

Identification	Subject	ECON 440 Public Finance – 3KU credits (6ECTS)	
	Program	Undergraduate	
	Department	Economics and Management	
	Term	Fall, 2025	
	Instructor	Ingilab Ahmadov	
	E-mail	ingilab@khazar.org	
	Classroom/hours		
Prerequisites	ECON 203 Microeconomics		
Language	English		
Compulsory/Elective	Compulsory		
Textbooks and course materials	Main textbook; Public Finance and Public Policy, Jonathan Gruber, 7th edition, 2022		
Course outline	In the first part of the course, students focus on understanding the essence of public finance, necessity of government intervention in the economy, specifics 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.		
Course objectives	The course examines the overall role of Government in the economy, the nature of public finance and the specific role of taxes in the economy. It consists of the common public finance theory and practice, budgetary process, key areas for government expenditures, such as education, public health, social insurance and security, welfare programs, etc. The course also provides some basics knowledge on taxation and role of taxes in the economy.		
Learning outcomes	After successful completion of the course students will be able to identify the role of Government in the economy, choose the essence of public and private goods, and understand the functions of public budget. Besides, they can identify public insurance programs and understand the basic construction of social security programs as well. Students can also specify the welfare programs and distinguish different cases of welfare policy of the governments in the world. Finally, students can navigate the role of taxes in the economy, they can guide the varieties of tax policy in the world.		
Teaching methods	Group discussion		X
	Lecture		X
	Presentation		X
Evaluation Criteria	Methods	Date/deadlines	Percentage (%)
	Midterm Exam		30
	Class attendance		5
	Quizzes (2)		10
	Presentation		10
	Written assignment		10
	Final Exam		35
	Total		100
Policy	<p><b>Written assignment:</b> Students are obliged to prepare written papers focusing on difference case studies, like public finance architecture of Azerbaijan; SOFAZ case, etc., which will be realized individually by each of them.</p> <p><b>Presentation:</b> Students will be divided into small groups (up to 4) to prepare group presentation, dedicated concrete challenging problems, like "The social insurance problems in Azerbaijan". After successful presentations, each group will have a gained score, which can be different depending on each student's contribution to the group work.</p> <p><b>Class attendance:</b> Students scores in this case will be deducted proportionally to their absence during the semester.</p> <p><b>Quiz:</b> There will be 2 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.</p>		
Tentative Schedule			
Week	Date/Day	Topics	Textbook/Assignments
1		Introduction	Chapter 1
2		Externalities and public goods	Chapter 5,7
3		Externalities and public goods (2)	Chapter 5,7
4		Political economy and public choices	Chapter 9

5		Education ( <b>Quiz 1</b> )	Chapter 11
6		Social insurance	Chapter 12
7		Social Security	Chapter 13
8		<b>Midterm exam</b>	Chapters 1,5,7,9,11, 12
9		Health Insurance	Chapter 15
10		Welfare Programs	Chapter 17
11		The Economics of Taxation (1)	Chapter 18
12		The Economics of Taxation (2)	Chapter 18
13		Public Budget 1 <b>Written assignment</b>	Chapter 4
14		Extra budgetary institutes: The case of SOFAZ. Written assignment deadline: ( <b>Quiz 2</b> )	
15		Public Budget 2 ( <b>presentation</b> )	Chapter 4
16		Review/ Final exam	