

ECON90027 Public Economics

Credit Points:	12.50
Level:	9 (Graduate/Postgraduate)
Dates & Locations:	2010, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: Three hours of classes per week Total Time Commitment: Estimated total time commitment of 120 hours per semester
Prerequisites:	316-313 Microeconomics (/view/2010/316-313) or equivalent
Corequisites:	None
Recommended Background Knowledge:	None
Non Allowed Subjects:	316-408 Economic Design (/view/2010/316-408)
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/
Coordinator:	Prof John Creedy
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Subject Overview:	This subject considers the general problems associated with the role of the state in the economy. Topics will be chosen from the theory of the state; the role of the government in promoting economic growth; collective choice mechanisms; the economic analysis of bureaucracy; public goods; Coase theorem; national debt; and taxation issues.
Objectives:	On successful completion of this subject students should be able to: <ul style="list-style-type: none"> # Describe differences between positive and normative theories in public economics; # Explain the economic rationale for the existence of the state; # Explain the growth of the government sector over the twentieth century; # Derive the criteria identifying the optimal size of the government; # Analyse different economic theories of the bureaucracy; # Explain the paradox of voting; # Analyse the positive and normative properties of collective decision-making mechanisms; # Explain the implications of Arrow's Impossibility Theorem for public economics; # Critically evaluate different models of the political business cycle; # Analyse the implications of countries' stocks of public debt; and # Explain the principles of optimal taxation.
Assessment:	3-hour end-of-semester examination (80%)An assignment not exceeding 2000 words (20%)
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.

Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> # Evaluation of ideas, views and evidence # Synthesis of ideas, views and evidence # Strategic thinking # Critical thinking # Application of theory to economic policy and business decision making # Accessing economic and other information # Summarise and interpretation of information # Problem solving skills # Collaborative learning and team work # Negotiation and bargaining # Written communication # Oral communication
Related Course(s):	Master of Commerce - Economics