



# B.E. International Program

## Faculty of Economics, Thammasat University



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### Course Outline

#### EE441 Economics of Public Expenditure Semester 1/2013 (August 13 – November 30, 2013)

<b>Number of credits:</b>	3 credits
<b>Lecture Time:</b>	Tuesdays and Thursdays, 11.00 AM – 12.30 PM
<b>Lecture Venue:</b>	201, 2 <sup>nd</sup> floor, Faculty of Economics Thammasat University, Tha Prachan campus
<b>Instructor:</b>	Dr. Brian Kennedy Office Rm. 454 Econ Email: bpk@econ.tu.ac.th, or through Moodle Office hours: 1.00 – 2.00 PM, Wednesday and Friday, or by appointment.

#### Course Description :

The role of government in economic activities; Government Outlay; Welfare Economics; Theory of Public Goods, Theory of Externalities, Public Choice, Public Pricing and Policies, fiscal decentralization; The analysis of the effects of government spending on the macroeconomic goals, such as price stability, economic growth, distribution of income, and employment conditions, as well as the effects of government spending on important economic sectors.

**Prerequisites :** EE212 (or EE214) and EE311. The course will require basic and intermediate micro-economics.

#### Main Textbook:

The course will require two main textbooks,

Rosen, Harvey, and Gayer, Ted, *Public Finance*, 9th edition, 2010.

Stiglitz, J., *Economics of the Public Sector*, W.W. Norton & Company 3rd ed., 1999.

Additionally, there will be supplemental reading throughout the semester, drawn from current literature, which will be used to illustrate the principles taught in class. These readings will be posted to moodle, and will be available on my website.

**Other Recommended Books:**

Gruber, J., *Public Finance and Public Policy*, Worth Publishers 2nd ed. 2007.

Parthasarathi Shome, Ed, *IMF Tax Policy Handbook*, Fiscal Affairs Department, IMF, Washington D.C., 1995.

**Other Readings:**

**Moodle Code:** The course Moodle Code is 1698

**Teaching Plan and Class Schedule**

<b>Date</b>	<b>Topic</b>	<b>Readings</b>
August 13,15	Section I	Rosen and Gayer, chapter 1 Stiglitz, chapter 1 (optional)
August 20, 22	Section 2 (Tools of Positive and Normative Analysis)	Rosen and Gayer, chapter 2-3
August 27, 29	Section 3 (Public Goods)	Rosen and Gayer, chapter 4
September 3, 5	Section 4 (Externalities)	Rosen and Gayer, chapter 5
September 10, 12	Special Topic: Pollution, Global Warming, the garbage imbalance	Summers, World Bank Memo TBD
September 17, 19	Section 5 (Political Economy))	Rosen and Gayer, chapter 6 Stiglitz, chapter 12 (optional)
September 24, 26	Section 7 (Education)	Rosen and Gayer, chapter 7
<b>October 1</b>	<b>Midterm Exam</b>	
October 8, 10	Section 8 (Cost-Benefit Analysis)	Rosen and Gayer, chapter 8
October 15, 17	Section 9 (The Health-care market)	Rosen and Gayer, chapter 9
October 22, 24	Section 10 (Government and the market for Health Care)	Rosen and Gayer, chapter 10
October 29, 31	Section 11 (Social Security)	Rosen and Gayer, chapter 11
November 5, 7	Section 12 (Income Redistribution – theoretical concepts)	Rosen and Gayer, chapter 12

<b>Date</b>	<b>Topic</b>	<b>Readings</b>
November 12, 14	Section 13 (Income Redistribution – practice)	Rosen and Gayer, chapter 13 Stiglitz, chapter 25
November 19, 21	Section 14: U.S., European, and Thai issues of Income redistribution	TBA
November 26, 28	Section 15: Public Choice and Public Finance	Public Choice, Chapter 1 and 6
<b>December 13</b>	<b>Final Exam</b>	

**Course Evaluation:**

<b>Type of evaluation</b>	<b>Evaluation Method</b>	<b>Evaluation date</b>
Midterm Exam	40%	October 1, 2013; 11.00 AM – 12.30 PM
Final Exam	50%	December 13, 2013; 9.00 AM - noon
Class Attendance/Discussion	10%	

**Important Dates**

Class begins	August 13, 2013
Adding and Dropping Course	August 13 – 27, 2013
<b>Midterm Exam</b>	<b>October 1, 2013; 11.00 AM – 12.30 PM</b>
Course Withdrawal with “W”	October 16 – 21, 2013
Last day of classes	November 30, 2013
<b>Final Exam</b>	<b>December 13, 2013; 9.00 AM - noon</b>

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