

Public Finance

5103700, Spring 2026

Department of Economics, National Chung Cheng University

Instructor: 洪以儒 (Yi-Ju Hung)

Lecture: Tuesday 10:10-13:00, College of Management 426

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Course Description

Public finance focuses on the government's activities and the associated economic effects. We first start by understanding why government should exist. The discussion also includes the government's activities—purchasing goods and services, investing, and transferring payments. These topics are covered in *Public Economics* in the Fall semester.

This course centers on the revenue side of a government—how a government pays for its activities, especially on taxation. Government activities can be achieved through taxes, debts, asset transfers, public enterprise operations, seigniorage, and other means. The choice of a government financing means would affect the efficiency of markets, consumption, and the formation and distribution of income and wealth.

We will start by discussing the tax analysis framework, mainly on *tax incidence* analyses. The second part of this course will introduce each of the main tax systems, including (1) the theory of income taxation, (2) the taxation of corporate income, (3) taxes on consumption and sales, and the taxes on wealth and property.

While proceeding in a traditional lecture style, this course will incorporate many discussions on relevant public policy issues. Both international and domestic issues may be used as supplemental materials in classes. Summarizing the relevant issues and/or policies and presenting your thoughts and analyses will be required. Moreover, class participation is emphasized, and students will be evaluated based on their class engagement (asking and answering questions in class and group presentation).

Required Readings:

- Hyman, David N., Public Finance: A Contemporary Application of Theory to Policy, 12th edition, 2021 (雙葉書廊)
- Rosen, Harvey S. and Ted Gayer, Public Finance, 10th edition, 2014. (華泰文化)

Evaluation

1. Midterm: 20%
2. Group Presentation: 40%
3. Problem Sets: 30%
4. Participation: 10%

Group Presentation: Students can choose their classmates to form a group to present. The size of a group will be determined based on the total number of students enrolled. The lecturer will assign the topics to each group. Presentation details, such as the length and framework, will be announced in the first class of the semester.

Problem Sets: Problem sets, mostly, require students to work on analytical questions or questions related to certain policy issues. The deadline for each homework will be announced beforehand on eCourse2. Late homework will not be marked and will receive zero points; no exception.

Participation Students are encouraged to ask questions in class, especially during the group presentation. Their participation will be graded.

Outline

The detailed weekly schedule will be announced in the first class. The syllabus, lecture slides, and all reading materials will be uploaded to eCourse2. A tentative weekly plan may be discussed in our first meeting.

Tentative Weekly Schedule

Week	Date	Topics	Readings	Presentation	Homework
1	2/24	Introduction			
2-3	3/3, 10	Taxation and Tax Incidence	Rosen & Gayer Ch14		
4-5	3/17, 24	Taxation and Efficiency	Rosen & Gayer Ch15		HW #1
6	3/31	Efficient and Equitable Taxation	Rosen & Gayer Ch16		HW #2
7	4/7	Break			HW #3
8	4/14	Midterm			
9-10	4/21, 28	Personal Income Tax	Rosen & Gayer Ch17		
11-12	5/5, 12	Taxation and Personal Behavior	Rosen & Gayer Ch18		HW #4
13-14	5/19, 26	The Corporation Tax	Rosen & Gayer Ch19 Hyman Ch15		HW #5
15	6/2	Taxes on Consumption & Sales	Hyman Ch16		HW #6
16	6/9	Taxes on Wealth & Property	Hyman Ch17 Rosen & Gayer Ch21		
17	6/16				HW #7