

SYLLABUS for Taxes and Public Expenditures

| Basic data for the course | |
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| Academic unit: | Bachelor Program Applied Economics and Management |
| Title of the course: | Taxes and Public Expenditures |
| Level: | Bachelor |
| Status of the course: | Elective |
| Year of studies: | Third Year – Fifth Semester |
| Number of hours per week: | 2+0 |
| ECTS credits: | 4 |
| Time/location: | Faculty of Economics, University of Prishtina “Hasan Prishtina” |
| Tutor: | Drita Konxheli |
| Tutor’s contact details: | drita_kr@yahoo.com |
| Content of the course | |
| | <p>In this course the focus is put on the expenditure side of public economics. The emphasis will be on market failure and the role of the government in correcting these market failures, the effects of major existing and proposed expenditure programs, and the theory of political processes. The course examines policy options, with their strategic trade-offs and operational implications, for the design and implementation of public finance in both high-income countries as well as developing and transitional economies. It covers: the role and size of the public sector, including the rationale for public sector interventions such as market failure and distributional concerns; key factors determining a nation’s fiscal architecture; public resource mobilization via user charges and taxation, including the economics of taxation, taxation of income (personal and corporate income tax), wealth (property tax), and consumption (sales, excise, and value added taxes), tax incentives, tax compliance and enforcement, and tax reform; public expenditure policy, including assessment of government social protection programs, megaprojects, public sector efficiency and effectiveness, and the role of the private sector in the production and provision of public goods and services; fiscal balance and deficit financing; and fiscal decentralization and intergovernmental fiscal relations. The course will also explore public finance challenges for both national and subnational governments in coping with the current global</p> |

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| | economic crisis. | | |
| Course's objectives: | To obtain excellent knowledge on central concepts and basic models of modern public economics based on second best welfare theory; major actual policies and examples of issues currently on the political agenda; key concepts characterizing types, properties, and effects of taxes and describing publicly provided goods, market imperfections, and second best constraints. | | |
| The expected outcomes: | Upon course completion a student should be able to know: central concepts and basic models of modern public economics based on second best welfare theory; major actual policies and examples of issues currently on the political agenda; key concepts characterizing types, properties, and effects of taxes and describing publicly provided goods, market imperfections, and second best constraints. | | |
| The students' workload (<i>hours per semester, ECTS</i>) | | | |
| Activity | Activity | Activity | Total |
| Lectures | 2 | 15 | 30 |
| Seminars (theoretical and practical) | 1 | 15 | 15 |
| Case studies | | | |
| Direct contact with tutor | | | |
| Field research | | | |
| Colloquiums | 2 | 3 | 6 |
| Homework | | | |
| Individual study (at library or at home) | 1 | 15 | 15 |
| Final preparation for the exam | 3 | 6 | 18 |
| Evaluation | 4 | 4 | 16 |
| Projects, presentation etc. | | | |
| Total | | | 100 |
| Teaching methods: | Teaching process will be organized through lectures, practical examples and team assignments. | | |
| Assessment methods: | Test 1 = 50% and Test 2 = 50%. For the students, who fail to pass both tests, they should undergo a final exam (passing score = at least 51%). | | |
| Literature | | | |
| Basic literature: | 1. Economics of the Public Sector (Third Edition) [Hardcover], Joseph E. Stiglitz, January 19, 2000, ISBN-10: 0393966518, ISBN-13: 978-0393966510, Third Edition 2. Public Finance, 9th Edition [Hardcover], Harvey S. Rosen, Ted Gayer, September 25, 2009, ISBN- | | |

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| | 10: 0073511358, ISBN-13: 978-0073511351, Edition: 9th |
| Additional literature: | 3. Public Finance and Public Policy [Hardcover], Jonathan Gruber, December 1, 2012, ISBN-10: 1429278455, ISBN-13: 978-1429278454; Edition: Fourth Edition |

| The detailed plan of work: | |
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| Week | Topic |
| | <u>Part 1: Taxes</u> |
| <i>Week 1</i> | Introduction to Taxation, Tax Incidence |
| <i>Week 2</i> | Taxation and Economic Efficiency |
| <i>Week 3</i> | Optimal Taxation |
| <i>Week 4</i> | Taxation of Capital |
| <i>Week 5</i> | The Personal Income Tax |
| <i>Week 6</i> | The Corporation Income Tax |
| <i>Week 7</i> | Reform of the Tax System |
| <i>Week 8</i> | Test 1 |
| | <u>Part 2: Public Expenditure: Public Goods And Externalities</u> |
| <i>Week 9</i> | Tools of Positive and Normative Analysis |
| <i>Week 10</i> | Public Goods |
| <i>Week 11</i> | Externalities |
| <i>Week 12</i> | Political Economy |
| <i>Week 13</i> | Education |
| <i>Week 14</i> | Cost-Benefit Analysis |
| <i>Week 15</i> | Final test |

| Academic policies and code of conduct: |
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| Regular attendance in lectures and exercises is compulsory for all students. All students are obliged to follow the classroom rules: be quiet, disconnect the mobile phones and entry in class on time. |