



## SECOND SEMESTER 2020-2021

### Course Handout Part II

Date: 18-01-2021

In addition to part -I (General Handout for all courses appended to the timetable) this portion gives further specific details regarding the course.

**Course No.** : ECON F341  
**Course Title** : Public Finance: Theory and Policy  
**Instructor-in-charge** : A. K. GIRI  
**Instructor** : A. K. Giri

#### 1. Scope and Objective of the Course:

The objective of the course is to acquaint the students about the fiscal functions of modern governments and to apprise them of the effects of overall expenditures and revenue policy of the government on the economy with emphasis on India.

#### 2. Text Book :

Musgrave, R. A. and Musgrave, P. B. Public Finance: Theory and Practice, Tata Mc Graw-Hill Book Company, Fifth Edition, 2004, New Delhi, .

#### 3. Reference Books:

1. David N Hyman (2011), Public Finance: A contemporary Application of Theory to Policy, 10<sup>th</sup> Edition, CENGAGE Learning.
2. Bhatia, H L (2000), Public Finance, Twenty-first revised edition, Vikas Publishing House Pvt Ltd, New Delhi.
3. Musgrave, Richard A. (1989), Public Finance in Theory and Practice, Mc Graw-Hill Book Company, New York.
4. Herber, B. P. (1996): Modern Theory of Public Finance, Richard D. Irwin Inc., Illinois.

#### 5. Course Plan:

No of Lec.	Learning Objectives	Topic	Reference
1	Why study Public Finance	Introduction	Notes
2	Externalities and Negotiations	Market Failure, Market Success and Role of Government	Notes
2	Knowledge of Public Sector Economics	Fiscal Functions: An overview	Chap1
3	Allocation, Distribution, & Public Choice	Public Provision for Social Goods	Chap 4
3	Allocation, Distribution, & Public Choice	Social Goods	Chap 5





3	Equity	Equity in Distribution	Chap 6
3	Introduction to Public expenditure	Public Expenditures: Structure and Growth	Chap 8
4	Expenditure Structure & Policy	Expenditure Evaluation: Principles	Chap 9
2	Applications of Public Expenditure	Case Studies in Expenditure Policy	Chap 10,11
1	Principles of Taxation	Introduction to Taxation	Chap 12
3	Tax equity	Approaches to Tax Equity	Chap 13
2	Tax Incidence	Tax and Expenditure Incidence: Overview	Chap 14
3	Tax Incidence	Principles of Tax Incidence	Chap 15
3	Tax efficiency	Excess Burden and efficient Tax Design	Chap 16
1	Budget Analysis	Union Budget 2021	Notes
2	Indian Public Finance	Indian Federal Finance	Chap 17(R2)
2	Centre State relationship	Indian Tax System	Chap 21(R2)
1	Indian debt analysis	Public Debts	Chap 19(R2)
1	Public Sectors in India	PSU in India	Chap 23(R2)

### 5. Evaluation Scheme:

Components	Weightage (%)	Duration (minutes)	Nature
Mid Semester Test	30	90	Open Book
Assignment, Quizzes, Class participation	30	---	
Comprehensive Exam.	40	120	Partly Open Book

6. **Make-up Policy:** Make-up will be given only on Doctor's recommendation.

Instructor-in-charge

**ECON F341**

