

<b>Course Title</b>	Public Economics
<b>Course Level</b>	Graduate
<b>Domain</b>	Economics
<b>Language</b>	English
<b>Nb. Face to Face Hours</b>	36 (3hrs. sessions)
<b>E-learning Support</b>	Mycourse yes
<b>ECTS</b>	6

## Course Title

Public Economics

## Professor

Sidarta Gordon

## Contact Information

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## Language

English

## Overview

This course covers issues in taxation, asymmetric information, externalities, public goods, the economics of the environment, political economy and economic inequality.

1. Introduction
2. Tax Incidence
  - (a) Partial equilibrium
  - (b) Applications (Gas, tobacco, housing benefits, food stamps).
  - (c) Behavioral economics: salience and tax incidence
  - (d) General equilibrium
3. Efficiency cost of taxation
  - (a) Partial equilibrium
  - (b) Income effect
  - (c) The measurement of the excess burden of taxation
  - (d) Behavioral economics: salience and efficiency of taxation
4. Markets with Asymmetric information
  - (a) Moral hazard
  - (b) Adverse selection
5. Externalities and the economics of the environment

- 6. Public Goods
- 7. Political Economy
- 8 Economic inequality and redistribution

## Prerequisites

Calculus (derivatives...) and undergraduate microeconomics.

## Course Objectives

At the end of the course, students should be able to understand the most important concepts in public economics and to apply them in real situations.

## Learning Outcomes

At the end of the course, students should be able to understand the most important concepts in public economics and to apply them in real economic situations. The students will also improve their presentation and personal research skills.

## Mode of Assessment

Final exam: 50%.

Contribution to homework solutions: 20%.

Research project and / or presentation: 30%.

## Course Schedule

1	Introduction
2	Incidence of taxation (theory)
3	Incidence of taxation (applications)
4	Efficiency of taxation
5	Behavioral economics: incidence and efficiency of taxation under salience effects
6	Externalities
7	Economics of the environment
8	Public goods

9	Asymmetric information
10	Political economy
11	Economic inequality and redistribution

## Bibliography

CORE textbook: <http://www.core-econ.org/>

J. Hindriks and G. Myles, Intermediate Public Economics, 2006.

J.J. Laffont, Fundamentals of Public Economics. MIT Press, 1988.

J. Leach, A Course in Public Economics, 2004.

G. Myles, Public Economics. Cambridge University Press, 1995.

B. Salanie, The Economics of Taxation, Cambridge: MIT Press, 2011.

J. Gruber, Public Finance and Public Policy. Worth Publishers, 2013.

Chetty, R., Looney A. and L. Kroft, "Salience and Taxation: Theory and Evidence," American Economic Review, 2009.

Fack, G., "Are housing benefits an effective way to redistribute income?," Labour Economics, 2006.

## MyCourse

This course is on MyCourse : **Yes**

## Grading

The numerical grade distribution will dictate the final grade.

**Class participation:** Active class participation – this is what makes classes lively and instructive. Come on time and prepared.

**Exam policy:** In the exam, students will not be allowed to bring any document (except if allowed by the lecturer). Unexcused absences from exams or failure to submit cases will result in zero grades in the calculation of numerical averages. Exams are collected at the end of examination periods.

## Academic integrity

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group.