Dr. Roy Gobin
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Crown Center Rm#434 cubicle F
Office Hours: Tues/Thu 11:20AM-12:50PM;
Tues 2:30-3:30PM
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ECON 334
Public Finance
Spring 2014 Wed. 4:15-6:45pm

Catalog Description
(Prerequisites: Sophomore standing, minimum grade of "C-" in ECON 201 and 202.

This course is an analysis of taxation and expenditure, instruments and policies as they relate to the allocative, distributive, and stabilization functions of government and society and ethical responsibilities of each.

Outcome: The student are able to understand and analyze public policy issues, specifically as it relates to the voting process, size of government, tax policy debates, and long-term problems of transfer payments in an aging society.

Course Objectives and Learning Outcomes:
To be able to understand the political economy behind expenditure and tax policies as well as the efficiency and equity consequences of budgetary policies

Required Materials
B. Other class materials available on Sakai (exercises, PowerPoint slides, etc.)

Suggested Supplementary Readings: WSJ, Business Week
Course Requirements and Grading Criteria

There will be 2 examinations and a final. Dates and course weights of the exams are as follows:

- Exam I: February 19
- Exam II: April 9
- Final: April 30

[http://www.luc.edu/academics/schedules/spring/exam_schedule.shtml](http://www.luc.edu/academics/schedules/spring/exam_schedule.shtml)

Exam dates are subject to change at the discretion of professor.

<table>
<thead>
<tr>
<th>Course Grading Scale</th>
<th>Loyola University Grade Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 90%</td>
<td>A 4.00</td>
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<tr>
<td>A- 88</td>
<td>A- 3.67</td>
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<tr>
<td>B+ 85</td>
<td>B+ 3.33</td>
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<tr>
<td>B 80</td>
<td>B 3.00</td>
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<tr>
<td>B- 78</td>
<td>B- 2.67</td>
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<tr>
<td>C+ 75</td>
<td>C+ 2.33</td>
</tr>
<tr>
<td>C 70</td>
<td>C 2.00</td>
</tr>
<tr>
<td>C- 65</td>
<td>C- 1.67</td>
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</tbody>
</table>

Quinlan School of Business Policies:

Attendance

Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for ALL assignments or requirements missed during an absence.

Make-Up Examinations

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.


**Academic Integrity**

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood…Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:
# COURSE OUTLINE

(all readings in Rosen, *Public Finance*)

## Introduction
- Functions of Government
- Size and Scope of U.S. Public Sector
- Appendix

## Expenditure Analysis
- Fundamentals of Welfare Economics
- Market Failures:
  - Public Goods
  - Externalities
  - *Public Choice Theory*
  - Income Distribution
  - Social Insurance
  - Health Care

## Tax Analysis
- Criteria for Evaluating Taxes:
  - Equity: Taxation and Income Distribution
  - Efficiency: Taxation and Resource Allocation
  - Optimal Commodity Taxation: Efficiency and Equitable Taxation

## U.S. Tax System
- Personal Income Tax: Structural and Conceptual Issues
- Impact of Personal Taxation on Economic Behavior
- Corporate Income Tax
- Consumption Tax, Wealth Taxes (emphasis on Property Tax)
- Deficit Finance
- Fiscal Federalism

## Cost Benefit Analysis

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**Please note:** This class may occasionally deviate from the course outline above. The instructor reserves the right to make changes as needed to the course syllabus.