

Public Finance (F000205)

Due to Covid 19, the education and evaluation methods may vary from the information displayed in the schedules and course details. Any changes will be communicated on Ufora.

Course size	<i>(nominal values; actual values may depend on programme)</i>		
Credits 5.0	Study time 150 h	Contact hrs	45.0 h

Course offerings and teaching methods in academic year 2021-2022

A (semester 1)	Dutch	Gent	lecture	45.0 h
			online lecture	0.0 h

Lecturers in academic year 2021-2022

Smolders, Carine	EB25	lecturer-in-charge
De Sadeleer, Liebrecht	EB21	co-lecturer

Offered in the following programmes in 2021-2022

	crdts	offering
Bachelor of Arts in History	5	A
Bachelor of Science in Business Economics	5	A
Bachelor of Science in Economics	5	A
Master of Science in Complementary Studies in Economics	5	A

Teaching languages

Dutch

Keywords

Public Finance, Government, Budget

Position of the course

The aim of the course "Public Finance" is to make students familiar with the theory and practice of public finance. The course starts with a discussion of public finance within a welfare economics framework. Public goods, externalities, non-market failure and redistribution are the main themes discussed in the first part. Next, the course offers an analysis of the expenditures and the revenues side of the budget. Given the specific Belgian context, special attention is given to the advantages and disadvantages of fiscal federalism. Students get informed on how this worked out in the Belgian context and how this evolved given the different phases in the reform of the state. Finally, the focus is on how the budget is constructed each political year, what are the main indicators of the soundness of the budget and how deficits interact with the public debt. All this is framed within the EU- budgetary framework.

Contents

The course consists of 5 consecutive parts:

- 1 public finance situated within a welfare economics framework
- 2 public expenditures: types, magnitude and efficiency
- 3 fiscal federalism
- 4 taxes
- 5 budget balance indicators and the public debt

Initial competences

Micro- and macroeconomics.

Final competences

- 1 to be able to argue under which conditions the market yields socially desirable outcomes in

- terms of efficiency and equity and why government is needed in a context of public goods, externalities, and the need for redistribution
- 2 to be able to defend the choice between different taxes, given the criteria of optimal taxes
- 3 to be able to discuss the Belgian fiscal federal structure of the state
- 4 to be familiar with budgetary policies, the evolution of public debt and the issues related to the social security
- 5 to be able to explain how the Flemish budget is constructed, by whom it is controlled and what the different budget balance indicators and determinants are
- 6 be able to work together in a team
- 7 be able to analyse relevant social problems, critically evaluate possible solutions and report in a scientific way based on the theoretical concepts from the course
- 8 to be able to communicate a scientific report to a broad audience

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

Access to this course unit via an exam contract is unrestricted

Teaching methods

Group work, lecture, lecture: plenary exercises, online lecture

Extra information on the teaching methods

specific details about the didactic approach are available on ufora

Learning materials and price

- a predefined set of academic articles that will be communicated on ufora
- scientific background literature
- the chapters of Rosen and Gayer (2014), Public Finance (10th ed.), McGraw-Hill:
 1. Welfare economics: (RG Part I & II) RG 1-6,12
 2. Expenditures: (RG Part III) (RG 11)
 3. Fiscal federalism (RG Part VI) RG 22
 4. Revenues (taxes) (RG Part IV & V) RG 14-16

References

- Rosen and Gayer (2014), Public Finance
- Stiglitz & Rosengard (2015), Economics of the Public Sector, Norton, 4th ed.
- Gruber J. (2019), Public Finance and Public Policy, Worth Publishers, 4th ed.
- Hindriks and Myles (2006), Intermediate Public Economics, MIT Press
- Tresch (2008), Public Finance – A Normative Theory, Academic Press, 3rd ed.
- Atkinson and Stiglitz (1980), Lectures on Public Economics

Course content-related study coaching

the lecturers are available for questions before, during and after the on campus courses; questions can also be addressed by e-mail

Evaluation methods

end-of-term evaluation and continuous assessment

Examination methods in case of periodic evaluation during the first examination period

Written examination, assignment

Examination methods in case of periodic evaluation during the second examination period

Written examination

Examination methods in case of permanent evaluation

Possibilities of retake in case of permanent evaluation

not applicable

Extra information on the examination methods

Written examination.

Students are tested on whether they understand the different theories studied, on whether they can link different parts of the course and on their knowledge of current issues in public finance. For the topics taught by Prof. De Sadeleer students have to accomplish a project task which counts for 25% of the total score of the course.

Students can only pass if they pass for both the project task and the exam.

Calculation of the examination mark

end-of-term evaluation (75 %)+ project task and preparation of the lectures (25%)(topics taught by Prof. De Sadeleer)