



The Hebrew University of Jerusalem

Syllabus

Public Economy - 59938

Last update 30-04-2024

HU Credits: 4

Degree/Cycle: 2nd degree (Master)

Responsible Department: Public Policy

Academic year: 0

Semester: 2nd Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: Prof Claude Berrebi

Coordinator Email: claud.berrebi@mail.huji.ac.il

Coordinator Office Hours: Wednesdays 14:00-15:00 by appointment

Teaching Staff:

Prof Claude Berrebi

Course/Module description:

The course focus on the microeconomics functions of the government - the way governments affects the allocation of resources and distribution of income. We follow the tradition by focusing on governmental spending and revenue raising activities, with a touch on government regulatory policies.

Course/Module aims:

Learning outcomes - On successful completion of this module, students should be able to:

The main goals of this course are to acquire economic thinking and analysis tools that will help students in assessing the effects of public economic policy on the efficiency of resource allocation and inequality in the economy. The course opens with an overview of the Israeli economy while describing the macroeconomic environment. We first develop the conditions required for a market economy to yield an efficient allocation of resources. We then discuss cases where the market economy fails to allocate resources efficiently and present remedies for market failures. We will learn about the tools available to the government to correct market failures, while comparing the different tools and identifying the more effective ones, and later we will also deal with the failures of the government itself. The course will expose the students to theoretical models as well as practical examples of the use of public tools to solve market failures.

In the second part of the course we will discuss inequality, government activity in selected sectors and the main considerations for effective and fair government intervention.

Overall, the main goal is to provide students with tools to understand and evaluate the effectiveness of government activities on efficient allocation and equality.

Attendance requirements(%):

Mandatory

Teaching arrangement and method of instruction: In class, in person lectures

Course/Module Content:

introduction to public economics, positive analysis, normative analysis, public failures, public goods, externalities, political economy, (inequality, tax policy,) specific government expenditure items (social insurance, social security and

retirement policy)

Required Reading:

Harvey Rosen & Ted Gayer, *Public Finance*, 10th Edition, McGraw Hill, Global Edition.

chapters according to the syllabus

Additional Reading Material:

Details according to the syllabus

Grading Scheme:

Written / Oral / Practical Exam 70 %

Active Participation / Team Assignment 10 %

Submission assignments during the semester: Exercises / Essays / Audits / Reports / Forum / Simulation / others 20 %

Additional information:

This course has a mandatory participation requirement. Students absent in more than 20% of classes will not be eligible to take the final examination.

Students who have not submitted the required assignments (in the accompanying course 59934) will not be eligible to take the final examination.

The core grading components of this course are:

Attendance and active participation in class discussion 10%.

A grade for the final assignment 90%.

However, the assignment's grades (submitted in the accompanying course 59934) can be used as 20% in replacement of the final exam, in which case the final exam grading component will become 70%. This can happen if all required assignments have been submitted in time and the assignments grading average is greater than the final examination grade.

(the assignment's grade can only improve your final grade).