

## 27418 - Public economics I

### Syllabus Information

**Academic year:** 2023/24

**Subject:** 27418 - Public economics I

**Faculty / School:** 109 - Facultad de Economía y Empresa

**Degree:** 417 - Degree in Economics

**ECTS:** 6.0

**Year:** 2

**Semester:** Second semester

**Subject type:** Compulsory

**Module:**

### 1. General information

The objective of this subject is to provide students with the conceptual and analytical tools that will enable them to understand the economic logic of public intervention (why and how to intervene) and the economic problems of collective decision-making. The aim is for students to acquire a set of knowledge and skills that are necessary for their professional performance, so they can rigorously evaluate the performance of the public sector in the areas of resource allocation and income redistribution. At the same time, it is intended to provide the student with the necessary training to deepen in higher years in the analysis of the public sector and its interventions in the economy.

These approaches and objectives are aligned with the Sustainable Development Goals (SDGs) of the 2030 Agenda of the United Nations (United Nations (<https://www.un.org/sustainabledevelopment/es/>), specifically, the activities planned in the subject will contribute to the achievement of goals 1, 3, 4, 11, 12 and 17.

### 2. Learning results

- Ability to appreciate the unique features of the public sector versus the private sector and to identify its main instruments of intervention in the economy
- Ability to evaluate the main features of the Spanish public sector and to interpret its budget figures.
- Ability to argue rigorously about the need for public intervention in the economy using the tools of normative analysis.
- Ability to identify the main market failures in the efficient allocation of resources, the associated economic problems, and to evaluate the intervention instruments available for their correction.
- Ability to formalize the social criteria of equity, to understand the reasons for public intervention in the redistribution of income and to evaluate the available instruments of intervention in this field.
- Ability to analyse the effects of voting rules commonly used in collective decision making.
- Ability to analyse with economic criteria the behaviour of the agents involved in making and executing public decisions in democratic systems and to identify the main failures of the public sector.

### 3. Syllabus

Unit 1: The public sector and the Public Economy.

Unit 2: The tools of normative analysis of public intervention.

Unit 3: Public intervention in the field of efficiency (I): public goods.

Unit 4: Public intervention in the field of efficiency (II): externalities.

Unit 5: Public intervention in the field of efficiency (III): increasing returns to scale and imperfect information.

Unit 6: Public intervention in the field of equity.

Unit 7: Collective decision-making and the behaviour of agents in the public sector.

### 4. Academic activities

Theoretical classes (30 hours): presentation of the main contents of each unit and the associated study materials.

Practical classes (30 hours): resolution and presentation/discussion in class of the previously proposed exercises.

Personal study and work of the student (86 hours).

Assessment tests (4 hours)

In principle, the teaching methodology and its evaluation is planned to be based on face-to-face classes. However, if circumstances so require, they may be carried out online.

## 5. Assessment system

There are two evaluation systems from which the student can choose: continuous evaluation (applicable only in the first call) and global evaluation.

### 1. Continuous assessment system

Activities for the continuous evaluation of the students throughout the term, in particular the resolution, delivery and presentation/discussion in class of the questions proposed by the teachers and the completion of two individual written tests that will deal with the theoretical and practical contents of the subject. The activities related to the questions proposed by the teachers will not be graded, but their completion is a necessary condition for the participation in the individual written tests and, therefore, the non-completion of any of them will imply a proportional reduction (in relation to the total of requested deliveries) of the grade obtained in the individual written test to which the subject of the aforementioned activities corresponds. The weight of each of the written tests is proportional to the time spent in class on the topics that include. Obtaining a grade lower than 4 out of 10 in any written test or lower than 5 out of 10 in all of them will result in not passing the continuous evaluation.

### 2. Global assessment system

A global test carried out during the examination period of each of the two calls of the term, aimed at evaluating the acquisition of the knowledge and competences of the subject. The first exam is optional for those who have passed the subject through the continuous evaluation system. Students who have completed the continuous evaluation system and do not take the global test of the first call will be assigned in this call the grade obtained in the continuous evaluation.

The written tests, both in the continuous evaluation system and in the global evaluation system, will include theoretical, practical and theoretical-practical questions aimed at assessing the knowledge of the basic concepts of the subject and the capacity for its practical application. They will contain short open-ended questions, reasoned true/false questions, tables to indicate the correct alternatives, graphs linked to questions, and problems requiring numerical calculations and graphical analysis. The evaluation of these tests will take into account the degree of correctness in the answers to the questions posed and the absence of conceptual errors that affect basic aspects of the contents and competencies of the subject.