

COURSE PROGRAM

Academic Year: 2024/2025

Identification and characteristics of the course			
Code	500422	ECTS Credits	6
Course name (English)	Public Economics I		
Course name (Spanish)	Economía del Sector Público I		
Degree programs	Degree in Economics and Degree in Business Administration and Economics		
Faculty/School	Facultad de Ciencias Económicas y Empresariales		
Semester	4	Type of course	Compulsory
Module	Public sector		
Matter	Public economics		
Lecturer/s			
Name	Office	E-mail	Web page
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Subject Area	Applied Economics		
Department	Economics		
Coordinating Lecturer (If more than one)			

Competencies*
CB1: Students have demonstrated possession and understanding of knowledge in an area of study that is at the core of general secondary education, and is often at a level that, while supported by advanced textbooks, also includes some aspects that involve knowledge from the cutting edge of their field of study.
CB2: Students should be able to apply their knowledge to their work or vocation in a professional way and possess the skills usually demonstrated by developing and defending arguments and solving problems within their area of study.
CB3: Students have the ability to gather and interpret relevant data (usually within their area of study) to make judgements that include reflection on relevant social, scientific or ethical issues.
CB4: Students are able to convey information, ideas, problems and solutions to both specialist and non-specialist audiences.
CB5: Students have developed those learning skills necessary to undertake further study with a high degree of autonomy.
CG1: Ability to identify and anticipate relevant economic problems in both the private and public spheres, to discuss alternative solutions and to select the most appropriate ones.
CG3: Ability to apply professional criteria based on the use of technical instruments to the analysis of economic problems.
CT2: Oral and written communication skills in Spanish
CT4: Ability to manage, analyze and synthesize information
CT9: Capacity for critical and self-critical reasoning
CT10: Problem solving capabilities
CE3: Ability to know, understand and use the principles of public sector economics
Contents

* The sections concerning competencies, course outline, teaching activities, teaching methodology, learning outcomes and assessment methods must conform to those included in the ANECA verified document of the degree program.

Course outline*
<p>This subject depicts and analyses Public Economics. The first step is understanding basic definitions and fundamentals of Public Economics. Afterwards, two key issues, Budget Analysis and the Role of the Public Sector or Government in the Economy, are explained as well as the analysis of Market Failures. The main programmes and functions of Public Expenditure will be found in the last units of the subject.</p>
Course syllabus
<p>Name of lesson 1: Fundamentals of welfare economics</p> <p>Contents of lesson 1:</p> <ol style="list-style-type: none"> 1.1. Public sector: concept, delimitation, and components 1.2. Size of the Public Sector. 1.3. The efficiency of the market. 1.4. Efficiency and equity: income distribution and economic stability. 1.5 Market Failures <ul style="list-style-type: none"> - Public goods and market failure: efficient provision and preference disclosure mechanisms. - External effects: origin, types, and corrective mechanisms. - Monopoly regulation and imperfect competition - Imperfect information and adverse selection <p>Description of practical activities for lesson 1:</p> <ol style="list-style-type: none"> 1A. Practical exercises in the provision of public goods in partial equilibrium. 1B. Practical exercises on preference disclosure mechanisms. 1C. Practical exercises on external effects correction mechanisms. 1D. Practical exercises on information problems <p>Name of lesson 2: Economics, politics, and public policies</p> <p>Contents of lesson 2:</p> <ol style="list-style-type: none"> 2.1 The government as an economic actor 2.2 Government acting as a monopolist 2.3 Political economy: decision-making 2.4 Public policies: Economic infeasibility, administrative infeasibility, and special interests 2.5 Public choice theory: public sector failures <p>Description of practical activities for lesson 2:</p> <ol style="list-style-type: none"> 2A: Understanding and discussion of some recommended readings. 2B: Exercises on different decision-making procedures by voting <p>Name of lesson 3: Public budget and expenditure</p> <p>Contents of lesson 3:</p> <ol style="list-style-type: none"> 3.1 Budget concept, basic structure, and budget cycle 3.2. Measuring public sector budgetary outcomes 3.3 Public sector size and growth 3.4 Analysis of expenditure policy 3.5 Cost-benefit and cost-efficiency analysis 3.6 Deficit and debt in the long term <p>Description of practical activities for lesson 3:</p> <ol style="list-style-type: none"> 3A. Income, capital, and financial account of the Public Sector. 3B. Analysis of several deficit definitions. 3C. Cost-benefit analysis <p>Name of lesson 4: Public expenditure programs on the welfare state (I): preferential goods.</p> <p>Contents of lesson 4:</p> <ol style="list-style-type: none"> 4.1. Preferential goods and categorical equity. 4.2. Public expenditure on health.

