

## Public Finance

Code: 101085  
ECTS Credits: 6

**2025/2026**

Degree	Type	Year
Political Science and Public Management	OT	3
Political Science and Public Management	OT	4

## Contact

Name: Guadalupe Souto Nieves

Email: guadalupe.souto@uab.cat

## Teachers

(External) Laia Bosque

## Teaching groups languages

You can view this information at the [end](#) of this document.

## Prerequisites

It is highly advisable to have passed the "Political Economy" 1st year course and the "Economic Policy and Public Sector Economics" 3rd year course.

## Objectives and Contextualisation

This is a 4th year subject, and, as a consequence, of specific formation. It provides the instruments required for the economic analysis of a variety of government revenue sources, particularly taxes. Tax analysis can be undertaken from two perspectives. On the one hand, according to efficiency and equity criteria, the principles to be fulfilled by a tax system have to be specified. Both tax design and tax reform must be based on these principles. On the other, who bears the tax burden has to be ascertained.

The objectives of the course are the following:

1. Achieving a good knowledge of the instruments of government financing.
2. Analyzing the economic effects of different types of taxes.
3. Discussing rigorously the consequences of a variety of taxes in terms of efficiency and equity.

## Competences

Political Science and Public Management

- Arguing from different theoretical perspectives.
- Distinguishing the discipline's main theories and different fields: conceptual developments, theoretical frameworks and theoretical approaches underlying the discipline's knowledge and different areas and sub-areas, as well as their value for the professional practice through concrete cases.
- Identifying sources of data and conducting bibliographic and documentary searches.
- Managing the available time in order to accomplish the established objectives and fulfil the intended task.
- Realising effective oral presentations that are suited to the audience.
- Working autonomously.
- Working in teams and networking, particularly in interdisciplinary conditions.

## Learning Outcomes

1. Analysing and explaining the economic dimensions behind public policies.
2. Arguing from different theoretical perspectives.
3. Assessing the role of the public sector as an economic agent.
4. Critically analysing the impacts of reinforcement policies and subsidies.
5. Describing the ecological taxation and its relationship with the principle of sustainability.
6. Diagnosing specific situations and economic problems.
7. Efficiently describing forms of public intervention concerning the economic system.
8. Explaining political principles and impact of (distributive and redistributive) tax policies on economic inequality and social equity.
9. Explaining the consequences of a fiscal reform and changes on the government's tax issues.
10. Identifying sources of data and conducting bibliographic and documentary searches.
11. Managing the available time in order to accomplish the established objectives and fulfil the intended task.
12. Realising effective oral presentations that are suited to the audience.
13. Reflecting on the proposals of current economic policies, in several fields (financial, fiscal, incomes policy, etc.) and several territories (World, Europe, Spain).
14. Specifying the roles, dimensions and structure of the public sector in the economy.
15. Working autonomously.
16. Working in teams and networking, particularly in interdisciplinary conditions.

## Content

### 1. INTRODUCTION

A comparative analysis of government revenues and expenditures in Spain and in Europe. The economic role of the public sector. Efficiency and equity: the fundamental theorems of Welfare Economics. The government budget constraint. Major public expenditure programs. Major components of the tax system. Tax principles.

### 2. TAXATION AND EFFICIENCY

Lump-sum taxes and distortionary taxes. Taxes and excess burden. Consumer surplus and producer surplus. Income effects, substitution effects and excess burden. Analysis of excess burden with demand and supply curves.

### 3. TAXATION AND EQUITY

Tax equity: the ability-to-pay principle and the benefit principle. Progressivity, proportionality and regressivity. The effects of taxes on income distribution. Tax incidence. Partial equilibrium models and the role of elasticities. The Harberger model of tax incidence in general equilibrium.

#### 4. INCOME TAXATION

The taxation of personal income. Definition of income. Exclusions, deductions and credits. The choice of the tax unit. Economic effects of the personal income tax. The Negative Income Tax. The taxation of corporate income.

#### 5. SALES AND CONSUMPTION TAXES

Sales and excise taxes. Monophasic and multiphasic taxes. Excise taxes as an externality-corrective device. The Value Added Tax. Types of Value Added Tax.

#### 6. SOCIAL SECURITY AS A TAX

Objectives and institutional design of social security. Social Security in Spain. Benefits: retirement, unemployment, survivors and disability. The payroll tax for social security. Employer share and employee share. The role of the relationship between taxes paid and benefits received.

#### 7. WEALTH TAXATION

The case for and against taxing wealth. A classification of wealth taxes. The property tax. Inheritance and gift taxes.

