

Study course title	Public Finance
Study course code	Ekon1068
Credits	4 KP
European Credit Transfer and Accumulation System Credits	6 KP
Total Number of Contact Hours	64
Number of Lecture Hours	24
Number of hours for workshops	16
Number of hours for practical classes	24
Course developer	
Dr.oec. doc. Ludmila Aleksejeva	
Study course abstract	
<p>Course aim is to provide students with theoretical and practical knowledge of different economic situation within the meaning of economic sectors interact, and depending on what is necessary to determine economic policy decision making and analysis, as well as to teach to connect economic theory with real economic practice. The course includes an in-depth analysis of tax (both direct and indirect) and its impact on the economy, analysis of the underground economy, assessment of competitive peculiarities, as well as analysis of prosperity and social security in Latvia, Baltics and Eastern Europe.</p>	
Course content	
<p>During the course students acquire knowledge in economics, understanding the basic concepts and main principles of economic theory, analysis of components of the economic processes in the field of public finance.</p>	
Course plan	
<p><i>Structure of the course: Lectures - 24 h., Workshops - 16 h., Practical tasks - 24 h.</i></p> <p><i>Lectures:</i></p> <ol style="list-style-type: none"> 1. The principles of public finances. State and economy. (1 h.) 2. Market efficiency and market failures. Efficiency and equity. (1 h.) 3. Public goods. Governance structures in public sector. (2 h.) 4. Public expenditure and budget formation. The principles of state interference. (2 h.) 5. Mobilization of public resources. Tax system. (4 h.) 6. Fiscal policy. (2 h.) 7. Shadow economy: defenitions, types, national peculiarities, impact on the economy and public finances. (3 h.) 8. Social support and social defence. (2 h.) 9. Competition and economic efficiency. (2 h.) 10. Intergovernmental fiscal relations and municipal finances. Fiscal decentralization. (2 h.) 11. Public-private partnership in production and provision. (1 h.) 12. National regulatory policy: financial and administrative leverage. Legislation. (2 h.) <p><i>Workshops:</i></p>	

13. Priorities and Development of Public Finance: Latvia and Eastern European Countries. Current issues and solutions. (2 h.)
14. Public-private partnerships. (2 h.)
15. Types of taxes and tax administration. (2 st.)
16. Global Competitiveness Index: an assessment of Eastern European countries. (2 h.)
17. Size of the public sector in Eastern Europe and other countries. State and local government interventions (2 h.)
18. Administrative, political and economic constraints in the design and implementation of public finance reforms. (2 h.)
19. Structure of state and municipal expenditures. (2 h.)
20. The size and structure of the shadow economy in different countries. (2 h.)

Practical tasks:

21. Economic development challenges in the field of public finances. (2 h.)
22. The philosophical and ethical aspects of taxation. Optimal taxation and tax evasion. Shadow economy. (2 h.)
23. Tax forms and functions. (4 h.)
24. Municipal finance analysis: comparative examples. (4 h.)
25. Public sector intervention: determining liability and size of public sector in different countries. (2 h.)
26. The role of public authorities in the redistribution of public finances. (2 h.)
27. Taxes and revenues: consumption, income, wealth: tax effects. (2 h.)
28. Prevention of anti-competitive practices. (2 h.)
29. Wealth and social security. Pension system: Latvia, Eastern Europe. Minimum wage, minimum income. (4 h.)

Learning outcomes

During the course students acquire theoretical knowledge and skills in solving the challenges of the labour market at different levels. After successful completion of the study course, students will be able to demonstrate:

Academic competences:

1. the understanding of the economy of the public sector in the Republic of Latvia, the nature of its regulation, the variety of instrumentation for the realization of such processes;
2. got knowledge about the formation of economic policy, its realization possibilities and effectiveness factors;
3. skills to study economic literature, to understand and compare the interaction of economic and political factors in the development of the labour market, as well as the skills to analyze economic facts and figures, to think in economic categories;
4. students have a deeper understanding of taxes, tax policy and the essence of administration.

Professional competencies:

1. students have practical skills in public finance analysis;
2. students acquire knowledge and skills that allow them to navigate and analyze the economic sector of the public sector in Latvia, the EU and Eastern European countries;
3. students acquire skills to understand the public finance system, tax policy, its interaction with other fields.

Requirements for awarding credits

A practical task involves the preparation of individual or group tasks, the course ends with the preparation and presentation of the essay.

The final exam consists of:

Active participation on practical classes.

Practical tasks - 50%

Theoretical material - 20%;

Final Test - 30%

Compulsory Reading List

1. Bikse V. Makroekonomika: teorija un politika. Liepāja: LiePA, 2015.
2. Rosen, Harvey S., Gayer Ted. Public finance, 8th ed. Boston : McGraw-Hill, 2008. 584 p. (25)
3. Stiglitz, Joseph E. Economics of the public sector, 3rd ed. New York; London: W.W. Norton & Co, cop. 2000. 823 p. (1)
4. Kavale L., Joppe A. Nodokļu politikas un administrēšanas pamati. – Rīga, Latvijas Universitāte, 2008. 78 lpp.

Further Reading List

1. Balodis, K. Ievads tautsaimniecībā un ekonomiskā politika. SIA "Drukātava", 2013.
2. Bikse V. Ekonomika un bankas. Latvijas Komercbanku asociācijas Konsultāciju un mācību centrs, 2009.
3. Kasalis E. Makroekonomika. LU, Rīga, 2002.
4. Šenfelde M. Makroekonomika. Rīga, 2009.
5. Dovlabekova I., Eteris E., Zelmenis D. Eiropas Savienības ekonomiskā politika un Latvija. -RSU izdevniecība, Rīga, 2008., 351 lpp.
6. Kavale L. Nodokļu politika. – Rīga, Baltic Economic Management Training Program, Halifax, Canada ; sagat. sadarbībā ar Valsts administrācijas skolu, Latvija, 1998. 49 lpp.
7. Blank R.M. (2000), When Can Public Policy Makers Rely on Private Markets? Economic Journal, Vol. 110, No. 462, p. 34-49.
8. Jonathan Gruber (2011) *Public Finance and Public Policy*, 3rd edition, Worth Publishers,
9. Nicholas Barr (2012) *The Economics of the Welfare State*, (5th ed.), Oxford University Press,.
10. Tanzi V., Schuknecht L. (2000), Public Spending in 20-th Century: A Global Perspective. N.Y.: Cambridge University Press Coppock L., Mateer d. Principles of Macroeconomics (Second Edition), 2015
11. Хубиев К.А., Титова Н.И., Киреев А.В. Макроэкономика. Методическое пособие для преподавателей и студентов. М.: ТЕИС, 2014.
12. Liepiņš A. Analītiskā makroekonomika: Mācību līdzeklis. Rīga: Biznesa augstskola Turība, 2007.
13. Economic Development of Latvia: Report. Ministry of Economics of Latvia. Riga, 2016.

Notes

Bachelor study program "Eastern culture and business communication", Part C