

Identification	Subject	ECON 825 Economics of Public Sector – 3KU (6ECTS)	
	Program	Graduate	
	Department	Economics and Management	
	Term	Fall, 2023	
	Instructor	Ingilab Ahmadov	
	E-mail	ingilab@khazar.org	
	Classroom/hours	Wednesday, 18:30 – 21:00 Room 21 Bashir Safaroglu, 122	
Prerequisites	ECON 801 Advanced Microeconomics		
Language	English		
Compulsory/Elective	Compulsory		
Textbooks and course materials	Main textbook. 1. “Economics of the Public Sector” Joseph E. Stiglitz., 4th edition, 2015 2. Public Finance and Public Policy, Jonathan Gruber, 5th edition, 2016 3. “Macroeconomics”, Gregory Mankiw, 10th edition, Worth Publishers, 2018		
Course objectives	The objective of the course is to introduce the essence and key pillars of the public sector, as a part of the overall economy, the comparative analysis of public sector over the private sector. It consists the fundamentals of welfare economics, budgetary process, key areas for government expenditures, such as education, public health, social insurance and security, welfare programs, etc.		
Course outline	In the first part of the course, students focus on understanding the nature of public sector versus private one. They will deep dive into the specifics of government intervention in the economy, welfare economy specifics, peculiarity of public goods versus private goods. In the second part students study the key components of public finance, such as education, social insurance, social security, social welfare, public budget and taxation. Public economics, Welfare economics, Public Budget, Education, Public Health, Taxation, etc.		
Learning outcomes	At the end of the course, students should have a clear understanding and be able to analyze the government intervention into the economy, specifics of public sector and welfare economy. Students can clearly identify policy aspects of the public sector, the key role of the government to design the proper economic policy. Students also can understand the nature of different public segments, such as education, public health, social insurance, social security, etc., implement their knowledge in the practice by critical assessment of the government policy in these areas.		
Teaching methods			Points
	Group discussion		X
	Lecture		X
	Presentation		X
Evaluation Criteria	Methods	Date/deadlines	Percentage (%)
	Midterm Exam	Week 9	30
	Class attendance		5
	Activity		5
	Quizzes (2)	Week 5/12	10
	Presentation	Week 13	5
	Written assignment	Week 14	5
	Final Exam	Week 16	40
	Total		100
Policy	Written assignment: Students are obliged to prepare written papers focusing on different case studies, which will be realized individually by each of them. Presentation: Students will be divided into small groups (up to 5) to prepare group presentations, dedicated concrete challenging problems of regulation. After successful presentations, each group will have a gained score, which can be different depending on each student's contribution to the group work. Class attendance: Students scores in this case will be deducted proportionally to their absence during the semester. Quiz: There will be four quizzes and these quizzes will constitute 10 percent of the total grade. Makeup quizzes will not be given except in the case of dire emergency.		

		Students are required to turn in answers to assignments at the beginning of the classes at which they are due. Late assignments will not be accepted. All quizzes will consist of both open-ended and multiple-choice questions. 80% of questions in all quizzes will be open ended, 20% will be multiple-choice questions.	
Tentative Schedule			
Week	Date/Day	Topics	Textbook/Assignments
1		Introduction to the theory and practice of the public sector	Ch1,2 (1) / Handout
2		Fundamentals of welfare economics (1)	Ch.3,4 (1) / Handout
3		Fundamentals of welfare economics (2)	Ch. 5,6 (1) / Handout
4		Public expenditure: theory and practice	Ch.8, 9 (1) / Handout
5		Education (Quiz 1)	Ch.14 (1) / Handout
6		Social insurance	Ch.16 (1) / Handout
7		Social security	Ch.16 (1) / Handout
8		Health care	Ch.13 (1) / Handout
9		Midterm exam	
10		Welfare and redistribution of the incomes	Ch.15 (1) / Handout
11		Economics of taxation (1)	Ch.17 (1) / Handout
12		Economics of taxation (2) (Quiz 2)	Ch.18 (1) / Handout
13		Public Budget (1) (presentation)	Ch. 4 (2) / Handout
14		Public Budget (2) Written assignment	Ch. 4 (2) / Handout
15		Extra budgetary funds: the case of SOFAZ	Handout
16		Review/ Final exam	