Course Description

Public Economics develops principles for understanding the role of government in the economy. The main objective of this course is to understand how taxes ultimately affect the well-being of citizens. We evaluate alternative methods of financing government spending by focusing on criteria such as efficiency in resource use (including incentives to work, invest and save) and equity in the distribution of the burden of government taxes. We also describe and evaluate the current structure of the Canadian tax system including the division between federal, provincial and municipal taxes, and the role of personal, corporate, sales and wealth taxes.

Required Textbook


This text was selected since it is well-organized, up-to-date, and covers current and interesting issues in the economic analysis of tax policy with a focus on issues of Canadian interest. Previous editions of the textbook can be used for the course material.

In addition to the hardcopy available at the bookstore, the textbook publisher ([https://www.mheducation.ca/](https://www.mheducation.ca/)) offers access to electronic versions of the textbook, at lower cost than the print edition, at the following web location (web link subject to change):

[https://www.mheducation.ca/highereducation/products/9781259101731/connect+with+smartbook+online+access+for+public+finance+in+canada/](https://www.mheducation.ca/highereducation/products/9781259101731/connect+with+smartbook+online+access+for+public+finance+in+canada/)

Evaluation

Course grades will be based on two course assignments worth 5% each, one midterm examination worth 45% and a final examination worth 45% covering the second half of the course material.

<table>
<thead>
<tr>
<th>Course Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignments (2 × 5%)</td>
<td>10%</td>
</tr>
<tr>
<td>Midterm Exam</td>
<td>45%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>45%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Course Material and Structure

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
<th>Chapters</th>
</tr>
</thead>
</table>
| Class #1 | July 4                                      | Introduction  
An Introduction to Public Finance in Canada               | 1        |
| Class #2 | July 6                                      | Empirical Analysis of Tax Policy  
Internet Chapter 4: Tools of Empirical Analysis               | (via CULearn) |
| Class #3 | July 11                                     | Modelling Tools for Tax Policy  
Internet Chapter 1: Microeconomic Background for the Study of Public Finance  
Chapter 2 Appendix: Consumer and Producer Surplus               | (via CULearn) p. 33-34 |
| Class #4 | July 13                                     | Public Economics  
The Economic Roles of Government               | 3        |
| Class #5 | July 18                                     | Tax Incidence  
Taxation and Income Distribution               | 14       |
| Class #6 | July 20                                     | Efficiency  
Taxation and Efficiency  
Assignment #1 Due: July 24               | 15       |
| July 25  | Midterm Examination                          | Covers Classes 1-6 / Chapters 1, 2 (Appendix), 3, 14, 15, & Micro Chapter |
| Class #7 | July 27                                     | Equity  
Efficient and Equitable Taxation               | 16       |
| Class #8 | Aug 1                                       | Taxes on Individuals  
The Personal Income Tax  
Personal Taxation and Behaviour               | 17 18    |
| Class #9 | Aug 3                                       | Consumption Taxation               | 19       |
| Class #10| Aug 8                                       | Taxes on Wealth and Property               | 20       |
| Class #11| Aug 10                                      | Business Taxes  
The Corporation Tax               | 21       |
| Class #12| Aug 15                                      | Wrap-up  
Wrap-up and Review  
Assignment #2 Due: August 16               |          |

**Final Exam:**  
To be scheduled between August 19 and August 25 (2.5 hours)  
Covers Classes 7-13; Chapters 16-21
Administrative Details

Prerequisite
The prerequisite for this course is ECON 1000 or FYSM 1003, as outlined in the Undergraduate Calendar. If you believe you have taken a similar background course or courses from another university, please provide appropriate documentation to the Department of Economics Undergraduate Administrator, Amanda Wright.

Missed-class Backup Slideshows
Slideshow presentations will provide summary notes parallel to, but not identical, to the material covered in each class.

In-class Notes
Notes will be posted on CULearn before each class to facilitate the task of note-taking. These notes will include interactive elements, including components to be completed in class.

Class members take their own responsibility for non-attendance of classes. Students are welcome to make-up for material missed in class using the course text or the missed-class backup slideshows. All requests for in-class notes presented during scheduled class time will be declined.

Examinations
No Reference Material: Course tests are 'closed-book'; reference material is not permitted. Students may not communicate with each other nor share material during tests. For clarification, please see the statement on tests and examinations in the Academic Regulations of the University, found in the Undergraduate Calendar for the current academic year (http://calendar.carleton.ca/undergrad).

Test Return: Midterm exams will be handed back at the end of class with a target date of August 1. Marks will be released on cuLearn immediately afterwards.

Deferred Examination: Students who miss the Midterm Examination will be allowed to write a Make-up Examination if they provide acceptable documentation, e.g., a doctor's note or police report. Students must inform the Instructor at the earliest possible instant, with the usual benchmark being within 24 hours of the test. The documentation provided by students for a missed midterm may be subject to verification and students must provide a “Consent to Release Information to a Third Party” release form, available via CULearn. The Make-up Examination will have a different format than the regularly scheduled test and will cover all material presented in class until the date of the Make-up Midterm.

No Recordings in Class
No photographs or videos are permitted during classes.
**No Distribution of Course Materials**
Posting of course material to Internet websites is prohibited. Materials created for this course (including presentations and posted notes, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

**Plagiarism**
Students are not allowed to directly copy the answers of others for the term assignments. Please be aware that plagiarism is a serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at: http://www.carleton.ca/economics/courses/writing-preliminaries/.

**Final Grades:**
Final Grades will be released on Carleton Central approximately 11 days after the Final Exam.

Students must fulfil all of the course requirements in order to achieve a passing grade (D- or higher). Failure to submit the assignment or failure to write the Mid-term Examination will result in a grade of FND (‘Failure with No Deferred final examination allowed’). Failure to write the Final Examination when the student has achieved satisfactory performance during the term will result in a grade of ABS (‘ABSent from a required final examination’). See Academic Regulation 2.3 for the official meanings of these grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm. Application to write a Deferred Final Examination must be made at the Registrar’s Office.

**Academic Accommodations**

**Students with Disabilities:** Students who require academic accommodations are invited to contact the Paul Menton Centre for Persons with Disabilities (520-6608). If making a request concerning examination procedures, please complete a request form and provide notice to the Instructor at least two weeks prior to the midterm test and complete the Paul Menton Centre’s required request form for the final exam by their required deadline set for the term (usually, about two weeks before the formally scheduled final examination period begins).

**For Religious Obligations:** To be worked out on individual basis with the instructor. Consult the Equity Services Website or an Equity Advisor (ext. 5622) for Policy and list of Holy Days (www.carleton.ca/equity).

**For Pregnancy:** Contact Equity Services (ext. 5622) to obtain letters of accommodations.