

Study program: Economics and business management
Type and level of studies: Undergraduate
Course unit: Economics of Public Sector
Teacher in charge: Vladan Ivanović
Language of instruction: English, German
ECTS: 7
Semester: Winter and Summer
Prerequisites: Open to learn and engage
<p>Course unit objective: The aim of this course is to introduce students with the role of state in contemporary economy and its various functions in it (economic, social, developmental). The further objective refers to explain the mechanisms of solving key economic problems in the context of mixed economy, the impact of public sector and the its mechanisms on the performance of national economy as well as potential risks related with its influence on the functioning of private sector.</p>
<p>Learning outcomes of Course unit</p> <p>Students will be able to:</p> <ul style="list-style-type: none"> - Fully understand the basic mechanisms of state involvement in contemporary economy - Acquire and expand their knowledge about positive as well as negative aspects of stateregulation - To get insights into the innovative ways of regulating economic activity - To get basic expertise about the analysis of public sector performance - To contextualize and apply the knowledge in the analysis of different problems which arise in market economy (e.g. external effects, public goods, market and state failures)
<p>Course unit contents</p> <ul style="list-style-type: none"> - Mixed economy and the role of state in contemporary economy

- Market efficiency
- Market failures
- Tradeoff between efficiency and equality
- public goods and publicly provided private goods
- Political process and demand for public goods
- State failures
- Bureaucracy
- Externalities
- Cost-benefit analysis in public sector

Literature:

1. Stiglitz, J. & Rosengard (2015). *Economics of the Public Sector*. 4th Edition. London, New York: W.W. Norton & Company.
2. Wiesner, E. (2017). Transaction cost economics and public sector rent-seeking in developing countries: toward a theory of government failure. In *Evaluation & Development* (pp. 108-131). Routledge.
3. Ramanadham, V. V. (2019). *The economics of public enterprise*. Routledge.
4. Tresch, R. W. (2021). *Public sector economics*. Bloomsbury Publishing.

Number of active teaching hours

Lectures: 3	Practice: 2			
-------------	-------------	--	--	--

Examination methods (maximal number of points 100)

Exam prerequisites	Points		
Students activity during the lectures	10		
Seminars	30		
Tests	60		
Overall	100		