



**NYU**

**ROBERT F. WAGNER GRADUATE  
SCHOOL OF PUBLIC SERVICE**

## **PADM-GP 2140**

# **Public Economics and Finance**

## **Spring 2019**

### **Instructor Information**

- Tatiana Homonoff
- Email: tah297@nyu.edu
- Office Address: Puck 3046
- Office Hours: TBD

### **Course Information**

- Class Meeting Times: Tuesdays, 1/29/19–5/14/19, 6:45–8:25 pm
- Class Location: 12 Waverly Pl., Rm. L120

### **Teaching Colleagues**

- Name: Xingzhi Wang
- Email: xingzhi.wang@nyu.edu
- Office Hours: TBA
- Location: TBA
- Recitation: Tuesday 8:35–9:35pm
- Location: 25 W. 4<sup>th</sup> St. Rm C-8
  
- Name: Rentsenkhand (Handaa) Enkh-Amgalan
- Email: rea337@nyu.edu
- Office Hours: TBA
- Location: TBA
- Recitation: Thursdays 8:35-9:35pm,
- Location: 25 W. 4<sup>th</sup> St. Rm C-13

## Course Prerequisites

- CORE-GP 1011 Statistics
- CORE-GP 1018 Microeconomics
- CORE-GP 1021 Financial management (may be taken concurrently)

## Course Description

Public finance (also known as public economics) analyzes the impact of public policy on the allocation of resources and the distribution of income in the economy. In this course, you will learn how to use the tools of microeconomics and empirical analysis to answer these questions: When should the government intervene in the economy? How might the government intervene? And, what are the effects of those interventions on economic outcomes?

## Website and Email

The course website is available on NYU Classes (<http://newclasses.nyu.edu>). We will post announcements and all documents there. We will periodically send you email using the NYU Classes system so it is important that you regularly check your NYU email account or set up appropriate email forwarding.

## Course and Learning Objectives

1. Understand the objectives and core concepts of government interventions in markets
2. Learn microeconomic foundations of households' and firms' decision making.
3. Learn how economists apply insights from economic theory, lab and field experiments and empirical studies to design policies.
4. Develop basic analytical competency to evaluate public policies.

## Learning Assessment Table

Course Learning Objective Covered	Corresponding Assignment Title
#2, #4	Homework assignments
#3, #4	Policy memos
#1, #2, #3, #4	Class participation
#2, #4	Exam

## Readings

Required: Jonathan Gruber, *Public Finance and Public Policy*, 5th edition. All other readings will be posted on the website or distributed in class. You may use another edition of the required text at your own risk – some material (especially problem numbers) may have changed. There will be a copy of the 5th edition on reserve at Bobst.

## Requirements and Grading

### Weekly Homework Assignments (20%)

Weekly homework assignments are due at the beginning of each lecture class. Homework will be graded as check ++, check+, check, check minus, no credit which corresponds to A+/A/B/C/zero. Late assignments will not be accepted; however, students will be allowed to skip one assignment without penalty – this includes assignments that cannot be turned in on time due to illness. For students who complete all assignments, I will drop their lowest grade.

### Two Policy Memos (20%)

Each policy memo is worth 10% of your grade. Memos may be completed individually or in a two-person team. Grades for late memos will drop 10% per day.

### Two Exams (55%)

There is a midterm and a final, worth 30% and 25% of your grade (30% to higher score). The final focuses on material from the second half of the course and will be held during the final exam period. There are no make-up exams.

### Class Participation (5%)

I hope that all students will come to class and participate in discussion. However, class participation can only help a student's grade, not hurt it. If you come to class regularly and **contribute to the discussion**, you will receive a participation grade (worth an additional 5%) and this will be incorporated into your final grade. If you do not, participation will not be part of your final grade.

## Recitations

Each lecture class is followed by a recitation led by a Teaching Colleague that focuses on applying course concepts to specific problems. Each recitation in a given week covers the same material and you may register for either one. A set of recitation problems will be posted on the website for each week. You should attempt these on your own before going to the recitation. Homework assignments may also be reviewed in recitation if time permits.

## Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

- Homework Assignments: While we encourage students to work on the homework in groups, the final write-up of assignments must be done individually, with no sharing of written answers.
- Policy Memos: If you choose to write memos as a team, both members of the team must contribute to the joint effort. There must be no free-riding.
- Exams: The exams must be the sole work of the individual student.

## Overview of the Semester

Note: All assignments are due at the beginning of the class.