4.3. Public expenditure on education.
 Description of practical activities for lesson 4:
 4A. Understanding and discussion of some recommended readings.

Name of lesson 5: Public expenditure on the welfare state (II): social benefits.
 Contents of lesson 5:
 5.1. Economic benefits: concept, types, and justification.
 5.2. The social security pension system.
 5.3. Unemployment insurance.
 5.4. Poverty alleviation programmes.
 Description of practical activities for lesson 5:
 5A. Understanding and discussion of some recommended readings.

Educational activities *

Student workload in hours by lesson		Lectures	Practical activities				Monitoring activity	Homework
Lesson	Total	L	HI	LAB	COM	SEM	SGT	PS
1	33.6	9				4	0.6	20
2	26.5	8				3	0.5	15
3	26.5	9				3	0.5	14
4	24.5	8				3	0.5	13
5	22.4	7				2	0.4	13
Assessment **	16.50	4						12.50
TOTAL ECTS	150	45				15	2.5	87.5

L: Lectures (85 students)
 HI: Hospital internships (7 students)
 LAB: Laboratory or field practices (15 students)
 COM: Computer room or language laboratory practices (20 students)
 SEM: Problem classes or seminars or case studies (40 students)
 SGT: Scheduled group tutorials (educational monitoring, ECTS type tutorials)
 PS: Personal study, individual or group work and reading of bibliography

Teaching Methodologies*

1. Lecturing the contents.
2. Lecturing examples or problems and the way to solve them.
3. Lecturing problems solved by the students through the application of problem-solving procedures.
4. Intensive analysis of real or simulated cases in order to understand, solve, think, and expand knowledge.
5. Work in teams to broaden and deepen theoretical knowledge by searching relevant sources of information and data and applying them.
6. Performing some tests to reinforce their learning and as an evaluation tool.

Learning outcomes *

To understand the role of the public sector in the economy and its behaviour based on knowledge of the main public income and expenditure programmes in relation to the objectives of efficiency in the allocation of resources and equity in the distribution of income and wealth in both centralised and decentralised finance

Assessment methods *

The assessment system and criteria are applied in each examination opportunity of the academic year.

The final mark will be the result of the following activities and weights:

** Insert as many rows as necessary. For instance, you can include one row for a partial exam and another for the final exam.

Term (final) Exam 70%

A written exam will be programmed at the end of the semester. It will include a theoretical section with short and essay questions, aimed to assess the understanding of theoretical contents and skills such as writing expression, the ability of summarizing or exposing ideas. A practical section similar to those performed in the practice classes will also be included.

Practical Activities: 15%

Different on-campus and non-classroom practical activities will be performed during the term. All these activities are not compensable

Monitoring Exams: 15%.

Several follow-up checks will be made through unscheduled and unannounced in-class questions corresponding to the topics being viewed. They will allow for the evaluation of the acquisition of theoretical knowledge and some of the skills on an ongoing basis. All these activities are not compensable

Alternatively, according to article 4.1 of the Assessment Regulations, a global assessment modality is available, an assessment system consisting exclusively of a final test. Its passing of which implies passing the subject, which will cover all the contents of the subject and which will be held on the official date of each exam session. In order to make use of this modality, according to articles 4.3 and 4.5 of the regulations, students must expressly declare it within the deadline provided by means of the tool provided on the virtual campus. The deadline for this subject corresponds to the first quarter of the teaching period or until the last day of the enrolment extension period if it ends after that period. In the absence of an express request by the student, the modality assigned will be that of continuous assessment. The choice of the global assessment modality implies the waiver of the right to continue assessing the remaining activities of the continuous assessment modality and the grade obtained up to that moment in any of those that have already taken place.

When taking the exams, no material is allowed other than the writing test and the calculator. Thus, it will not be possible to enter the exam with a mobile phone. If, at any time during the course of the exam, the phone rings or its use is detected, the student will be immediately expelled. In addition, the student must take the exam properly identified.

Bibliography (basic and complementary)

Basic:

- Gruber, J. (2011): Public Finance and Public Policy, Worth Publishers
- CORE-ECON (2019): Economy, society and public policy, in: www.core-econ.org/espp
- Rosen, H.S. (2008): Public Finance, Mc-Graw Hill.

Complementary:

- Hindriks, J. and Myles, G. (2013): Intermediate Public Economics, MIT Press
- Atkinson, A.B. and Stiglitz, J. (2015): Lectures on Public Economics, Princeton University Press

Other resources and complementary educational materials