



UNIVERSITY OF  
SASKATCHEWAN

Department of Economics

## ECON 350.3 (01)

ECONOMICS OF PUBLIC EXPENDITURES

T1: 2024/25

### Course Details

<b>Time:</b>	Monday and Wednesday, 13:00-14:20
<b>Location:</b>	ARTS 100
<b>Prerequisites:</b>	ECON 211 and a junior course in calculus
<b>Course Description:</b>	A survey of the principles of resource allocation in the public sector in relation to the role and effect of expenditure policies on the achievement of the major economic objectives.
<b>Website:</b>	Some materials will be available on Canvas.

### Expected Learning Outcomes

The field of public finance is concerned with the economic analysis of activities that affect the government budget. This course focuses mostly on the expenditure side of the budget, whereas ECON 352 covers government revenues, i.e. issues related to taxation.

Upon successful completion, students will be aware of the rationale for various government activities from a welfare perspective and understand the theoretical foundations of public goods provision and externalities. They will be familiar with issues surrounding the decision process on public goods provision, including theories of public choice, voting mechanisms, and welfare theory. They will have seen examples of important expenditure programs in Canada.

In terms of technical skills, this course provides students with the opportunity to improve their ability to solve microeconomic problems and formalize concepts as mathematical models.

### Instructor

Andreas Pollak	Phone: 966-5221
Arts 812	E-mail: <a href="mailto:a.pollak@usask.ca">a.pollak@usask.ca</a> (preface subject with "ECON350")
<b>Office Hours:</b>	By appointment.

## Course Outline and Readings

The required textbook for this course is:

Rosen, Tedds, Tombe, Wen, Snoddon, *Public Finance in Canada*, Sixth Canadian Edition, McGraw-Hill, 2023. [referred to as RWS; *Please note*: Using an older edition of the textbook is fine, too. Where different, the corresponding 5th-edition chapters are given as RWS5-chapter:pages below.]

1. Introduction and Basics
  - 1.1. Introduction to Public Finance  
RWS, Chapter 1
  - 1.2. Efficiency and Welfare  
RWS Chapter 2, pp. 20-30 (RWS5-2: 18-27)
  - 1.3. The Rationale for Government Intervention  
RWS, Chapter 2, pp. 31-34, Chapter 6 (RWS5-2: 28-30, RWS5-6)
  - 1.4. The Government Budget Constraint
2. Public Expenditure Theory
  - 2.1. Public Goods  
RWS, Chapter 4  
Buchanan, J. (1965): "An economic theory of clubs." *Economica* 32, pp. 1-14.
  - 2.2. Externalities  
RWS, Chapter 5  
Gordon, H.S. (1954): "The economic theory of a common property resource: the fishery." *Journal of Political Economy* 62, pp.124-142.
  - 2.3. Public Choice  
RWS, Chapter 8, pp. 139-142 (RWS5-7, RWS5-8:150-154)  
Boadway, R.W. and D.E. Wildasin, *Public Sector Economics*, 2<sup>nd</sup> edition, Little, Brown and Company, Toronto and Boston, 1984, pp. 161-164.
3. Public Expenditure Programmes in Canada
  - 3.1. Public Pensions  
RWS, Chapter 11
  - 3.2. (Un)Employment Insurance  
RWS Chapter 10
  - 3.3. Other Programmes

Note that the course outline and reading list might be updated during the term. All readings except RWS are available online.

Evaluation
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There will be three components to your grade:

Component	Date	Weight
Assignments	TBA	15%
Midterm Exam	November 5	25%
Final Exam	TBA	60%

The weights of the midterm will be shifted to the final if this results in a better overall grade.

**Assignments:** You will complete a number of assignments (approx. 8) during the term. You will have at least one week to complete each assignment. While you are encouraged to cooperate solving the assignments, I expect the answers that are handed in to reflect students' individual contributions. Late assignments will not be accepted. Some answer keys may be posted on Canvas, and the assignments will be discussed in class.

**Exams:** There will be an 80-minute midterm exam and a 3-hour final. Exams will be cumulative and test your understanding of the subject material and your ability to analyze and formulate solutions to specific problems. The assignments are intended to assist you in the preparation for the exams, but note that exam questions are typically different from assignment questions. All exams are closed book. Electronic devices will not be permitted during examinations, with the exception of approved non-programmable calculators without communication functions. There will be no deferred midterms.

**Missed Components:** If assignments or the midterm exam cannot be completed for a justifiable reason, it may be possible to make alternative arrangements *prior to* the due date at the instructor's discretion. If no such arrangements are made and the component is missed, a grade of 0 will be assigned, unless the student provides written documentation of circumstances beyond his or her control that prevented him or her from completing the assignment on time.

**Attendance:** University policies apply. Regular attendance is highly recommended.

**Participation:** There are no specific participation requirements.

**Grading and Credit:** This course uses a percentage grading scheme. To receive credit for this course, an overall passing grade is required.

**Grade Distribution:** See <http://usask.pollak.org/?teaching> for the historic grade distribution in this course.

## Other Information

### *Recording of the Course*

Students will be allowed to record lectures if they provide a reasonable rationale and if there are no objections by other students.

