

**Public Economics Group**

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Marburg, October 1, 2021

**Public Economics (course announcement)**

- Target group: Students in the Master of Science in Economics and Institutions Program
- Lecturer: Tim Friehe ([tim.friehe@uni-marburg.de](mailto:tim.friehe@uni-marburg.de))
- Lecture: There will be a Zoom session on October 19 at 4.15 pm. Students enrolled for the course in Marvin will receive the link by mail.
- In the following weeks, we meet each Tuesday at 4.15 pm in room AA209 (Universitätsstr. 24). Please consult the university's regulations regarding the conditions of attending onsite teaching.
- The ILIAS course offers material for students not able or not willing to attend the lecture. We will offer Q&A sessions for students relying on ILIAS material.
- Tutor: Cat Lam Pham ([phamc@staff.uni-marburg.de](mailto:phamc@staff.uni-marburg.de))
- Tutorial: A tutorial is offered each Wednesday at 2.15 pm in room AA209 (Universitätsstr. 24), starting October 20. Please consult the university's regulations regarding the conditions of attending onsite teaching.
- Exercise sheets and solutions will also be available in the ILIAS course.
- We will offer Q&A sessions for students relying on ILIAS material.
- Bonus: There will be one ILIAS test on December 8 from 2.30-3.30 pm. In this test, you can earn up to 6 bonus points for the exam (conditional on passing). The test covers the material from the lecture and the tutorial and concerns the topics Public Policy Objectives, Competitive equilibrium, Public goods, and Externalities.
- 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. In addition, the course covers fundamentals of taxation.

**Contents:**

1. Introduction
2. Public Policy Objectives
3. Competitive equilibrium
4. Public goods
5. Externalities
6. Asymmetric information
7. Taxation

**References:**

The course will heavily rely on:

Hindriks, J. and G. Myles, 2013. *Intermediate Public Economics*. 2<sup>nd</sup> edition. Cambridge, MA: MIT Press.

Other useful books include:

Gruber, J., 2019. *Public Finance and Public Policy*. 6th 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*. 2<sup>nd</sup> edition. Cambridge, MA: MIT Press.

Silvestre, J., 2012. *Public Microeconomics – Efficiency and Equity in Public Policy*. Edward Elgar.

Tresch, R.W., 2015. *Public Finance – A Normative Theory*. 3<sup>rd</sup> edition. Amsterdam: Elsevier.

**This syllabus may be updated.**

**This version: October 1, 2021**