

ECO-RE-6036: Public Finance

Course Description

This course is a non-technical overview of government finances with special reference to India. The course does not require any prior knowledge of economics. It will look into the efficiency and equity aspects of taxation of the centre, states and the local governments and the issues of fiscal federalism and decentralisation in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

Course

Outline Part

1: Theory

1. Overview of Fiscal Functions, Tools of Normative Analysis, Pareto Efficiency, Equity and the Social Welfare.
2. Market Failure, Public Good and Externalities.
3. Elementary Theories of Product and Factor Taxation (Excess Burden and Incidence).

Part 2: Issues from Indian Public Finance

4. Working of Monetary and Fiscal Policies.
5. Current Issues of India's Tax System.
6. Analysis of Budget and Deficits
7. Fiscal Federalism in India
8. State and Local Finances

Readings

1. Musgrave, R.A. and P.B. Musgrave, *Public Finance in Theory and Practice*, Mc-Graw Hill, 1989.
2. Mahesh Purohit , “*Value Added Tax: Experience of India and Other Countries*”, Gayatri Publications,2007.
3. KaushikBasu,andA.Maertens(ed.),*TheOxfordCompaniontoEconomicsinIndia*, Oxford University Press,2007.
4. M.M Sury, *Government Budgeting in India*, Commonwealth Publishers,1990.
5. ShankarAcharya,“Thirtyyearsoftaxreform”inIndia,*EconomicandPoliticalWeekly*, May 2005.
6. Government of India, *Report of the 14th FinanceCommission*.
7. *Economic Survey*, Government of India(latest).
8. State Finances: A Study of Budgets, *Reserve Bank of India*(latest).

