

**5th SEMESTER**  
**DISCIPLINE SPECIFIC ELECTIVES (DSEs)**  
**OPTION – II**  
**ECONOMICS – PUBLIC FINANCE**

**Course Description**

**CREDITS:6**

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 decentralization in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

**Unit I: Nature and Scope of Public Finance**

Public Finance: Meaning and scope, Distinction between Public and Private Finance; Principle of Maximum Social Advantage; Public Expenditure: Meaning and Classification; Canons of Public Expenditure; Effects of Public Expenditure; Causes of Growth of Public Expenditure in India

**Unit II: Taxation**

Taxation-Concept and types; Canons of taxation; impact and incidence; effects of taxation; theories of taxation - Physiocratic theory; benefit it received theory.

**Unit III: Public Finance issues in India**

Working of Monetary and Fiscal Policies; current Issues of India's Tax System-GST, Basic Features of GST

**Unit IV: Fiscal Federalism in India**

Introduction; Allocation of revenue resources between centre and state; state and local finances; shortcomings of federal financing; suggestions for improvement; Finance commission-Functions, recommendations of recent finance commissions;

**Tutorial I**

Assignments

Viva voce

**Tutorial II**

Class test

Presentation, group discussion.

**Readings**

1. Lekhi, R.K & Jognder singh, (2016) Public Finance, 11th Edition, Kalyani publishers, Ludhiana, New Delhi.
2. Musgrave, R.A. and P.B. Musgrave, Public Finance in Theory and Practice, McGraw Hill, 1989.
3. Kaushik Basu, and A. Maertens (ed.), The Oxford Companion to Economics in India, Oxford University Press, 2007.
4. M.M Sury, Government Budgeting in India Commonwealth Publishers, 1990.
5. Shankar Acharya, "Thirty years of tax form" in India, Economic and Political Weekly, May 2005.
6. Misra & Puri, (2016) Indian Economy, Himalaya Publishing House, New Delhi.
7. Rudder Datt, KPM Sundaram, Indian Economy