Nanjing University of Finance and Economics

MASSEY INSTITUTE

Academic year: 2023-2024

Fall-Winter Semester

Public Finance: Basic Principles and Chinese Reality

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Syllabus

**OVERVIEW:**

* Public finance is the branch of social sciences/economics that analyzes the role of government in the economy.
* This course will cover:
  + The essential concepts and principles of public finance [基本概念与原理]
  + The basic tools of economics that analyze the role of government in the economy [基本分析方法]
  + China’s public finance practice and related ideological and political education [中国实际与课程思政]
* By the end of the course, you should understand:
  + What public finance does, how governments collect revenue and arrange for spending
  + How public finance affects the private sector’s decision-making and the economy
  + What is the overall system of today’s Chinese public finance

**RECOMMENDED BOOKS:**

* Course Textbook:

[1] 《公共财政概论》编写组.公共财政概论[M]. 高等教育出版社, 2019.

Rosen, Harvey S., and Ted Gayer. 2013. *公共财政概论*. 北京: 高等教育出版社.

* Suggested Readings:

1. Rosen, Harvey S., and Ted Gayer. 2013. *Public Finance*. 10th ed. New York: McGraw-Hill.
2. Greene, Joshua E. 2020. Public Finance: An International Perspective. Revised edition. New York: World Scientific Publishing Company.
3. Gruber, Jonathan. 2019. *Public Finance and Public Policy*. 6th ed. New York: Worth Publishers.
4. Lin, Shuanglin. 2022. *China’s Public Finance*. New York: Cambridge University Press.
5. Musgrave, Richard Abel. 1989. Public Finance in Theory and Practice. 5th ed. New York: McGraw-Hill.

**COURSE OUTLINE:**

1. INTRODUCTION
   1. Background
      1. The definition and core issues of public finance and why we should study it
      2. Public finance and ideology (包含课程思政)
      3. A brief overview of China’s government and public finance (重点课程思政)
   2. Analytical Tools of Public Finance
      1. Tools of positive analysis
      2. Tools of normative analysis
   3. The Role of The Government in The Economy
      1. Public goods
      2. Externalities
      3. Externalities and public goods in Chinese context (重点课程思政)
2. GOVERNMENT REVENUE
   1. Tax Revenue (包含课程思政)
      1. Taxation and income distribution
      2. Efficiency and equity of taxation
   2. Non-tax Revenue (包含课程思政)
      1. Government debt
      2. Other types of non-tax revenue
   3. China’s Government Revenue (重点课程思政)
      1. Chinese tax system
      2. China’s government revenue scale and structure
3. GOVERNMENT EXPENDITURE
   1. Government Purchase
      1. Current/operating Expenditure
      2. Capital/investment Expenditure
   2. Transfer Payment (包含课程思政)
      1. Transfer by direction: horizontal VS vertical
      2. Transfer by purpose: general VS special
   3. China’s Government Expenditure (重点课程思政)
      1. Chinese government expenditure size
      2. Chinese government expenditure structure
4. PUBLIC FINANCIAL MANAGEMENT
   1. Fiscal Policy
      1. Concept and principles of fiscal policy
      2. China’s fiscal policy practice (重点课程思政)
   2. Fiscal Relationship between The Central and Local Government
      1. Central-local government fiscal relationship in China (重点课程思政)
      2. Fiscal federalism in the US: a comparative study
   3. Fiscal Reforms in China (重点课程思政)