

Syllabus for the course

FISCAL POLICY (MODERN TRENDS AND CASE STUDIES)

Course code:	1VF466
Course title in language of instruction:	Fiscal policy (case studies) – intermediate course
Course title in Czech:	Fiskální politika (moderní trendy a případové studie) (anglicky)
Course title in English:	Fiscal Policy (Modern Trends and Case Studies)
Number of ECTS credits allocated:	3
Mode of delivery:	extra-sem; 78/0 (lectures per period / seminars per period) as intensive course
Mode of completion:	graded course
Language of instruction:	English
Level of course and year of study:	bachelor (first cycle): 3; master (second cycle): 1
Semester:	SS 2019/2020
Name of lecturer(s):	doc. Ing. Stanislav Klazar, Ph.D. (supervisor)
Prerequisites and co-requisites:	(to be taken after 1VF461)
Recommended optional programme components:	none
Work placement:	none

Aims of the course:

The course acquaints students with the main theoretical and practical issues in fiscal and budgetary policy upon a coherent macroeconomic framework, including the impacts on microeconomic behaviour.

Learning outcomes and competences:

Upon successful completion of this course, students will be able to:

- understand the macroeconomic impacts of both state budget and state debt;
- perceive the consequences of population ageing on sustainability of public finances;
- analyse the government budget constraints.

Course contents:

Course contents:

1. Short run economy – Fiscal policy in the IS-LM model (the goods market)
2. Fiscal policy in the IS-LM model (the financial market, mix of fiscal and monetary policy) (cs - How to measure the product)
3. How does the IS-LM model fits the facts (cs – Transmission Mechanism in the Euro Area)
4. Medium run economy – Fiscal policy in the AS-AD model (labour market, wage and price determination) (cs – Savings and the German recession of 2002–2003)
5. Medium run economy – Fiscal policy in the AS-AD model (putting all markets together) (cs - The informal labour market (numerical exercise))
6. The impact of expectations on fiscal policy (cs – Where to find the proper numbers? (OECD, IMF, Eurostat))
7. Long run economy – growth incentives (cs – The Effect of Taxes on Efficiency and Growth)
8. Saving, capital creation and output (cs – Social Security and Saving)
9. Technology and growth (cs – Growth and fluctuations: some economic history)
10. Budget deficits, the implications of government budget constraint (cs – Forecasting of public revenue/expenditure)

11. The case of Ricardian equivalence, Supply-side policies (cs – Behavioral Responses to Corporate Taxes)
12. The crisis of 2007–2010 (cs – Public finances in EMU 2010 vs 2007, World economic outlook – Crisis and Recovery, Has austerity gone too far?)
13. The sustainability of public finances, population aging (cs – Saving Social Security: A Balanced Approach)

cs = case study

Learning activities, teaching methods and workload (hours):

Type of teaching method	Hours of workload
	Daily attendance
Participation in lectures	26
Preparation for lectures	13
Preparation for final test	39
Total	78

Assessment methods and criteria:

Requirement type	Weight
	Daily attendance
Final test	100 %
Total	100 %

Assessment:

Graded courses
 1 Excellent (90 – 100%)
 2 Very good (75 – 89%)
 3 Good (60 – 74%)
 4 Insufficient (0 – 59%)

Ungraded courses
 P Passed
 NP Not Passed

Special requirements and details:

This course was co-funded by the European Union, the European Structural and Investment Funds, the Operational Programme Research, Development and Education.

Reading:

Type*	Author	Title	Published in	Publisher	Year	ISBN
RQ	AMIGHINI, A. – BLANCHARD, O. – GIAVAZZI, F.	Macroeconomics : a European perspective	Harlow	Pearson	2013	978-0-273-77168-5
RQ	IZÁK, V.	Fiscal policy : intermediate course	Praha	Oeconomica	2011	978-80-245-1786-5
RQ	IZÁK, V.	Indebtedness and Corporate Finance Structure				978-80-245-2094-0
RQ	SLINTÁKOVÁ, B. – KLAZAR, S.	Does the tax relief for homeownership have effect on household mortgage leverage?			2018	ISSN 1212-3609

* RQ – required RE – recommended