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## PUBLIC FINANCE

SECS-P/03 - 9 CFU - 1° semestre

### Docente titolare dell'insegnamento

#### CALOGERO GUCCIO

**Email:** guccio@unict.it

**Edificio / Indirizzo:** Palazzo delle Scienze - C.so Italia, 55 - Catania, stanza 33 - IV piano

**Telefono:** 095/7537744

**Orario ricevimento:** Martedì dalle 15:30 alle 17 e giovedì dalle 15:30 alle 17. (Sino a nuove disposizioni via Microsoft Teams contattando il docente per mail. Per aggiornamenti si rinvia alla bacheca degli orari o quella personale del docente)

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## OBIETTIVI FORMATIVI

### Course taught in English

**1. Knowledge and understanding:** The course's goal is to provide students with advanced knowledge and skills on the role of public finance and the effects of taxation in the modern market economies. The course will develop analytical knowledge of the main tools of the public sector's financial activity, with particular regard to those of public accountancy and national budget, following the most recent theoretical developments and normative provisions.

**2. Applying knowledge and understanding:** The knowledge of the main tools of the public sector's activity will enable students to use and interpret the main documents of public finance, while the development of analytical skills on the structure and the implications of the different tax models will allow them to deal with the problems related to economic-managerial decisions, thus taking into account the effects caused by taxation.

**3. Making judgements:** The acquisition of analytical competences concerning the basic variables and tools of public finance will enable students to autonomously evaluate the fiscal and economic-financial implications of different investment choices, as well as the different economic-managerial phenomena, taking into account also the taxation aspect.

**4. Communication skills:** The student will develop communication skills and an appropriate technical language, with special regard to the analysis of the macroeconomic and microeconomic context, concerning those variables of public finance which are relevant for corporate finance decisions, so as to be able to convey technically rigorous information to experts and non-experts.

**5. Learning skills:** Students' learning skills will be stimulated through a proper interaction and discussion on the general knowledge and skills and on their application to case studies.

## **PREREQUISITI RICHIESTI**

Although not mandatory, a good knowledge of microeconomics tools at intermediate level is strongly recommended. Furthermore some knowledge of intermediate calculus and statistics is endorsed.

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## **FREQUENZA LEZIONI**

Normally mandatory

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## **CONTENUTI DEL CORSO**

Market failures and government intervention. The tools of public finance, the role of the national budget and fiscal policy. The analytical tools of public finance, the role of the budget and fiscal policy. general issues involved in taxation of income from different sources such as labour, risk taking, wealth and business income, including the treatment of corporate income. Analyse both the short- and long-run impacts of the income tax on output, allocation of time, labour supply and investment, and more general on the efficiency of resource use. Discuss the incidence of the labour, risk taking, wealth and business income tax, including its effect on product prices, return to investment, and wages. The tax system in practice: the personal income tax, the value added tax, the taxation of capital and business income. Taxation and regulation of the financial Sector. The course consists of 30 lectures, each lasting 2 hours.

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## **TESTI DI RIFERIMENTO**

1. J. Gruber, Public Finance and Public Policy. 3rd ed. Worth Publishers, 2009. (Chapters, 1, 2, 18, 19, 20, 21, 22, 23, 24).
2. Hindriks, J., and Myles, G. D. Intermediate public economics. Cambridge: MIT press, 2006. (Chapter, 14 - excluding paragraphs 14.8 and 14.9, Chapter,15 - excluding paragraphs 15.6, 15.7, 15.8, and 15.9).
3. R. de Mooij and G. Nicodème (Eds). Taxation and Regulation of the Financial Sector: MIT Press, 2014. (Chapters, 1, 2, 3, 4, 5, 10, 11, 12, 13).

### **Other useful readings:**

B. Salanie. The Economics of Taxation, Cambridge: MIT Press, 2010.

L. Kaplow. The Theory of Taxation and Public Economics. Princeton University Press, 2008.

RW. Boadway. From optimal tax theory to tax policy: retrospective and prospective views. MIT Press, 2012.