*Midterm and Final Examination Scheduling* Final examinations may be scheduled at any time during the examination period (see <https://students.usask.ca/academic-calendar/> for the specific dates this term); students should therefore avoid making prior travel, employment, or other commitments for this period. If a student is unable to write an exam through no fault of his or her own for medical or other valid reasons, documentation must be provided and an opportunity to write the missed exam may be given. Students are encouraged to review all examination policies and procedures: <http://students.usask.ca/academics/exams.php>

### *Copyright*

Course materials are provided to you based on your registration in a class, and anything created by your professors and instructors is their intellectual property and cannot be shared without written permission. If materials are designated as open education resources (with a creative commons license) you can share and/or use in alignment with the CC license. This includes exams, PowerPoint/PDF slides and other course notes. Additionally, other copyright-protected materials created by textbook publishers and authors may be provided to you based on license terms and educational exceptions in the Canadian Copyright Act (see <http://laws-lois.justice.gc.ca/eng/acts/C-42/index.html>).

Before you copy or distribute others' copyright-protected materials, please ensure that your use of the materials is covered under the University's Fair Dealing Copyright Guidelines available at <https://library.usask.ca/copyright/general-information/fair-dealing-guidelines.php>. For example, posting others' copyright-protected materials on the open web is not covered under the University's Fair Dealing Copyright Guidelines, and doing so requires permission from the copyright holder. For more information about copyright, please visit <https://library.usask.ca/copyright/index.php> where there is information for students available at <https://library.usask.ca/copyright/students/rights.php>, or contact the University's Copyright Coordinator at [copyright.coordinator@usask.ca](mailto:copyright.coordinator@usask.ca) or 306-966-8817.

### *Integrity*

The University of Saskatchewan is committed to the highest standards of academic integrity. <https://academic-integrity.usask.ca/>

Students are urged to read the Regulations on Academic Misconduct and to avoid any behaviours that could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence.

For help developing the skills for meeting academic integrity expectations, see: <https://academic-integrity.usask.ca/students.php>

Students are encouraged to ask their instructors for clarification on academic integrity requirements.

### *Examinations with Access and Equity Services (AES)*

Access and Equity Services (AES) is available to provide support to students who require accommodations due to disability, family status, and religious observances.

Students who have disabilities (learning, medical, physical, or mental health) are strongly encouraged to register with Access and Equity Services (AES) if they have not already done so. Students who suspect they may have disabilities should contact AES for advice and referrals at any time. Those students who are registered with AES with mental health disabilities and who anticipate that they may have responses to certain course materials or topics, should discuss course content with their instructors prior to course add / drop dates.

Students who require accommodations for pregnancy or substantial parental/family duties should contact AES to discuss their situations and potentially register with that office.

Students who require accommodations due to religious practices that prohibit the writing of exams on religious holidays should contact AES to self-declare and determine which accommodations are appropriate. In general, students who are unable to write an exam due to a religious conflict do not register with AES but instead submit an exam conflict form through their PAWS account to arrange accommodations.

Any student registered with AES, as well as those who require accommodations on religious grounds, may request alternative arrangements for mid-term and final examinations by submitting a request to AES by the stated deadlines. Instructors shall provide the examinations for students who are being accommodated by the deadlines established by AES.

For more information or advice, visit <https://students.usask.ca/health/centres/access-equity-services.php>, or contact AES at 306-966-7273 (Voice/TTY 1-306-966-7276) or email [aes@usask.ca](mailto:aes@usask.ca).

### *Student Supports*

Academic Help - University Library

Visit the University Library (<https://library.usask.ca/>) and Learning Hub (<https://library.usask.ca/studentlearning/>) to find supports for undergraduate and graduate students with first-year experience, study skills, learning strategies, research, writing, math and statistics. Students can attend workshops (<https://library.usask.ca/studentlearning/#Eventsandworkshop>), access online resources and research guides (<https://libguides.usask.ca/>), book 1-1 appointments (<https://libcal.usask.ca/appointments>) or hire a subject tutor (<https://usask.tutorocean.com/search?page=1&sortBy=bestMatch&subjectTutorsForHire=true>) through the USask Tutoring Network (<https://library.usask.ca/studentlearning/tutor.php>)

Connect with library staff through the AskUs (<https://library.usask.ca/askus/index.php>) chat service or visit various library locations (<https://library.usask.ca/hours.php>) on campus.

Enrolled in an online course? Explore the Online Learning Readiness Tutorial ([https://libguides.usask.ca/Online\\_Learning\\_Readiness\\_Tutorial](https://libguides.usask.ca/Online_Learning_Readiness_Tutorial))

### *Financial Support*

Any student who faces challenges securing their food or housing and believes this may affect their performance in the course is urged to contact Student Central (<https://students.usask.ca/student-central.php>).

### Aboriginal Students' Centre

The Aboriginal Students' Centre (ASC) is dedicated to supporting Aboriginal student academic and personal success. The centre offers personal, social, cultural and some academic supports to Métis, First Nations, and Inuit students. The centre is also dedicated to intercultural education, bringing Aboriginal and non-Aboriginal students together to learn from, with and about one another in a respectful, inclusive and safe environment. Students are encouraged to visit the ASC's Facebook page (<https://www.facebook.com/aboriginalstudentscentre/>) to learn more.

### International Student and Study Abroad Centre

The International Student and Study Abroad Centre (ISSAC) supports student success and facilitates international education experiences at USask and abroad. ISSAC is here to assist all international undergraduate, graduate, exchange and English as a Second Language students in their transition to the University of Saskatchewan and to life in Canada. ISSAC offers advising and support on matters that affect international students and their families and on matters related to studying abroad as University of Saskatchewan students. Please visit [students.usask.ca](http://students.usask.ca) for more information.