

## Public Economics (F000684)

Course size (nominal values; actual values may depend on programme)  
 Credits 6.0 Study time 180 h Contact hrs 45.0 h

### Course offerings and teaching methods in academic year 2018-2019

Offering	Language	Teaching Methods	Hours
A (semester 2)	English	lecture	40.0 h
		lecture: plenary	5.0 h
		exercises	
B (semester 2)	Dutch, English	lecture: plenary	5.0 h
		exercises	
		lecture	40.0 h

### Lecturers in academic year 2018-2019

Van de gaer, Dirk EB21 lecturer-in-charge

### Offered in the following programmes in 2018-2019

Programme	crdts	offering
<a href="#">Master of Science in Complementary Studies in Economics</a>	6	B
<a href="#">Master of Science in Economics</a>	6	A
<a href="#">Master of Science in Economics</a>	6	A
<a href="#">Exchange programme in Economics and Business Administration</a>	6	A

### Teaching languages

Dutch, English

### Keywords

Public economics, market failure, government failure, public choice, inequality, poverty, social choice, optimal taxation.

### Position of the course

The purpose of the course is to offer a framework that allows to explain the necessity for government intervention in the economy, and from which the consequences of government action can be analysed. We focus on both positive and normative analysis.

### Contents

Public economics studies the role of the government in the economy from both a positive and a normative point of view. Typically, micro economic tools are used to accomplish this task.

The first part of the course studies the conditions under which markets lead to an efficient allocation. If these conditions are not met (public goods, externalities, asymmetric information) markets will fail, and government intervention might lead to a more efficient allocation. Intervention by the government does not always achieve such a better allocation, however. The second part of the course studies government failures that result from democratic decision procedures, bureaucratic behaviour and special interest groups. The third part of the course studies inequality and poverty: how they arise, how we measure them and how they evolve. Next, we provide an introduction to both traditional social choice theory and equality of opportunity. The last part of the course describes the consequences of taxes and introduces the literature on optimal taxation.

### Initial competences

Microeconomics: Decision Theory

### Final competences

- 1 Understand under which circumstances markets work imperfectly.
- 2 Understand why the government does not always succeed in improving the

- efficiency of the economy.
- 3 Understand the causes of inequality and poverty.
  - 4 Understand the way inequality and poverty are measured.
  - 5 Explain why the government needs to intervene in some areas.
  - 6 Reflect critically on the best way the government can intervene.
  - 7 Understand the normative criteria that are being used by economists.

#### 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

Lecture, lecture: plenary exercises

#### Extra information on the teaching methods

Formal lectures.

#### Learning materials and price

Lecture notes. Cost: 8 EUR

#### References

- Hindriks, J. en G.D. Myles (2006), *Intermediate Public Economics*, MIT Press.
- Connolly, S. and A. Munro (1999), *The Economics of the Public Sector*, Prentice Hall Europe.
- Myles, G.D., *Public Economics*, 1995.
- Atkinson, A.B. and J.E. Stiglitz, *Lectures on Public Economics*, 1980.

#### Course content-related study coaching

The professor will do the coaching.

#### Evaluation methods

end-of-term evaluation

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

Oral examination

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

Oral examination

#### Examination methods in case of permanent evaluation

#### Possibilities of retake in case of permanent evaluation

not applicable

#### Extra information on the examination methods

Oral examination with written preparation.

#### Calculation of the examination mark