The Course:
This course is designed to introduce to the student the economic rationale for government intervention in the economy and the effects of that intervention on the economy. The course consists of three main areas. The first section deals with the rationale for government expenditures. The possible reasons for government intervention in the economy are investigated. The second section surveys some techniques used by government in determining the level of provision of public goods. The third section deals with fiscal federalism. The primary question asked is what level of government provides and finances which goods and services.

Course Outline:
I. Introduction
II. Economic Efficiency
III. Public Expenditure Theory
   A. Externalities
   B. Public Goods
   C. Public Choice
IV. Public Policy
   A. Analysis of Expenditure Policy
   B. Cost-Benefit Analysis
   C. Welfare and the Distribution of Income
V. Fiscal Federalism

Reading Assignments:
Reading assignments will be given on a regular basis. They will consist mainly of journal articles which will be handed out in class or can be found in the library.

Class Procedures:
The class will be run in a lecture/seminar format. Each topic will be introduced by the instructor with a lecture followed by class discussions and presentations.

Grades will be based on (1) a research project, (2) class presentations and participation, and (3) either take-home assignments or tests.