



Nanchang University
ECON492: Public Economics
(Last Updated in Jan. 2025)

Credit: 4

Contact Hours

This course is composed of 24 lecture sessions, 3 tutorial sessions and 9 office contact hours. Each lecture session takes 2 contact hours in length; each tutorial session takes 3 contact hours in length; There will be a Q-A review session(3 contact hours) and Final Exam (3 contact hours)at the end of this term. This course has 72 contact hours in total.

Course Description

This course offers a comprehensive and in-depth exploration of Public Economics, focusing on the role of government in a market economy, governmental expenditure decisions, sources of revenue, and their impact on social welfare and economic efficiency. Key topics covered include government budgets, market failures (such as externalities and public goods), social insurance, education, and the design and effects of taxation systems. Students will also develop a global vision of the public economic policies of the United States, Canada, Australia, and selected European countries.

Upon completion of this course, students will be able to:

1. Acquire the theoretical and empirical tools of public economics necessary to analyze the economic effects of public policies.
2. Understand budget analysis and deficit financing, focusing on mechanisms to correct market failures and utilize cost-benefit analysis.
3. Thoroughly review social insurance systems as well as income distribution and welfare programs.
4. Systematically study the taxation policies and personal tax behaviour models.
5. Develop a broader perspective on Public Economy worldwide.

Note: This Syllabus is subject to change based on the needs of the class.

Required Textbook

Gruber, J. (2019). *Public Finance and Public Policy*, 6th edition, Worth Publishers.

Grading



•Homework	20%
•Quizzes	25%
•Midterm	25%
•Final Exam	30%

A+ 96-100	A 90-95	A- 85-89
B+ 82-84	B 78-81	B- 75-77
C+ 71-74	C 66-70	C- 62-65
D 60-61	F < 60	

Course Schedule

The course has 24 class sessions in total. All sessions are 2 contact hours in length. At the end of this term, there will be a Q-A review session (3 contact hours) and Final Exam (3 contact hours).

Note: the course outline and required readings are subject to change.

Class 1:

Course Overview

Class 2:

Theoretical Tools

Class 3:

Empirical Tools

Class 4:

Budget Analysis and Deficit Financing

Class 5:

Externalities

Class 6:

Externalities in Action

Class 7:

Public Goods

Class 8:

Cost-Benefit Analysis

Class 9:

Political Economy

Class 10:



Public Economics in North America & Europe: Fiscal Federalism

Class 11:
Education

Class 12:
Midterm

Class 13:
Social Insurance

Class 14:
Social Security

Class 15:
Unemployment Insurance

Class 16:
Health Insurance I

Class 17:
Health Insurance II

Class 18:
Income Distribution and Welfare Programs

Class 19:
Introduction to Taxation

Class 20:
Taxation Around the World

Class 21:
The Equity Implications of Taxation

Class 22:
Taxation Efficiency

Class 23:
Personal Taxes

Class 24:
Review for Final



Attending Policy

Regular and prompt attendance is required. Under ordinary circumstances, you may miss two times without penalty. Each absence over this number will lower your course grade by a third of a letter and missing more than five classes may lead to a failing grade in the course. Arriving late and/or leaving before the end of the class period are equivalent to absences.

Policy on “Late Withdrawals”

In accordance with university policy, appeals for late withdrawal will be approved **ONLY** in case of medical emergency and similar crises.

Academic Honesty

Nanchang University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating, and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

General Expectations:

Students are expected to:

- Attend all classes and be responsible for all materials covered in class and otherwise assigned;
- Complete the day's required reading and assignments before class;
- Review the previous day's notes before class and make notes about questions you have about the previous class or the day's reading;
- Participate in class discussions and complete required written work on time;
- Refrain from texting, phoning or engaging in computer activities unrelated to class during the class period;
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.

Special Needs or Assistance

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.