

General Information			
Course name	Public Finance	ECTS credits	6
		Semester	Winter and Summer
Aim			
<p>The aim of the course is to provide knowledge in fundamental public finance topics, such as public sector interventions, public finance and their functions, taxes, public expenditures and fiscal imbalance. Moreover, students will get familiar with the current situation in public finance in EU and the course will prepare students to be informed consumers of public finance data from several sources, such as Eurostat, Ministry of Finance as well as EU budget data.</p>			
Content			
<ol style="list-style-type: none"> 1. Introduction to public finance. The role and size of the public sector. Measuring the size of the public sector. 2. Economic rationale for government interventions – market failures. 3. Allocation function of public finance: public goods, externalities and other microeconomic failures. 4. Redistribution function of public finance. Labour and income inequality. Lorenz curve and Gini as a measurement of income inequality. Social protection and health expenditures. 5. Stabilization function of public finance. Fiscal policy – objectives, tools, types. 6. Government budgeting – types of budgets, budget functions, the budget cycle. 7. Public expenditures. COFOG. 8. Public revenues – sources of government revenue. 9. Tax theory. 10. Deficit financing. Public debt management. 11. Multiannual financial framework. 12. EU budget – revenues and expenditures. 			
Evaluation			
<p>Class participation and homework (40%) Written exam (60%)</p>			
Grading Scale (in %):			
Grading System:			
<p>The University recognises the following six degrees for the evaluation of the study results:</p> <p>A – excellent (excellent results) 91% - 100%</p> <p>B – very good (above average results) 81% - 90%</p> <p>C – good (average results) 71% - 80%</p> <p>D – satisfactory (acceptable results) 61% - 70%</p> <p>E – sufficient (results meet the minimum criteria) 51% - 60%</p> <p>FX – insufficient/failed (requires further work) 0 - 50%</p>			

Bibliography

Required reading:

1. GRUBER, J. 2019. *Public Finance and Public Policy*. 6th ed. New York: Worth Publishers.
2. HYMAN, D.N. 2021. *Public Finance: A Contemporary Application of Theory to Policy*. 12th ed. Mason, Ohio: Thompson South-Western.

Recommended reading:

1. *European Union Public Finance*. 2014. [online] 5th edition. Luxembourg: Office for Official Publications of the European Communities. Available at: <https://publications.europa.eu/en/publication-detail/-/publication/8bc08dd0-f1ed-4f45-bab4-75ac2a63d048>
2. EUROPEAN COMMISSION, 2021. *EU Budget*. Available at: https://ec.europa.eu/info/strategy/eu-budget_en

