

**COURSE DATA****DATA SUBJECT**

**Code:** 36798  
**Name:** Public sector economics II  
**Cycle:** Undergraduate Studies  
**ECTS Credits:** 6  
**Academic year:** 2026-27

**STUDY (S)**

Degree	Center	Acad. year	Period
1933 - Double Degree in Law and Economics_2022	Facultat d'Economia	3	Second quarter

**SUBJECT-MATTER**

Degree	Subject-matter	Character
1933 - Double Degree in Law and Economics_2022	Asignaturas de tercer curso	COMPULSORY

**COORDINATION**

DESCALS I TORMO ASENSI

**SUMMARY**

Economy of the Public Sector I and II are two subjects that constitute an annual block of basic and fundamental training in Public Economics. They are studied in the third year and then, in the fourth year, they are given the opportunity to study in four different fields of Public Economics through elective courses. These subjects are part of the Economics module of the Public Sector and of the subject Public Economy and Tax System and have twelve ECTS credits between the two semesters of the course. The subjects are framed in the Curricular Intensification of Public Economics.

The Subject Public Economics and Fiscal System aims to provide the student with a knowledge and understanding of the actions and functions of the public sector and some aspects of the public sector that have to do with different public revenue policies and public expenditure programs. Within this subject highlights the compulsory subjects that occupy us, Economics of Public Sector I and II, which intend to use all this knowledge and prepare the student for the rest of the elective subjects of the subject. Specifically, in Public Sector Economics I and II will be introduced the basic contents that will be developed in other subjects such as Public Economic Evaluation, Spanish Tax System, Public Regulation and Fiscal Federalism, Autonomic and Local Treasury.

**PREVIOUS KNOWLEDGE****RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE**



There are no specified enrollment restrictions with other subjects of the curriculum.

## **OTHER REQUIREMENTS**

The student should have a basic understanding. Particularly she should have followed a basic microeconomics course. Moreover, a fundamental knowledge of macroeconomics is also recommended. However it is not necessary to have passed any particular course in order to follow this subject

## **COMPETENCES / LEARNING OUTCOMES**

## **DESCRIPTION OF CONTENTS**

### **1. Introduction: Tax Systems**

Tax systems: Basic elements of taxes and their classification

Case of the Spanish tax system: Central, regional and local

Purpose and Tax Principles:

- Justice
- Efficiency
- Stability
- Development
- Operational Efficacy

### **2. Tax Incidence**

Concept of tax incidence: Economic vs. legal impact point of a tax

The basic rules of tax incidence

Extension to productive factors

Incidence in non-competitive markets

Incidence in general equilibrium. Basic concepts

Incidence and progressiveness of the tax system

### **3. Tax Efficiency**

The costs of taxation. Concept and measurement of Dead Weith Loss.

Tax distortions in partial and general equilibrium

Optimal taxation on goods and services. Ramsey's rule

Optimal taxation on income.

Definition of income and basic structure of the tax.

Treatment of patrimonial variations and other irregular incomes.



## 4. The Income Tax

Definition of income and basic structure of the tax.

Problem of the contributing unit: family versus individual.

Economic effects of the tax on the behavior of economic agents.

Some examples of Income Tax: "Flat tax", dual tax, negative income tax

## 5. Corporation Tax

Justification for the existence of this tax.

Tax structure.

Accounting result plus / minus temporary and permanent extra-accounting adjustments

Related party transactions

Treatment of depreciation.

Problem of double taxation

Corporate tax problems in a globalized world.

## 6. Taxation on Wealth

Justification of the taxation of wealth.

Forms of taxation on property and wealth.

Inheritance Tax Analysis: Inheritance Shares and Relict Flow

Analysis of the net wealth tax: application to the Spanish case.

Analysis of the local real estate tax and other patrimonial elements

## 7. Taxation on Consumption

Different ways of taxation on consumption.

Indirect taxation on consumption and the concept of tax incomes.

The value added tax.

Advantages over other forms of indirect taxation on consumption.

Basic structure of VAT.

