

## 316-682 Public Economics

<b>Credit Points:</b>	12.50
<b>Level:</b>	9 (Graduate/Postgraduate)
<b>Dates &amp; Locations:</b>	2009, This subject commences in the following study period/s: Semester 2, - Taught on campus.
<b>Time Commitment:</b>	Contact Hours: Three hours of classes per week (Semester 2). Total Time Commitment: Not available
<b>Prerequisites:</b>	316-313 Microeconomics or equivalent.
<b>Corequisites:</b>	None
<b>Recommended Background Knowledge:</b>	None
<b>Non Allowed Subjects:</b>	None
<b>Core Participation Requirements:</b>	<p>&lt;p&gt;For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.&lt;/p&gt;         &lt;p&gt;It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: &lt;a href="http://services.unimelb.edu.au/disability"&gt;http://services.unimelb.edu.au/disability&lt;/a&gt;&lt;/p&gt;</p>
<b>Coordinator:</b>	Prof John Creedy
<b>Subject Overview:</b>	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.
<b>Objectives:</b>	<p>On successful completion of this subject students should be able to:</p> <ul style="list-style-type: none"> <li># Describe differences between positive and normative theories in public economics;</li> <li># Explain the economic rationale for the existence of the state;</li> <li># Explain the growth of the government sector over the twentieth century;</li> <li># Derive the criteria identifying the optimal size of the government;</li> <li># Analyse different economic theories of the bureaucracy;</li> <li># Explain the paradox of voting;</li> <li># Analyse the positive and normative properties of collective decision-making mechanisms;</li> <li># Explain the implications of Arrow's Impossibility Theorem for public economics;</li> <li># Critically evaluate different models of the political business cycle;</li> <li># Analyse the implications of countries' stocks of public debt; and</li> <li># Explain the principles of optimal taxation.</li> </ul>
<b>Assessment:</b>	A 3-hour end-of-semester examination (80%) and an assignment not exceeding 2000 words (20%).
<b>Prescribed Texts:</b>	None
<b>Breadth Options:</b>	This subject is not available as a breadth subject.

<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> <li># Evaluation of ideas, views and evidence</li> <li># Synthesis of ideas, views and evidence</li> <li># Strategic thinking</li> <li># Critical thinking</li> <li># Application of theory to economic policy and business decision making</li> <li># Accessing economic and other information</li> <li># Summarise and interpretation of information</li> <li># Problem solving skills</li> <li># Collaborative learning and team work</li> <li># Negotiation and bargaining</li> <li># Written communication</li> <li># Oral communication.</li> </ul>
<b>Related Course(s):</b>	Master of Commerce - Economics