

Syllabus

Structure and content

This course provides an introduction into public economics/finance. Public finance studies the role of the government in the economy. It basically answers four questions: When should the government intervene? How might the government intervene? What is the effect of those interventions? Why do governments choose to intervene in the way that they do?

The aim of the course is to provide students with an understanding of the public policy making process of the government and to endow them with the necessary skills to judge about and/or design public policies. Students will learn the core theoretical models of public economics as well as modern empirical methods of public finance. The focus will not lie on the theoretical details, but rather on the beauty of the different methods to provide answers to public policy questions.

The lecture will cover the following topics:

- I. Introduction into public economics/finance
- II. Theoretical toolkit
- III. Empirical toolkit
- IV. Public goods
- V. Cost Benefit Analysis
- VI. Applications

Objective

Participants should be acquainted with the core theoretical models of public economics and dominate the basic empirical methods used nowadays for policy evaluation.

Literature

Main reference for the lecture is Gruber, J. (2016): Public Finance and Public Policy, 5th edition, Worth Publishers, New York.

Examination

Written exam (60 min.)

Prerequisites

Basic knowledge in microeconomics and econometrics.

Dates

The lecture will take place on Mondays 8:30-10 am in lecture hall 261 and the exercise class will take place in four groups Thursdays 2-4pm or 4-6pm or Fridays 8-10 am, 10-12 am.