

Economics 314
Fall 1999
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Course Description

This course is intended as an introduction to the study of the role of government in the economy. Primary attention will be given to showing how the microeconomic tools taught in courses like Econ. 300 can be applied to analyze the causes and effects of governmental economic activities.

Grading will be based on five problem sets, one midterm and a final. Each problem set is worth 2%, the midterm 35% apiece, and the final, 55% of the total. My office is in Commerce West, 406, and my phone number is 333-4590. Office hours are between 10 and 11 on Monday and Wednesday, or by appointment. If you feel you are getting lost, *please* come in and talk to me. We will be using **Public Finance: A Contemporary Application of Theory to Policy** by Hyman (Dryden Press, 1993 4th edition) as a primary text book. In addition, several articles are on reserve at the undergraduate library.

Course outline

1. Introduction [Hayek]
2. Microeconomic Tools [ch 1 and 2]
3. Externalities [ch 3]
4. Public Goods [ch 4, Coase, Samuelson (both)]
5. Local Public Goods [ch 18, Tiebout]
6. Collective Choice [ch 5 and 6]
7. Government Finance [ch 10 and 11]
9. Deficits [ch 12]
8. Taxation [ch 13-17]
10. Policy Analysis of Taxation [ch 14-18]