

**Course-Major Mandatory**  
**Public Economics II**

<b>Semester II</b>	<b>Credits: 4</b>	<b>Subject Code: AMAJCECO223501</b>	<b>Lectures: 60</b>
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**Course Outcomes:**

At the end of the course, the learners will be able to do the following

- CO 1- Discuss and describe the theoretical framework of Taxation
- CO 2- Relate and explain the conceptual and theoretical framework of public debt
- CO 3- Assess the trends and issues in Taxation and Public Debt in India
- CO 4-Discuss the concepts and issues related to Fiscal Policy
- CO 5- Review the conceptual framework of Budget including Green Budget and Gender Budget and evaluate the same in Indian Context
- CO 6- Assess the nature and issues involved in Centre State Relations in India.

**Unit 1: Taxation**

**15**

- Meaning; Types and Systems of taxation
- Impact & Incidence of Taxes; Theory of Incidence, Alternative Concepts of Incidence; Shifting of Tax Burden
- Benefit and Ability to Pay Approaches to taxation
- Theory of Optimal Taxation, Excess Burden of Taxes.
- Laffer Curve Model
- Taxation system in India- features and reforms

**Unit 2: Public Debt**

**15**

- Classical, Keynesian and Post-Keynesian Approaches of Public Debt,
- Classification of Public Debt.
- Problems and Issues of Public Debt- The Burden of Public Debt, The Inflationary Potential, Interest Payments, Sustainability of Public Debt.
- Public Debt Management, Redemption of Public Debt.
- Public Debt in India.- Trends and Issues

**Unit 3: Fiscal Policy & Budgeting**

**15**

- Objectives of Fiscal Policies, Role of Fiscal Instruments in Developed and Underdeveloped Economies; Built-in and Discretionary Stabilizers.
- Fiscal Management in India- Objectives, Fiscal Consolidation and Inclusive Growth; FRBM
- Budget- Meaning and Components, Preparation, Presentation and Execution of Budget, Economic Classification of Budget.
- Budget Deficits and their Implications, Balanced and Unbalanced Budget, Balanced Budget Multiplier.
- Gender Budgeting in India since 1991: Objectives and Measures
- Green Budgeting in India: Objectives and Measures



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<b>Unit 4: Fiscal Federalism in India</b>	<b>15</b>
<ul style="list-style-type: none"> <li>● Fiscal Federalism in India, Vertical and Horizontal Imbalance.</li> <li>● Assignment of Functions and Sources of Revenue, Devolution of Resources and Grants.</li> <li>● Theory of Grants, Resource transfer from Union to States and Local Bodies- Criteria for Transfer of Resources.</li> <li>● Centre-State Financial Relations in India, Issues in Centre State Fiscal Relations</li> <li>● Recommendations of the 15<sup>th</sup> Finance Commission</li> <li>● Problems of States' Resources and Indebtedness</li> </ul>	

**Basic Reading List:**

- Bhalla A. S. (2001) '*Market or Government Failures?- An Asian Perspective*' Palgrave Macmilan
- Bhatia, H L, *Public Finance*, Vikas Publishing House, 2018
- Funnel Warwick, Robert Jupe, Jane Andrew (2009) '*In Government we Trust: Market Failure and Delusions of Privatisation*' Pluto Press
- Gopalan Swapna (2008) *Gender Budgeting: Concepts and Experiences*, ICFAI University Press
- Gopalan Swapna (2008) *Gender Budgeting in India: Towards achieving Gender Equity*, ICFAI University Press
- Labonte Marc (2010) '*The Size and Role of Government: Economic Issues*' Congressional Research Service
- Mazzucato Marianna (2018) '*The Entrepreneurial State: Debunking the Public v/s Private Myths*' Penguin
- Singh, S K, *Public Finance in Theory and Practice*, Sultan Chand and Co, 2018
- Tyagi, B P, *Public Finance*, Jai Prakash Nath and Co. 2014
- Thomas Janet M, Callan Scott J., *Environmental Economies*, Cengage Learning 2009
- Sharma Manoj Kumar, *Fiscal Federalism, An Indian Constitution*, Satyam Law International 2017

**Reference Books:**

- Kumar Abhay, Karthikeyan Surjith, *Environmental Policies in India*, Gyan Publishers, 2015
- Misra, S K and Puri, V K *Indian Economy*, Himalaya Publishing House, 2019
- Mithani D.M. *Principles of Public Finance and Fiscal Policy* HPH, New Delhi.
- Rajesh K.Jha, *Public Finance*. Pearson Publication New Delhi, 2012
- Rangarajan C, D. K. Srivastava (2011) *Federalism and Fiscal Transfers in India* OUP, India
- Y. V. Reddy, G. R. Reddy (2019) '*Indian Fiscal Federalism*' OUP
- Shome, P. (Ed.) *Tax Policy : Handbook, Tax Division, Fiscal Affairs Department*, International Monetary Fund, Washington D.C., 1995

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