

Public Economics

Module 1, 2023-2024

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Course information

Course Website: TBD

Instructor's Office Hours: TBD

Class Time: TBD

Room Number: TBD

TA: TBD

Course description

- Public Economics examines the role of government - unlike the market, which focuses on consumers and firms.
- This course provides a broad overview of issues investigated in Public Economics, including the following: foundations for policy interventions, social choice and welfare, public goods and externalities, and taxation.

We will begin by considering possible rationales for public interventions: the two main rationales are efficiency and equity. Then, for the remainder of the course, we will discuss how public interventions can help improve efficiency and/or equity in various environments. We will also discuss the efficiency-equity trade-off – policies aimed at improving efficiency will often reduce equity, and vice-versa.

Course requirements, grading, and attendance policies

- Course prerequisites include Micro 4 and Game Theory.
- Course grade will be based on problem sets (40%) and Final Exam (60%).
- There will be four problem sets, and each problem set is worth 10% of the final grade.

Course contents

Topic 1: Introduction to Public Economics

- Foundations for policy intervention

- Normative and positive public economics

Topic 2: Social Choice and Welfare

- Axiomatic approach to social choice
- Social welfare functions

Topic 3: Public Goods and Externalities

- Public Goods
- Externalities

Topic 4: Taxation

- Tax Incidence
- Optimal Taxation

Course materials

Required textbooks and materials

- Gareth D. Myles. 2012. Public Economics. Cambridge University Press.
- Salanie, Bernard. 2003. The Economics of Taxation. The MIT Press.

Additional materials

- Hindriks, Jean & Gareth D. Myles. 2013. Intermediate Public Economics. The MIT Press.
- Mas-Colell, Andreu, Michael D. Whinston, and Jerry R. Green. 1995. Microeconomic Theory. Oxford University Press.

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.