- Class 1
  - Date: January 29
  - Topic: Introduction to Public Finance and Welfare Economics
  - Chapters: 1.1, 1.3, 2.1, 2.3, Rosen & Gayer Ch 3
  - Assignments: None
- Class 2
  - Date: February 5
  - Topic: Public Goods
  - Chapter 7
  - Assignment: HW 1
- Class 3
  - Date: February 12
  - Topic: Externalities
  - Chapters: 5, 6 (skim)
  - Assignments: HW 2
- Class 4
  - Date: February 19
  - Topic: Education
  - Chapters: 11.1–11.4
  - Assignments: HW 3
- Class 5
  - Date: February 26
  - Topic: Cash Transfers
  - Chapters: 2.2, 17
  - Assignments: HW 4

- Class 6
  - Date: March 5
  - Topic: In-Kind Transfers
  - Chapters: Rosen Ch. 12
  - Assignments: HW 5
- Midterm
  - Date: March 12
    - Review sessions held on March 9 and 10
- No class – Spring Break
  - Date: March 19
- Class 7
  - Date: March 26
  - Topic: Intro to Insurance
  - Chapters: 12
  - Assignments: Memo 1
- Class 8
  - Date: April 2
  - Topic: Health Insurance
  - Chapters: 15.1, 15.2, 16.1, 16.3, 16.6
  - Assignments: HW 6
- Class 9
  - Date: April 9
  - Topic: Unemployment Insurance & Social Security
  - Chapters: 13, 14 (UI sections)
  - Assignments: HW 7
- Class 10
  - Date: April 16
  - Topic: Personal Income Taxes
  - Chapters: 18
  - Assignments: Memo 2
- Class 11
  - Date: April 23
  - Topic: Taxes and Labor Supply
  - Chapters: 21.1–21.3
  - Assignments: HW 8
- Class 12
  - Date: April 30
  - Topic: Tax Efficiency
  - Chapters: 20.1–20.3
  - Assignments: HW 9
- Class 13
  - Date: May 7
  - Topic: Tax Incidence
  - Chapters: 19.1, 19.2

- Assignments: HW 10
- Final Exam
  - Date: May 21
    - Review sessions held on May 16 and 17

## Letter Grades

Letter grades for the entire course will be assigned as follows:

Letter Grade	Points
A	4.0 points
A-	3.7 points
B+	3.3 points
B	3.0 points
B-	2.7 points
C+	2.3 points
C	2.0 points
C-	1.7 points
F	0.0 points

### Student grades will be assigned according to the following criteria:

- (A) Excellent: Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well written. Work is of exceptional, professional quality.
- (A-) Very good: Very strong work for a graduate student. Work at this level shows signs of creativity, is thorough and well-reasoned, indicates strong understanding of appropriate methodological or analytical approaches, and meets professional standards.
- (B+) Good: Sound work for a graduate student; well-reasoned and thorough, methodologically sound. This is the graduate student grade that indicates the student has fully accomplished the basic objectives of the course.
- (B) Adequate: Competent work for a graduate student even though some weaknesses are evident. Demonstrates competency in the key course objectives but shows some

indication that understanding of some important issues is less than complete. Methodological or analytical approaches used are adequate but student has not been thorough or has shown other weaknesses or limitations.

- (B-) Borderline: Weak work for a graduate student; meets the minimal expectations for a graduate student in the course. Understanding of salient issues is somewhat incomplete. Methodological or analytical work performed in the course is minimally adequate. Overall performance, if consistent in graduate courses, would not suffice to sustain graduate status in “good standing.”
- (C/-/+) Deficient: Inadequate work for a graduate student; does not meet the minimal expectations for a graduate student in the course. Work is inadequately developed or flawed by numerous errors and misunderstanding of important issues. Methodological or analytical work performed is weak and fails to demonstrate knowledge or technical competence expected of graduate students.
- (F) Fail: Work fails to meet even minimal expectations for course credit for a graduate student. Performance has been consistently weak in methodology and understanding, with serious limits in many areas. Weaknesses or limits are pervasive.

## **NYU Classes**

Policy memos will be delivered through the NYU Classes site. Weekly homework assignments can either be handed in personally at the beginning of the lecture or through the NYU classes.

Assignments, due dates, and other aspects of the course may be modified as we go through the term with advance notice provided as soon as possible through the course website.

## **Henry and Lucy Moses Center for Students with Disabilities at NYU**

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or [mosescsd@nyu.edu](mailto:mosescsd@nyu.edu)) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

## **NYU’s Calendar Policy on Religious Holidays**

[NYU’s Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.