

Public Economics – L36

AY 2021/2022

Program of lectures

Lecturer: Plinio Limata

Period: Second Semester AY 2021/2022

Practical information

Course timetable: There will be 60 hours of lectures split into 30 2-hour sessions, on Monday (4 pm – 6 pm; Room 14 – Pompeo Magno), Wednesday (08 am – 10 am; Room 15 – Pompeo Magno), and Thursday (10 am – 12 am; Room 15 – Pompeo Magno)

The online lessons can be accessed here: <https://meet.google.com/utd-rsjx-rwc>

Office hours for student reception: Tuesday 12 am – 14 am (Booked with a previous email, the reception can take place in person or online)

The didactic material will be available on Google Classroom.

Textbooks and teaching material

We will use a text explicitly created for the course by assembling chapters from various other textbooks. References to purchase it will be provided soon.

Price: € 34.00

Title: Public Economics

Plinio Limata

LUMSA Libera Università Maria Ss. Assunta ISBN : 9781307682106

Additional materials used (slides, articles, etc.) will be posted on Google Classroom.

NB. The slides will be made available online after the lesson. However, please note that the slides' function is to make the teacher's oral lesson more usable. They do not replace notes taken individually nor the reference text. In other words, slides are useless if you are not present in class. The slides are useful for those attending, as they delimit the course topics that are valid for the exam.

The frequency of the lessons is monitored in various ways.

Online and/or Hybrid lessons

Hybrid lessons will occur in the classroom (Students are requested to reserve their seats via the LUMSA Student Booking and on Google Meet. Access is strictly reserved for students of the course and must be done with a Lumsastud account.

The frequency of the lessons is monitored in various ways, mainly through online quizzes made repeatedly throughout the course of the class. Quizzes are administered through the *quizziz.com* site. Quizzes' performance will also be used for final points.

Participation in the online lesson is subject to acceptance of the code of conduct illustrated below.

Examination method in force until the pandemic continues

Due to the restrictions put in place for the health emergency that requires taking the exam even online, the final exam consists of three parts lasting 30 minutes each. The first part consists of an elaborate open-ended question. The second part consists of a multiple-choice quiz, and the third part, reserved for non-attending students, focuses on additional open-ended questions. The written exam is completed by an oral exam in which the performance of an exercise is required.

Code of conduct for participation in lessons

For students of the academic year 2021-2022 of Public Economics L36.

We are starting the 2021-2022 academic year with a new hybrid model of attendance, partly online and partly in person. To participate in the online classes, you must adhere to the following code of conduct:

1. Your presence is required at least 2/3 (20/30) of the lessons to qualify you as an attendant. Attendance at the class is an objective fact, and any absences of more than 1/3 of the types, although adequately motivated, cannot be justified. Attendance is measured by participating in several online quizzes during the lesson.
2. Participation in the online lesson is subject to the following rules:
 - a. must keep the video camera always on for the duration of the class.
 - b. must keep the audio off unless he is invited to speak.
2. Other rules concerning audio and video settings, rules for discussions, and asking questions will be communicated later.
3. Whether you are in the classroom or attending remotely, you will be visible to all participants, so please always maintain a professional appearance, conduct, and language.
4. You will need to check in advance that you can access the platforms provided for teaching (google meet, quizziz, dropbox, etc.) and that the camera and audio settings work.
5. It is forbidden to share the material used and distributed in the classroom, video or audio material of the lessons with third parties.
6. It is forbidden to film or photograph the screen during the lesson.
7. During the administration of tests in the classroom, such as quizzes, it is forbidden to interact with course colleagues.

Additional points on the final grade

During the first lesson, it will be illustrated how to obtain a bonus of 0-3 points to be added to the final test outcome. This bonus is reserved for attending students.

N.	Title of the Lesson	Note	Reference materials
1	Presentation of the course and teaching tools	What is public economics? Syllabus, teaching material, exam, grade	
2	Market efficiency and failures	Didactic experiment - Apple Market	
3	Public economics: aims and tools of analysis	Theory and empirical analysis	Chapter 2
4	Public actors and Tragic choices	Institutions, public choices and collective actions, tragic choices	
5	Market efficiency and failures	Pareto efficiency, MRS, MRT, and MRTS, Efficiency.	Chapter 1 and Chapter 3
6	Utilitarianism, happiness, ethics of virtues	Lecturer: Paolo Santori	
7	Happiness and relational goods	Easterlin's Paradox, World Happiness Report, Economy of Happiness, Francesco's Economy	
8	Welfarist social welfare functions	Utilitarian function, à-la Nash, Rawls	Chapter 3 and Chapter 6
9	Individual wellbeing, social relations and satisfaction: a beyond GDP perspective	Lecturer: Dalila De Rosa	
10	Not Welfarist social welfare functions	Nozick, Sen	
11	Market power: monopoly	Review: Elasticity, Economies of Scale and Purpose, Profit Maximization, Deadweight Loss	Chapter 6 and Chapter 7
12	Market power: monopoly	Price discrimination	Chapter 8
13	Market power: oligopoly	Introduction to game theory – Oligopoly: Cournot, Bertrand, and Stackelberg	Chapter 9
14	Market power: solutions	Natural monopoly, relevant market, subsidy, average cost pricing, price cap	Chapter 10
15	Market power: solutions	Essential infrastructures, utilities, liberalizations, and Antitrust legislation	Chapter 10
16	Market power	Exercises	

17	Public goods – Theory	Non-rivalry and non-excludability, demand for public goods, and free riding	Chapter 11
18	Public goods – Theory	Public supply of private goods	Chapter 11
19	Public goods	Experiment	
20	Public goods	Exercises	
21	Externalities – Theory	Private solutions, Coase Theorem	Chapter 11
22	Externalities – Theory	Public solutions, Pigouvian taxes, cap & trade systems	Chapter 11
23	Externalities	Exercises	
24	Information Asymmetries	Experiment	
25	Exam test simulation		
26	Information asymmetries – Theory	Market incompleteness, adverse selection, signaling	Chapter 12
27	Information asymmetries – Theory	Moral hazard, insurance	Chapter 12
28	Income redistribution and the welfare state	Theory	Chapter 13
29	Income redistribution and the welfare state	Health expenditure and pension expenditure	Chapter 14
30	Income redistribution and the welfare state	Unemployment support	Chapter 15 and Chapter 16