Course Description
This course is designed to provide students with the basic concepts of public finance, including the application of efficiency criteria to political decision-making, allocation of resources to social goods, tax subsidy as correctives for externalities, and minimizing excess burden of financing government activities. The course will also discuss equity criteria for tax systems and income distribution. In addition, the course will cover an analysis of public finance issues confronting the Egyptian economy post the January 25th Revolution and an evaluation of the policies implemented in the past decades, as well as discussions on future prospects for policies to meet the aspirations and demands of the Egyptian people.

Course Objectives

- Acquainting students with government policies, tools and theories to prepare them to become future government leaders.
- Explaining thoroughly the taxing system and giving a better understanding of the applications of tax theory to policy making.
- Understanding political equilibrium, the role of political parties, voting, and the effect of logrolling.

Textbook

Course Content
The course will cover:

**Part One: The economic basis for government activity; efficiency, market failure, externalities, public goods, and political equilibrium**

Chapter 1: Individuals and Government
Chapter 2: Efficiency, Markets, and Governments
Chapter 3: Externalities and Government Policy
Chapter 4: Public Goods
Chapter 5: Public Choices and the Political Process

**Part Two: Principles of government finance**

Chapter 10: Introduction to Government Finance
Chapter 11: Taxation, Prices, Efficiency, and the Distribution of Income
Chapter 12: Budget Balance and Government Debt
Part Three: Application of tax theory to tax policy
Chapter 13: The Theory of Income Taxation
Chapter 14: Taxation of Personal Income
Chapter 15: Taxation of Corporate Income
Chapter 16: Taxes on Consumption and Sales
Chapter 17: Taxes on Wealth, Property, and Estates

Part Four: Public Finance in Egypt
Various outside readings

Office Hours
By appointment

Grading System

- Distribution of final grade
  - First Mid-term: 30%
  - Second Mid-term: 30%
  - Third Exam: 30%
  - Policy Note—Case Study: 10%

- No make-up exams will be given unless there is a valid excuse from the AUC clinic or Dean of Students. Make-up exams will be given during the last week of classes.

- Any illegal misconduct during the class or examination will be subject to university rules and regulations (see Student Handbook).