site is having technical difficulties with the instructor gradebook, so the tests will be made available through another format if those are not resolved.
Problem sets	20%	There will be several problem sets that involve working through analytical problems. <u>Handwritten</u> solutions showing all work must be turned in during class on the due date. For each problem set, one of the problems will be selected at random to be graded based on the quality of your response. The grade for the other problems will be based on how complete the attempt is. You are welcome to work in groups, including discussing the questions on the discussion board, and to seek help from the professor and TA.
Midterm exam	25%	<b>October 29</b> , in class. If you miss the midterm for a documented, university approved reason (e.g., illness), then the final exam will count for 65% of your grade.
Final exam	40%	<b>December 18</b> , 7-10pm, location TBA. The final will be cumulative, but will emphasize the material covered since the midterm.

## Administrative Issues

1. If you choose to use a laptop to take notes during class, please sit in the back row. No other use of electronic devices is allowed during class.
2. For exams, you will only need your student ID and a pen or pencil. You will be provided with paper and do not need to bring bluebooks. Exams are closed-book, closed-notes and you will not be allowed to use calculators or carry cell phones. If, after reviewing the solutions and grading rubric, you believe there was an error in grading your exam, you may submit a regrade request. The regrade request must be submitted to the professor or one of the TAs within 7 days from the day the exams were first returned to the class. You must explain clearly in writing why you believe your score is in error.
3. Any student found guilty of academic dishonesty will earn a failing grade for the course. In addition to this academic sanction, the Council of Deans of Student Affairs will also impose a disciplinary penalty.