#### 8. FISCAL FEDERALISM

The case for and against a decentralized system of government. Community formation and the optimal size of jurisdictions. The Tiebout model and "voting with the feet". The financing of decentralized levels of government. Subcentral financing through taxes, transfers and debt. Intergovernmental grants.

### Activities and Methodology

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Case studies	15	0.6	4, 3, 12, 11, 10
Lectures	30	1.2	4, 1, 3, 5, 6, 14, 8, 9, 13
Type: Supervised			
Tutorials and essays supervision	15	0.6	11, 10, 16
Type: Autonomous			
Study, preparation and other activities	80	3.2	1, 2, 8, 12, 11, 10, 16

The course will have the following activities:

- Lectures, in which the instructor shares with students the basic issues of the topic. Attending lectures becomes essential to acquire the basic knowledge to be supplemented with personal effort.
- Practical classes, including activities undertaken jointly by students and the instructor, i.e., solving problem sets, case studies or discussing current economic issues, or presentations by students.
- Recommended activities, such as attending seminars or lectures.

- Autonomous activities by students, such as studying additional material or solving case studies.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

## Assessment

### Continous Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Case study	10%	3	0.12	4, 1, 2, 3, 7, 6, 9, 12, 11, 10, 13, 15, 16
Case study	10%	3	0.12	4, 1, 2, 3, 7, 14, 8, 9, 11, 15
Written exam	40%	2	0.08	2, 5, 14, 8, 12, 11, 10, 16
Written exam	40%	2	0.08	4, 1, 2, 3, 7, 5, 14, 8, 9, 11, 15

### CONTINUOUS ASSESSMENT

Evaluation of the course will be on a continuous assessment basis with the following criteria:

1. Two written exams, to be carried out on established dates, with weighs 40% each.
2. Two case studies, to be delivered on established dates, with weighs 10% each.

The instructor will set the dates along the first week of the course. Students will strictly respect the above-mentioned dates. Otherwise they will not be evaluated.

To pass the subject, the average grade of the two written exams should not be less than 3.5, and the total average not less than 5.0.

In case plagiarism is detected, the grade assigned to the activity will be 0.

In this course, the use of Artificial Intelligence (AI) technologies is allowed as an integral part of the development of assignments, provided that the final result reflects a significant contribution from the student in terms of analysis and personal reflection. Students must clearly identify which parts were generated using such technology, specify the tools used, and include a critical reflection on how these tools have influenced both the process and the final outcome of the activity. Lack of transparency in the use of AI will be considered a breach of academic integrity and may result in a grade penalty or more serious sanctions in severe cases.

#### Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

#### Retake process

According to the article 112.3 of the UAB Academic Regulations, those students who fail the subject can retake it in a unique exam, in the date scheduled by the Faculty, if they have participated at least in 2/3 of the evaluation activities obtaining a grade of 3.5 or above.

### UNIQUE ASSESSMENT

Students who opt for this assessment modality must:

1. Submit a written work on one of topics of the course contents (15% of the final grade). The detailed description of the content and the formal aspects of said work will be announced on the virtual campus at the beginning of the course. The date of presentation of the work is the same as the official one established by the faculty for the final exam.
2. Make an oral presentation, lasting 10 minutes, of the work detailed in 1) (15% of the final grade). Said presentation will be made on the same date established by the Faculty for the final exam, and once the exam described in section 3).
3. Take an exam in which theoretical and practical knowledge, and analytical capacity of the different concepts worked during the course must be demonstrated (70% of the final grade). Said exam will take place on the official date established by the Faculty.

Grade revision process

Final grade revision will follow the same procedure as in the case of continuous assessment.

Retake process

The same system established for continuous assessment will be applied.

## Bibliography

Albi, E., González-Páramo, J.M, R.M Urbanos i I. Zubiri (2017), "Economía Pública, Volums I i II," Ariel Economía Barcelona, (Fourth edition)

Esteller, A. (coordinador) et al.: "Economía de los impuestos". Ediciones Universitarias McGraw-Hill.

Stiglitz, J. and Rosengard, J. 2016. Economics of the public sector. Norton & Company.

## Software

No specific software is required, beyond a word processor and the use of spreadsheets

## Groups and Languages

Please note that this information is provisional until 30 November 2025. You can check it through this [link](#). To consult the language you will need to enter the CODE of the subject.

Name	Group	Language	Semester	Turn
(PAUL) Classroom practices	51	Catalan	first semester	afternoon
(TE) Theory	51	Catalan	first semester	afternoon