

**UNIVERSITY OF DETROIT MERCY**  
**ECN 5450 - ECONOMICS OF THE PUBLIC SECTOR (OL)**  
**SUMMER SESSION II – 7 week course**

**Instructor:** Joseph A. Weglarz - Lecturer  
**Class Hours:** online (new material opens every Monday at 6 p.m.)  
**Office Hours:** Summer hours are by appointment only at the Macomb University Center (220A)  
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**Students are expected to:**

- Understand the basic concepts of public finance
- Critically analyze articles and handouts about various contemporary issues in public policy
- Understand the fundamental formulas in public finance
- Understand cause-and-effect in the decision-making process in public finance
- Meet all of the course objectives listed below

**Course Objectives:** The student will be able to:

- Define public finance and understand the complexity of the discipline
- Understand the basic concepts in public finance, including public goods and externalities, social insurance and income maintenance, taxation issues, revenue issues, and multi-government public finance
- Define and examine the tools of positive analysis
- Define and examine the tools of normative analysis
- Define and explain positive and negative externalities
- Understand the importance of the political economy on public finance issues
- Define, explain, and calculate cost-benefit analysis
- Understand the history and importance of the health care marketplace and Social Security
- Examine and analyze income distribution and expenditure programs for the poor
- Review the history of U.S. taxation on the local, state, and federal levels
- Define and review tax equitableness and efficiency
- Define and identify the various U.S. revenue systems
- Understand the basic structure of the personal income tax
- Examine taxation behavior and its effects on profits and productivity
- Explore the causes and effects of deficit financing
- Discuss the numerous alternatives and options to the existing U.S. tax structure

- Compare and contrast options on consumption and wealth taxes
- Understand public finance in a federal system

**Texts:** Rosen, Harvey S. and Gayer, Ted. *Public Finance*. Ninth Edition. New York: McGraw-Hill Irwin, 2014 (PF)

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**Course Description:**

An examination of the role of the public sector in a market-oriented economy. Additional topics include: cost-benefit analysis, public expenditure analysis, tax analysis, and revenue considerations such as deficit financing and public choice applications to government inefficiency.

**Examinations:**

There will be three exams and a research paper.  
Your grade will be based on: **400/4=Final Grade**

3 exams	@ 100 pts.=300
1 Research Paper	@ 100 pts.=100

**Examinations Online:**

Students are required to take all three exams online. Failure to take all three exams will result in an automatic ½ grade reduction.

Make-up exams will only be given if the student can verify an emergency.

The Exam online schedule is as follows:

**Week 3: Examination I**  
**Week 5: Examination II**  
**Week 7: Examination III**

**Public Finance Topical Research Paper:**

Students are required to select a specific topic related to public finance and describe its impact on the current economic system in the United States. Each paper will be between 6-10 pages in length with at least 10 footnotes and a bibliography. (Please refer to the section on the research paper)

**Grading:** The University of Detroit Mercy grading scale is as follows:

A	100-93
A-	92-90
B+	89-87
B	86-83
B-	82-80
C+	79-77
C	76-67
D	66-60
F	59-00

**Examinations:**

Examinations will cover lecture materials and the text

Exam I will cover:

1. Power-point Lectures **I-II**
2. *Public Finance (PF)*-Chapters **1-6**

Exam II will cover:

1. Power-point Lectures **III-VIII**
2. *Public Finance (PF)*-Chapters **8-13**

Exam III will cover:

1. Power-point Lectures **IX-XIV**
2. *Public Finance (PF)*-Chapters **14-17, 19, 21-22**

**DATE**

**LECTURE TOPICS**

06/22	Introduction/Overview and the Tools of Positive and Normative Analysis ( <i>Public Finance</i> – Chapters 1-3) “Commentary on Week I” Power-point Lecture I
06/29	Public Goods, Externalities, and the Political Economy ( <i>Public Finance</i> – Chapters 4-6) “Commentary on Week II” Power-point Lecture II
07/06	Cost-Benefit Analysis and the Health-Care Market ( <i>Public Finance</i> – Chapters 8-10) “Commentary on Week III”

Power-point Lectures III-V

**Examination I** (*PF* – Chapters 1-6 and PP Lectures I-II)

[7/10 – 7/13/2015]

07/13

Social Security, Income Distribution and Redistribution and Expenditures for the Poor (*Public Finance* – Chapters 11-13)

“Commentary on Week IV”

Power-point Lectures VI-VIII

07/20

Tax Analysis and the Personal Income Tax (*Public Finance* - Chapters 14-17)

“Commentary on Week V”

Power-point Lectures IX-X

**Examination II** (*PF* Chapters 8-13 and PP Lectures III-VIII)

[7/24 – 7/27/2015]

