Course Title : Public Finance and Fiscal Policy
Code and Number : BADM 6150
Credits : 3
Academic Term : 
Professor :
Office Hours :
Office Telephone :
Email Address :

II. DESCRIPTION

Use of public finance to analyze the decision making process in the public sector. Analysis of the economic effects of government activity; tax expenses and income. Discussion of current fiscal policy problems.

III. OBJECTIVES

It is expected that upon completing the course, the student will be able to:

1. Analysis of the relationship between economic activity and government in a capitalist economy.

2. Evaluation of economic rationality that provides supports to fiscal policy and economic intervention of the state.

3. Utilize economic concepts to analyze and evaluate formulation and implementation of expenditure and income programs.

4. Analyze economic principles associated to various types of taxes and their reforms.

5. Discuss the principles of fiscal federalism and intergovernmental relationships.
IV. CONTENT

A. Economic activity, markets, division of labor, and capital
   1. Direct and indirect exchange.
      a. specialization
      b. markets
   2. Social order and economic calculation
      a. functions and economic types
      b. individual income distribution
   3. Division of labor and capital.
      a. Capital structure.
      b. Productivity and economic growth.

B. Economy and Government in a Market Economy.
   1. Intervention of government in the economy.
      b. Maximum and Minimum Prices and other interventions.
      c. Fiscal Policy.

C. Economic justification of state intervention:
   2. Economic and social regulations.
   3. Promotion of industrial development.

D. Collective Decisions, bureaucracy and government growth.
   1. Rules of collective decisions: Unanimity, simple majority and types to
      individual voter preferences.

E. Equity, Income Transfers and Social Security Programs.
   1. Economic theories of equity and income distribution.
   2. Transfers or poverty assistance programs: in-kind and cash programs.

F. Tax incidence, efficiency and optimality.
   1. Tax Accounting and Economic Incidence.
   2. Tax burden and demand curves.
3. Tax optimality: Ramsey rule.

G. Government income systems and their economic effects.
   1. Individual Tax.
   2. Corporate Tax.
   3. Consumption or “Sales Tax”.

H. Fiscal Federalism and intergovernmental relationships.
   1. Tiebout’s Model.
   2. Optimal Fiscal Federalism.
   3. Property Taxes and intergovernmental transfers.

V. ACTIVITIES
   1. Lectures
   2. Discussion and debates
   3. Written Reports.

VI. EVALUATION

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VII. SPECIAL NOTES

1) Supporting Services or Special Needs
   Students requiring additional services or special assistance must request these at the beginning of the course or as soon as they learn that they need them, through the appropriate register in the Oficina del Consejero Profesional, Mr. José Rodríguez, located at the Programa de Orientación Universitaria.
2) Honesty, Fraud, and Plagiarism (General Student Regulation, Chapter V)

The lack of honesty, fraud, plagiarism and any other inadequate behavior in relation to academic work constitute major infractions sanctioned by General Student Regulations. Major infractions, according to General Regulation Students, may result in suspension from the University for a definite period of time greater than one year or the permanent expulsion from the University, among others sanctions.

3) Use of Electronic Devices

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with in an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or examinations is prohibited.

VIII. TEACHING RESOURCES

Textbook


Supplemental Readings


Audiovisual and Electronic Resources (title or name and URL address should be included)

On-line library services of the Interamerican University of Puerto Rico retrieved at www.cai.inter.edu
IX. BIBLIOGRAPHY


Rev. 1/2010