## **ALTRO MATERIALE DIDATTICO**

Further readings will be provided during the course and made available via the "Studium" course webpage.: <http://studium.unict.it/dokeos/2016/courses/1008338C0/>

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## PROGRAMMAZIONE DEL CORSO

	<b>* Argomenti</b>	<b>Riferimenti testi</b>
1	1. Introduction of public finance	Text 1. (Gruber): Chapter 1
2	* 2. Theoretical and empirical tools for public finance (first part)	Text 1. (Gruber): Chapter 2
3	* 3. Theoretical and empirical tools for public finance (second part)	Text 1. (Gruber): Chapter 2
4	4. Exercises	Teaching Material
5	* 5. Introduction on taxation (first part)	Text 1. (Gruber): Chapter 18 - Teaching Material
6	* 6. Introduction on taxation (second part)	Text 1. (Gruber): Chapter 18 - Teaching Material
7	7. Exercises	Teaching Material
8	* 8. Equity and efficiency implications on taxation (first part)	Text 1. (Gruber): Chapters 18 - 19 - Teaching Material
9	* 9. Equity and efficiency implications on taxation (second part)	Text 1. (Gruber): Chapters 18 - 19 - Teaching Material
10	10. Exercises	Teaching Material
11	* 11. Taxes on Labor Supply (first part)	Text 1. (Gruber): Chapters 21 - Teaching Material
12	* 12. Taxes on Labor Supply (second part)	Text 1. (Gruber): Chapters 21 - Teaching Material
13	* 13. Exercises	Teaching Material
14	* 14. Taxes on saving and on Risk Taking and Wealth (first part)	Text 1. (Gruber): Chapters 22 - 23
15	* 15. Taxes on saving and on Risk Taking and Wealth (second part)	Text 1. (Gruber): Chapters 22 - 23
16	* 16. Taxes on saving and on Risk Taking and Wealth (third part)	Text 1. (Gruber): Chapters 22 - 23
17	17. Exercises	Teaching Material
18	* 18. Corporate taxation (first part)	Text 1. (Gruber): Chapter 24 - Teaching Material

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19	*	19. Corporate taxation (second part)	Text 1. (Gruber): Chapter 24 - Teaching Material
20	*	20. A more advanced treatment of the effects of Taxation: introduction	Text 2. (Hindriks and Myles): Chapters 14 -15 - Teaching Material
21	*	21. A more advanced treatment of the effects of Taxation: optimal taxation	Text 2. (Hindriks and Myles): Chapters 14 -15 - Teaching Material
22	*	22. A more advanced treatment of the effects of Taxation: optimal taxation	Text 2. (Hindriks and Myles): Chapters 14 -15 - Teaching Material
23	*	23. A more advanced treatment of the effects of Taxation: optimal taxation	Text 2. (Hindriks and Myles): Chapters 14 -15 - Teaching Material
24	*	24. Taxation and Regulation of the Financial Sector (first part)	Text 3. (de Mooij & Nicodème): Chapter 1 - Teaching Material
25	*	25. Taxation and Regulation of the Financial Sector (second part)	Text 3. (de Mooij & Nicodème): Chapters 2 and 3 - Teaching Material
26	*	26. Taxation and Regulation of the Financial Sector (third part)	Text 3. (de Mooij & Nicodème): Chapters 4 and 5 - Teaching Material
27		27. Further topics on Taxation and Regulation of the Financial Sector	Teaching Material
28	*	28. Evidence on the Efficacy of Taxation and Regulation of the Financial Sector (first part)	Text 3. (de Mooij & Nicodème): Chapters 10, 11 - Teaching Material
29	*	29. Evidence on the Efficacy of Taxation and Regulation of the Financial Sector (second part)	Text 3. (de Mooij & Nicodème): Chapters 12, 13 - Teaching Material
30		30. Evidence on the Efficacy of Taxation and Regulation of the Financial Sector: further topics	Teaching Material

\* Conoscenze minime irrinunciabili per il superamento dell'esame.

**N.B.** La conoscenza degli argomenti contrassegnati con l'asterisco è condizione necessaria ma non sufficiente per il superamento dell'esame. Rispondere in maniera sufficiente o anche più che sufficiente alle domande su tali argomenti non assicura, pertanto, il superamento dell'esame.

## VERIFICA DELL'APPRENDIMENTO

### MODALITÀ DI VERIFICA DELL'APPRENDIMENTO

Evaluation is always carried out by means of a written exam test.

### PROVE IN ITINERE

No in itinere test is planned

**PROVE DI FINE CORSO**

An optional final written exam test is planned for those students who attend the course. Those students who have not passed the optional final written test at the end of the course, or are not satisfied with their grades, must take ex-novo the written exam test during the scheduled exam periods.

**ESEMPI DI DOMANDE E/O ESERCIZI FREQUENTI**

Because the evaluation is carried out by means of a written exam is strongly suggest to review the self-assessment questions and tests reported at the end of each chapter of the Text 1 and Text 2. In Studium website are also available some examples of examinations delivered in past years. Further tests will be provided during the course and made available via the "Studium" course webpage:

<http://studium.unict.it/dokeos/2016/courses/1008338C0/>

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