



**College of Business and Economics
Department of Accounting and Finance**

Course Number	AcFn3171
Course Title	Public Finance & Tax Accounting
Degree Program	BA Degree in Accounting and Finance
Module	Public Finance and Taxation
Module No and Code	M17; AcFn-M3171
ETCTS Credits	5
Contact Hours (per week)	3
Course Objectives & Competences to be Acquired	Upon the successful completion of this module, students should be able to: <ul style="list-style-type: none">• Discuss the essence of public finance and taxation in theory and in Ethiopian context• Apply basic Ethiopian tax concepts to various circumstances relating to the employment, business and other income taxes• Apply basic Ethiopian tax concepts to various circumstances relating to VAT, turnover tax, excise taxes, and custom duty
Course Description	The course focuses on the taxing and spending activities of a government and their influence on the allocation of resources and distribution of income in general and with special reference to Ethiopia as per the new economic policy. Moreover, the course will provide a reliable foundation in the core areas of public finance and Ethiopian taxation, and enable students understand the operation of the Ethiopian tax system. The topics covered include: Introduction to public finance, tools of public finance mainly taxation, analysis of the finance system of the Federal Democratic Republic of Ethiopia with emphasis on the Taxation System.
Course Contents	
1. Basics of Public Finance <ul style="list-style-type: none">1.1. Definition of public finance1.2. Scope of public finance1.3. The role of government in the economy1.4. Public expenditure1.5. Public revenue1.6. Public debt1.7. Public administration1.8. Fiscal federalism	
2. Meaning and Characteristics of Taxation <ul style="list-style-type: none">2.1. Objectives of taxation2.2. Principles of taxation2.3. Tax classifications2.4. Tax rate structures	

- 2.5. Shifting and incidence of taxation
- 2.6. Tax evasion, avoidance and delinquency

3. Public Finance in Ethiopia

- 3.1. Features of Ethiopian Federal Finance
- 3.2. Expenditure Assignment
- 3.3. Revenue Assignment
- 3.4. Intergovernmental Transfer
- 3.5. Borrowing
- 3.6. Trends of Ethiopian public revenues, expenditures, grants, deficits, and debts
- 3.7. Budget and its process in Ethiopia

4. Ethiopian Tax System

- 4.1. Structure of Ethiopian Tax System and Administration
- 4.2. Income Taxes
 - 4.2.1. Schedule A Income
 - 4.2.2. Schedule B Income
 - 4.2.3. Schedule C Income
 - 4.2.4. Schedule D Income
- 4.3. Consumption Taxes
 - 4.3.1. Value-Added Tax
 - 4.3.2. Turnover Tax
 - 4.3.3. Excise Tax
- 4.4. Stamp duties
- 4.5. Foreign Trade Taxes
 - 4.5.1. Custom duties
 - 4.5.2. Import Procedures
 - 4.5.3. Export Procedures
 - 4.5.4. Sur-Tax

Text Book:

- Harvey S. Rosen, Public Finance, 4th edition, Richard D. Irwin, Inc., 1995.

Reference Books

- Juti Yuçelik M. and Percy W. Kierstead “Ethiopia: Presumptive Taxation” IMF working Paper. December 1994.
- Richard A. Musgrave and Peggy B. Musgrave, Public Finance in Theory and Practice, 2nd edition, McGraw Hill Inc. 1989.
- Taxation in Ethiopia. Ethiopian Chamber of Commerce Ethiopian Business Development Services Network. Jan-2005.
- Various taxes Proclamations, Regulations, and directives.

Web Sites:

- <http://www.erca.gov.et/>
- <http://www.mofed.gov.et/>