



**LUND**  
UNIVERSITY

Faculty of Social Sciences

## **WPMA11, Economics: An introduction to Public Economics, 15 credits**

*Economics: An introduction to Public Economics, 15 högskolepoäng*  
**First Cycle / Grundnivå**

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### **Details of approval**

The syllabus was approved by Faculty Board of Social Sciences on 2011-11-17, spring semester 2012.

### **General Information**

This is a mandatory course in Economics with focus on public economics within the programme Master of Science (Two Years) in Welfare Policies and Management.

*Language of instruction:* English

### **Learning outcomes**

On completion of the course, the student shall

#### **Knowledge and understanding**

- demonstrate knowledge and understanding of fundamental microeconomic models and be able to apply them to public sector issues

#### **Competence and skills**

- be able to identify and understand differences between normative analysis and positive analysis of public policy issues
- be able to identify and explain the arguments for and against public sector activities
- recognize and communicate current public sector developments using insights from public economics.

### **Course content**

The aim of the course is to give an introduction to public economics. The course starts with the introduction of key concepts of microeconomics. We begin with the analysis of price formation using a model of supply and demand. The model forms the basis for a deeper analysis of consumer and producer behaviour. Thereafter we study market structures with varying degrees of competition and sources of market failure – with that as the starting point we move on to government intervention.

We discuss the rationales for government interventions in terms of efficiency and equity. A normative analysis provides a framework for evaluating the desirability of government intervention, making judgements about what governments should do. Arguments for government intervention like market failures, income redistribution and merit goods are examined as well as the reasons for government failure. In that context we look further into the theory of public choice. We also perform a positive analysis of public sector activities, studying what government actually does and the consequences of regulation, public spending and public financing, for households and firms. Besides these basics of public economics the course offers an in-depth analysis of various topics, e.g. health care, social insurance, income taxation, transfer programs etc. The choice of topic(s) may vary between semesters.

## Course design

The course consists of lectures and seminars. The student's learning is assessed throughout the course through assignments, an individual essay and active participation (oral presentation and opposition) in a final seminar.

## Assessment

Re-examination will be offered after the end of the course. If necessary, a second re-examination will be arranged at a later date.

*Subcourses that are part of this course can be found in an appendix at the end of this document.*

## Grades

Marking scale: Fail, E, D, C, B, A.

The grades awarded are A, B, C, D, E or Fail. The highest grade is A and the lowest passing grade is E. The grade for a non-passing result is Fail.

The student's performance is assessed with reference to the learning outcomes of the course. For the grade of E the student must show acceptable results. For the grade of D the student must show satisfactory results. For the grade of C the student must show good results. For the grade of B the student must show very good results. For the grade of A the student must show excellent results. For the grade of Fail the student must have shown unacceptable results.

At the start of the course students are informed about the learning outcomes stated in the syllabus and about the grading scale and how it is applied in the course.

## Entry requirements

To be eligible for the course requires that the student is registered in the programme Master of Science (Two Years) in Welfare Policies and Management.

### **Further information**

Successful completion of the course qualifies for the first cycle course (Progression Level: 2) in Public Economics (NEKB29) at the Department of Economics, Lund University.

## Subcourses in WPMA11, Economics: An introduction to Public Economics

Applies from V12

1101 Course Paper, 15,0 hp  
Grading scale: Fail, E, D, C, B, A