HE2008 Public Finance

Description

This course uses the tools of microeconomic analysis to study the rationale for government intervention, the areas of intervention and the sources of public financing. Topics include the theory of market efficiency and failures; public goods; externalities; social expenditure programmes; principles and specific forms of taxation; implications of tax policies for efficiency and equity; deficit financing. These topics will be illustrated with policy examples from the US, UK and Singapore.

Instruction

Instruction will consist of:

- 2-hour lectures per week starting in week 1 and
- 1-hour tutorials per week starting in week 2.

Assessment will consist of:

- 60% closed-book final examination,
- 20% group assignment,
- 20% class participation.

Texts

There is no set text for this course but the following books can be useful.


Lecture plan

1. Market efficiency and failures
2. Market power
3. Externalities and public goods
4. Health care
5. Retirement income provision
6. Education
7. Redistribution
8. Tax incidence
9. Tax efficiency
10. Personal income taxation
11. Taxation of capital
12. Corporate taxation
13. Government budgets