Exceptions to the general model of VAT: The Spanish case.

Personal tax on expenditures versus personal tax on income.

## 8. Fiscal Federalism

Concept of fiscal federalism and types of decentralized political structures

The Functions of the Public Sector in a Framework of Fiscal Federalism. Optimal Assignment of Functions by levels of government

Financing Instruments and Intergovernmental Relationships.

**WORKLOAD****PRESENCIAL ACTIVITIES**

Activity	Hours
Theoretical and practical classes	60,00
<b>Total hours</b>	<b>60,00</b>

**NON PRESENCIAL ACTIVITIES**

Activity	Hours
Attendance at other activities	0,00
Individual or group project	0,00
Independent study and work	0,00
Preparation of lessons	0,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
<b>Total hours</b>	<b>0,00</b>

**TEACHING METHODOLOGY**

The development of the subject is structured mainly around the theoretical sessions and practical sessions.

Depending on the type of session (theoretical or practical) a didactic or other method will be chosen.

In the theoretical sessions the main contents of each one of the subjects that compose the subject will be exposed. The predominant teaching method in the theoretical classes will be the participatory master class. This methodology allows to manage in an organized way large groups of students offering the advantages of a master class without limiting the participation of students and the teacher-student interaction. Attempt to encourage participation and discussion in the class in order to offer the student a direct involvement with the content.

In the practical sessions the teacher will propose to the students situations (real or fictitious) that these will have to solve applying the theoretical concepts learned. These practical classes will be developed following different teaching strategies depending on the content discussed in the corresponding theoretical session

**EVALUATION**

The subject will be evaluated from the following procedures:

- 1.- Written tests consisting of one or several exams consisting of theoretical and practical questions.
- 2.- Continuous evaluation of the practical activities from the elaboration of short essays, resolution of problems and analysis of written cases indicated by the teacher.



3.- Continuous evaluation of the student, based on the regular attendance at classes and face-to-face activities, their participation and degree of student involvement in the teaching-learning process. Here we evaluate the oral participation in the classes.

The second and third procedures constitute the continuous evaluation and, taken together, will suppose 30% (thirty percent) of the final grade of the student. However, to take this part of the evaluation into consideration, a minimum grade of 4.5 (four and a half) out of 10 (ten) must be obtained in the exam (written test 1.-)

Procedures 2 and 3, corresponding to the continuous evaluation are, by their nature, NOT recoverable and the grade obtained at the end of the course in the Continuous Evaluation, will be applied both in the first and in the second call

## REFERENCES

- - MUSGRAVE, R.A., y MUSGRAVE, P.B. (1989): *Public Finance in Theory and Practice*, fifth edition, McGraw-Hill Book Company, New York. Existe traducción al español de CORONA, J.F. , COSTAS, J.C. y Díaz A. (1992) con la revisión técnica de José María Lozano Irueste, bajo el título de "Hacienda Pública Teórica y Aplicada", McGraw-Hill Interamericana de España, Barcelona. - BUSTOS, A. (1998): *Lecciones de Hacienda Pública I*. Ed. Colex, Madrid (S336.01 BUS) - GARCÍA VILLAREJO A.; SALINAS, J.(1994): "Manual de Hacienda Pública". Tecnos, Madrid.
- DESCALÇ, A.; HIGÓN, F. (2007): "Sistema Fiscal i Introducció a la Imposició". PUV, Valencia. - ESTELLER MORÉ A. (coordinador), 2014: "Economía de los impuestos", McGraw-Hill, 1ª edición. - ROSEN, H.S. (2011). "Hacienda Pública". McGraw-Hill, Madrid - GRUBER, J. (2004): "Public Finance and Public Policy". New York: Worth Publishers (S336.02 GRU) - STIGLITZ, J.E.; ROSENGAARD, J.K. (2015). "La Economía del Sector Público". Antoni Bosch editor. Barcelona - SAEZ, E.; ZUCMAN, G.: "The Triumph of Injustice". WW Norton, 2019. edición en español: "El triunfo de la Injusticia". Taurus, 2021