

Public Economics Group

Tim Friehe

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Public Economics

Potential participants:	Students in the Master of Science in Economics and Institutions Program; Modules "PE" and "EP"
Lecturer:	Tim Friehe
Time & Place:	Tuesday 16-18, Am Plan 1
First lecture	October 16, 2018
Tutor:	Christoph Rößler
Time & Place:	Wednesday 14-16, Am Plan 2
First tutorial	October 17, 2017
Grading:	Exam at the end of the term

Description:

Public Economics deals with the activity of the state. The state raises funds and spends it on different activities.

This course will address some basic aspects of Public Economics. Starting from the competitive equilibrium, we will discuss several market failures as these rationalize state intervention. Next, we address what it is that the state tries to achieve by its activity, that is, we turn to a discussion of the ends by turning to welfare and voting. The course covers fundamentals of taxation and its behavioral implications before we conclude with a discussion of government debt.

Contents:

1. Introduction
2. Competitive equilibrium
3. Public goods
4. Externalities
5. Asymmetric information
6. Welfare & Voting
7. Taxation
8. Government debt

References:

The course will heavily rely on:

Hindriks, J. and G. Myles, 2013. Intermediate Public Economics. 2nd edition. Cambridge, MA: MIT Press.

Other useful books include:

Gruber, J., 2007. Public Finance and Public Policy. 3rd edition. New York: Worth Publishing.

Leach, J., 2004. A Course in Public Economics. Cambridge: Cambridge University Press.

Myles, G., 1995. Public Economics. Cambridge: Cambridge University Press.

Salanié, B., 2011. The Economics of Taxation. 2nd edition. Cambridge, MA: MIT Press.

Tresch, R.W., 2015. Public Finance – A Normative Theory. 3rd edition. Amsterdam: Elsevier.

This syllabus may be updated as the course progresses.

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