

Syllabus for ECON 351: Fiscal Economics
Burcu AYDIN ÖZÜDOĞRU
www.burcuaydinozudogru.com
Office A-230

SPRING 2022

Schedule: Monday 10:30 -12:20, Wednesday 15:30 – 17:20

Office Hours: Wednesday 17:30 – 18:20

Classroom: A-Z27

Course Objectives: This course studies public expenditures and revenues with an emphasis on political economy, market failures and welfare economics. Throughout this course, we will study the impact of public expenditures and revenues on the incentive to spend, invest and work. The students will apply the theory to various cases of the Turkish public management system.

Text Book: Harvey S. Rosen and Ted Gayer, Public Finance, 8th Edition or higher, Mc Graw Hill.

Assessment:

- (1) **Midterm**, written, in-class (25%)
- (2) **Case Study**, (30%)
 - a. Group project: min 2, max 5 people in a group
 - b. Groups and topics should be formed no later than week 6
- (3) **In class Participation**, (10%). Active participation is part of the assessment, and regular note-taking is highly recommended.
- (4) **Final exam**, written, in-class (35%). To be eligible for the final exam, students are required to take midterm exam, submit case study, be active in class discussions, and collect at least 30 points out of 65.

Topics:

- (1) An overview of public finance
- (2) Tools of the normative analysis
- (3) Public goods
- (4) Externalities
- (5) Public expenditure: health care
- (6) Public expenditure: social security, **followed by Midterm**
- (7) Income redistribution: conceptual issues
- (8) Taxation and income distribution
- (9) Taxation and efficiency
- (10) Efficient and equitable taxation
- (11) Personal income tax
- (12) Corporation tax
- (13) Taxes on consumption and wealth, **followed by the submission of case study**
- (14) Deficit finance, **followed by final exam**

Topics on Turkish Public Finance as a Case Study: No more than 2 groups can choose the same topic.

- (1) Impact of fiscal policy via direct transfers amid Covid-19 on the economic recovery of emerging market economies
- (2) Impact of fiscal policy via tax reliefs amid Covid-19 on the economic recovery of emerging market economies
- (3) Study the use of fiscal policy on the application of the Paris Agreement's goal of reducing greenhouse gas emissions
- (4) Provide optimal financing for the state guarantee provided for the foreign exchange denominated and gold deposits that are converted to TL via tax, expenditure and borrowing policies. Discuss the pros & cons of each alternative.
- (5) Discuss the impact of taxes on the maturity and size of domestic savings
- (6) Assessment of tax amnesties on public and corporate finance, and investments and labor
- (7) Assessment of 2022-24 Economic Program on Turkish economic outlook and fiscal dynamics