07/27

Corporate, Consumption, and Wealth Taxes / Multi-government Public Finance (*Public Finance* – Chapters 19, 21-22)

“Commentary on Week VI”

Power-point Lectures XI-XIV

08/03

**Examination III** (*PF* – Chapters 14-17, 19, 21-22 and PP Lectures IX-XIV) [8/3 – 8/06/2015]

**Public Finance Topical Research Paper Due – 8/3/2015**

### **Compliance with UDM Student-Related Policies**

Students of the University of Detroit Mercy are expected to comply with all policies and practices established by the College and/or University. Listed below are a few specific UDM policies. The list, however, is not intended to be exhaustive. A complete listing of all UDM policies can be found in the UDM Student Handbook and students are expected to be familiar with all UDM Student-related policies.

### **Student Course Evaluations**

Student course evaluations are an important source of information for curricular and teaching improvement in the College of Liberal Arts and Education. As such, all students enrolled in CLAE courses are strongly encouraged to complete an online course evaluation. Course evaluations are completed during the week preceding final exams each semester. Information is provided to students through e-mail explaining how to complete the evaluation online.

### **Statement Regarding Professional Conduct**

Student communications to and with the professor/instructor shall at all times be conducted in a professional and courteous manner. In addition, any important messages during the semester (such as a cancellation of a class session) will be communicated through Blackboard or UDM e-mail addresses.

### **Available Support Services**

The University of Detroit Mercy has a wide array of support services available to all students that include the library, media center, tutoring (UAS, 3<sup>rd</sup> Floor of Library) and Writing Center (Briggs 135). The UDM Student Handbook contains complete information regarding location and hours of operation of the University's support services. Students are encouraged to utilize the support services provided by the University, as needed.

### **UDM Policy on Plagiarism and Academic Integrity**

As members of an academic community engaged in the pursuit of truth and with a special concern for values, students are expected to conform to a high standard of honesty and integrity in their academic work. The fundamental assumption under which the University operates is that work by a student is a product of his/her own efforts.

Among the most serious academic offenses is plagiarism, submitting the style of another author or source without acknowledgment or formal documentation. Plagiarism occurs when specific phrases or entire passages, whether a sentence, paragraph or longer excerpt, are incorporated into one's own writing without quotation marks or documentation. One also plagiarizes by paraphrasing the work of another, that is, retaining another writer's ideas and structure without documentation.

Students are advised always to set off another writer's exact words by quotation marks, with appropriate references. Students avoid plagiarism by concentrating on their own words and ideas and by fully crediting others' words and ideas when they find their way into the writing. Whenever in doubt, cite the source.

Students that purchase essays from other students or agencies or who copy from one another or from prohibited sources, commit the most serious type of academic dishonesty. The consequences of plagiarism, or any act of academic dishonesty, may range from failure on an assignment or in a course to dismissal from the University.

### **Disability Support Services and Accommodations**

It is very important for students to be proactive with regard to requesting disability accommodations. While it is never required that you disclose your disability to your professors, all students at UDM are encouraged to talk to their professors to discuss their concerns. Faculty cannot provide disability accommodations without official notification from the Disability Support Services office. If you need an accommodation because of a disability, if you have

emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please contact Emilie Wetherington as soon as possible to schedule an appointment ([gallegem@udmercy.edu](mailto:gallegem@udmercy.edu)) or (313) 578-0310). Disability Support Services is located in the Student Success Center, Room 319, on the 3<sup>rd</sup> Floor of the Library, McNichols Campus.

## **PUBLIC FINANCE TOPICAL RESEARCH PAPER**

Each student will select a specific topic (e.g. Social Security, Distribution of Income, Progressive Taxation, Health-Care, etc.) in public finance and write topical research paper. Titles must be approved by July 17, 2015!

The structure of the Public Finance Topical Research Paper is outlined below:

**I. Summary Analysis**

The student will summarize the major points of the topic. (1-2 pgs.)

**II. Historical Development**

The student will outline the historical development of the general topic, e.g., early history and development of Social Security, etc. (1-2 pgs.)

**III. Topic Analysis**

Each student will select a sub-topic contained within the topic and research/analyze it. The student is to use his/her research skills to identify advantages, weaknesses, threats, and opportunities for the identified public policy. (3-4 pgs.)

**IV. Importance of Topic**

The student will describe the importance and enduring legacy of the selected topic within the discipline of public finance. (1-2 pgs.)

**Note:** Footnotes/endnotes (at least 10) and a bibliography must be part of your research paper. They are not, however, counted as part of the paper. Students who are uncertain about writing a research paper should consult the classic work, *The Modern Researcher*, by Jacques Barzun and Henry F. Graff. Sixth Edition, 2004.