

COURSE OF STUDY *Three-years Degree in Economics and business*

ACADEMIC YEAR 2023-2024

ACADEMIC SUBJECT *Public finance*

General information	
Year of the course	2nd year
Academic calendar (starting and ending date)	1st semester (11-09-2023 – 15-12-2023)
Credits (CFU/ETCS):	8
SSD	Public finance SECS-P/03
Language	Italian
Mode of attendance	Voluntary (strongly recommended)

Professor/ Lecturer	
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Virtual room	Microsoft Teams
Office Hours (and modalities: e.g., by appointment, on line, etc.)	Information available at: https://www.uniba.it/docenti/vinella-annalisa/attivita-didattica

Work schedule			
Hours			
Total	Lectures	Hands-on (laboratory, workshops, working groups, seminars, field trips)	Out-of-class study hours/ Self-study hours
156	56		144
CFU/ETCS			
8	8		

Learning Objectives	Students will receive guidance through the comprehension of the fundamentals of public economics and taxation theory. They will learn how the methods and tools that are proper of the normative analysis can be used to approach, address and discuss simple problems within the subjects aforementioned.
Course prerequisites	The knowledge of the fundamentals of Microeconomic theory and Mathematics for economists is an essential prerequisite. The course of Microeconomic theory (1st year) is preparatory to that of Public finance. Erasmus students who consider attending classes and sitting in the exam are strongly advised to verify if they do match the requirement and are thus prepared for a fruitful engagement in the course.

Teaching strategies	The course includes traditional lectures by the instructor (40 hours) as well as tutorials devoted to problem solving (16 hours). Overall, the duration of the course amounts to 56 hours. The instructor makes use of both blackboard and slides, especially when dealing with analytical topics. Both traditional lectures and tutorials are meant to enable students to acquire analytical and methodological skills.
Expected learning outcomes in	

terms of	
Knowledge and understanding on:	The course is aimed at endowing students with useful knowledge to analysis and understand the fundamentals of public finance and taxation theory. At completion of the course, students should be able to use normative analytical tools to solve simple problems within the subjects aforementioned.
Applying knowledge and understanding on:	Students will be able to define, critically analyze and synthesize simple problems, particularly, with regards to market failures, collective choices, taxation incidence and excess burden, progressivity indices, and marginal and average tax rates. In addition, they should acquire familiarity with taxation systems.
Soft skills	<ul style="list-style-type: none"> • <i>Making informed judgments and choices</i> The knowledge and skills acquired during the course will permit students to autonomously identify and explain various instances of market failure, the criteria underpinning taxation strategies, and the associated effects on both efficiency and equity grounds. • <i>Communicating knowledge and understanding</i> At completion of the course, students will have acquired both the ability to approach topics in public economics and taxation theory and a reasonable familiarity with the appropriate terminology and language. This should help them read texts, express arguments and discuss issues in their communications concerning the topics aforementioned. • <i>Capacities to continue learning</i> At completion of the course, students are supposed to be able to describe and identify the main instances of market failure and taxation systems on products and income. They should also be able to use analytical and graphical tools (i.e., equations, simple functions, indices, Cartesian axes) to go deeper into the comprehension and discussion of both efficiency and equity implications.
Syllabus	
Content knowledge	<p><u>Fundamentals of welfare economics and collective choice</u></p> <ol style="list-style-type: none"> 1. The basic tools of normative analysis 2. Monopoly 3. Public goods 4. Externalities 5. Social choice 6. Collective choice and voting mechanisms <p><u>Public finance and European constraints</u></p> <ol style="list-style-type: none"> 7. European fiscal rules and national budgets <p><u>Fundamentals of taxation theory</u></p> <ol style="list-style-type: none"> 9. The basic fiscal principals 10. Firms and economic system 11. Taxation and economic system 12. International taxation criteria 13. Taxation burden 14. Distortive taxation in the good market 15. Structures of progressive taxes 16. Measures of progressivity 17. Households taxation 18. The design of the personal income tax 19. The value-added tax (VAT)
Texts and readings	<i>Corso di Scienza delle finanze</i> . Custom publishing. Prof.ssa Annalisa Vinella, Università degli Studi di Bari "Aldo Moro", Dipartimento di Economia e finanza,

	CREATE McGraw Hill
Notes, additional materials	Students are warmly recommended to try and acquire as much familiarity as possible with the answers to the questions and the solutions to the exercises listed at the end of each chapter of the textbook. They are also advised to try and solve additional exercises taken from other texts of Public finance as more practice will both facilitate comprehension of topics and reinforce skills, also in view of the final examination.
Repository	The textbook can be found in bookshops. Additional texts and further readings are available in the library.

Assessment	
Assessment methods	There is a written examination (including exercises and true-false questions) in the three first exam sessions following the end of the classes. There is an oral examination in the exam sessions to be held thereafter. As regards the first three exam sessions, students are informed of the duration, the exact structure/content and any other relevant details concerning the written exam well in advance, so that they are perfectly prepared when they sit in the exam. As regards the subsequent sessions, the oral examination focuses on the topics that are included in the syllabus. Regardless of the specific format of the exam, the topics included in the syllabus are all attached an equal weight in the final assessment. To facilitate their task, students are warmly advised to regularly attend tutorials and work on their content systematically. For students displaying disabilities and/or Specific Learning Disorder (SLD) and officially requiring specific support to sit in the exam, the format is suitably amended according to the University guidelines.
Assessment criteria	It will be assessed that students are able to: <ul style="list-style-type: none"> • Analyze the fundamentals of public finance and taxation theory; • Use the normative analytical tools to address and solve simple problems within the aforementioned economic areas; • Identify and explain instances of market failure, criteria underpinning taxation strategies, and efficiency/equity implications; • Discuss and communicate arguments and objections on those topics, using the appropriate language; • Use analytical and graphical instruments to explain/interpret public finance and taxation issues.
Final exam and grading criteria	The final grade is calibrated over a maximum of 30 points. Students receiving at least 18 out of 30 points pass the exam. The maximum amount of points is awarded together with a <i>laudem</i> (30 <i>cum laudem</i>) to students whose exam is judged to be excellent. Grades are assigned according to: <ol style="list-style-type: none"> 1. their knowledge of the fundamental notions and concepts of public economics and taxation theory, that are essential for a correct understanding of the basic issues in the subjects; 2. their ability to use the basic analytical tools to address the issues aforementioned. Students' (in)ability to use a proper economic language will be taken into account as well.
Further information	--