

School of Economics and Finance

**ECON 307 / PUBL 303:**  
**Public Sector Economics**

Trimester One 2013

**COURSE OUTLINE**

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**Name and Contact Details**

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**Class Times and Room Numbers**

Lectures:        GBLT2        Wed    10:30-11:20  
                     GBLT2        Thur    15:40-16:30  
Tutorials:       RWW314    Mon    16:40-17:30  
                     RWW311    Tues    15:40-16:30, or  
                     RWW126    Wed    16:40-17:30, or

Office hours:    Please email to arrange a time.

**Approximate course content**

1.	Introduction	Chaps 1-2	Paul M
2.	Foundations of public economics	Chaps 4-8	Paul M
3.	The distribution of income	Chap 17	Paul M
4.	Tax I	Chaps 18-25	Paul M
5.	Tax II	Chaps 18-25	Paul M
6.	Paternalism & externalities	§§6.3-6.4	Paul C
7.	Education I: competition & charter schools	§§11.1-11.3, Chap 3	Paul C
8.	Education II: accountability		Paul C
9.	Social insurance	Chap 12	Paul C
10.	Superannuation I: conventional approaches	Chap 13	Paul C
11.	Superannuation II: behavioural approaches		Paul C
12.	Prisons & privatisation		Paul C

**What's the difference between ECON307 and PUBL303?**

Both have the same lectures, tutorials and exam. However, there is an extra assignment for PUBL303. ECON307 is a 15 point course, while PUBL303 is a 20 point course.

## Assumed background and forms of assessment

For the most part, assessment will require you to write coherent explanations and arguments. You will not be required to use more than elementary mathematics in any of the assessments. However, we will assume that you can understand indifference curves, and other standard diagrams from introductory microeconomics. On occasion, you may be asked to analyse a policy question using diagrams. We may also ask you to interpret empirical evidence, but we do not presume that you have knowledge of advanced statistical techniques.

	ECON307	PUBL303		
Assignment 1	20%	14%	3-4 pages	Thur Apr 18, by 4:00pm
Assignment 2	20%	14%	3-4 pages	Thur May 16, by 4:00pm
Assignment 3	-	12%	3-4 pages	Thur June 6, by 4:00pm
Final exam	60%	60%	2 hours	Fri 14 June – Wed 3 July 2013

Suitable calculators will be permitted in the exam, but not particularly useful. You are expected to be able to attend an exam at the University at any time during the formal examination period. Essays and assignments that are late without permission will attract **penalties** of 5% points a day.

## Reading

The recommended textbook is:

Jonathan Gruber *Public Finance and Public Policy* 4e, Worth

It should be available for \$150 at Vic Books. Lectures will make reasonably frequent reference to material in this book, but will not be restricted to this material.

In addition to the textbook, there will be other readings linked to from the blackboard website: <http://blackboard.vuw.ac.nz>. Course documents, **announcements**, assignment questions and other information will also be available on blackboard.

## Tutorials

There will be tutorials in eight weeks. The list of weeks in which they will be held, and the tutorial discussion questions will be posted in blackboard. While attendance is not compulsory, it is highly recommended. The format will be a discussion. The discussion questions should be valuable background for the exam. This means that it is very important that you are prepared to actively participate in tutorials.

Sign-up for tutorials on s-cubed from Tue 5 Mar at 3:00pm until Mon 11 Mar at 9:00am: <https://signups.victoria.ac.nz/>.

## Mandatory Course Requirements

There are no mandatory course requirements.

## Trimester Dates

**Teaching period:** Mon 4 Mar - Fri 7 June 2013

**Study period:** Mon 10 June - Thur 13 June 2013

**Exam period:** Fri 14 June - Wed 3 July (inclusive)

## **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 15 March 2013.
2. The last date for withdrawal is Friday 17 May. After that, students forced to withdraw by circumstances beyond their control must apply on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation  
The application form is available at either of the Faculty's Student Customer Service Desks.

## **Course Learning Objectives**

- C1: describe the important schools of thought within public economics and the economics of politics
- C2: explain and evaluate the current level, form and methods of government involvement in the New Zealand economy
- C3: discuss the theoretical reasons for that involvement, and the appropriate design of economic instruments to achieve the objectives of involvement
- C4: explain the influences of economic theories on the design of public policy and management reforms in New Zealand and overseas
- C5: discuss the extent to which there is a trade-off between equity and efficiency, and the degree of complementarities between efficiency and equity
- C6: use the concepts of efficiency and equity in the development of policies for the public sector
- C7: explain the strengths and weaknesses of schools of thought within public economics for analysing policies in the public sector
- C8: use economic techniques to analyse policies in the public sector.

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

## **Course delivery**

24 lectures of 50 min each, plus eight 50 min tutorials.

## **Expected Workload**

The expected workload is a total of 150 hours. In addition to the lecture and tutorial times, this might include tutorial preparation of 16 hours, reviewing material for the test and exam of 80 hours and working on assignments for 20 hours.

## **Class representative**

A class representative will be elected in the first class, and that persons name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

## **Link to general information**

For general information about course-related matters, see  
<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>