

**Shyama Prasad Mukherji College**  
**Teaching Plan**

**Course and Year: B.A. (Hons) Economics, 2022-2023**

**Semester: Semester V**

**Taught individually or shared: Individually**

**Paper: Public Economics**

**Faculty: Vishakha Sharma**

**No. of Classes (per week): 5L +2T**

**PART 1: PUBLIC ECONOMIC THEORY**

**Unit I: Fiscal functions: an overview**

**Prescribed Reading:** Jean Hindriks and Gareth D. Myles. Intermediate Public Economics, MIT Press, 2nd edition, 2013, Chapter 5

**Number of classes required:** 6-7 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion.

**Unit 2: Public Goods: definition, models of efficient allocation, pure and impure public goods, free riding**

**Prescribed Reading:** John Cullis and Philip Jones, Public Finance and Public Choice, Oxford University Press, 2nd edition, 1998, Chapter 3 and 12

**Number of classes required:** 8-9 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion.

**Unit 3: Externalities: the problem and its solutions, taxes versus regulation, property rights, the Coase theorem**

**Prescribed Reading:** Jean Hindriks and Gareth D. Myles. Intermediate Public Economics, MIT Press, 2nd edition, 2013, Chapter 8.

**Number of classes required:** 10-11 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion.

**Unit 4: Taxation: its economic effects; dead weight loss and distortion, efficiency and equity considerations, tax incidence, optimal taxation**

**Prescribed Reading:**

- Jean Hindriks and Gareth D. Myles. Intermediate Public Economics, MIT Press, 2nd edition, 2013, Chapter 15, 16 and 17
- Joseph E. Stiglitz, Economics of the Public Sector, 3rd edition, W. W. Norton and Co. 2009, Chapter 18

**Number of classes required:** 18-19 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion.

## **PART 2: INDIAN PUBLIC FINANCE**

**Unit 5: Tax System: structure and reforms**

**Prescribed Reading:**

- M. Govinda Rao and Sudhanshu Kumar (2017). "Envisioning Tax Policy for Accelerated Development in India," Working Paper No. 190, National Institute of Public Finance and Policy (NIPFP).
- Rao, M. Govinda. (2019). "Goods and Services Tax in India: Progress, Performance and Prospects." Indian Economic Summit (2019), School of International and Public Affairs, Columbia University.
- Srivastava, D K et al. (2021). Taxing Petroleum Products: Sharing Revenue Space between Centre and States, Vol. 56, Issue No. 9, 27 Feb, 2021, EPW.

**Number of classes required:** 6-7 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Articles related to government policies related to tax and expenditure from government websites through mail/Whatsapp.

**Unit 6: Budget, deficits and public debt**

**Prescribed Reading:**

- Bajaj & Dutt (2020), “Financing of fiscal response to COVID-19: a pragmatic Alternative”, Indian Economic Review, Vol. 55. (Suppl 1): S149 – S160 Budget at Glance 2021-22.
- Chakraborty, Lekha Union Budget 2021–22: The Macroeconomic Framework, Vol. 56, Issue No. 9, 27 Feb, 2021, EPW

**Number of classes required:** 3-4 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Articles related to government policies related to tax and expenditure from government websites through mail/Whatsapp.

### **Unit 7: Fiscal federalism in India**

#### **Prescribed Reading:**

- Rao, M. Govinda. "Central transfers to states in India: rewarding performance while ensuring equity." Final report submitted to NITI Aayog (2017) (pages 1 to 18).
- Fifteenth Finance Commission Report 2021-26, Chapter 6
- Report Summary, 15th Finance Commission, PRS India

**Number of classes required:** 4-5 Classes

**Methodology of teaching:** Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Articles related to government policies related to tax and expenditure from government websites through mail/Whatsapp.

#### **Additional Readings**

- Musgrave, A. R. & Musgrave, B. P. Public Finance in Theory and Practice (5th Ed.). Mc Graw Hill International Edition.
- Stiglitz, E. Joseph. Economics of the Public Sector (3rd Ed.). New York: W.W. Norton
- Rosen, Harvey. (2005). Public Finance (7<sup>th</sup> Edition). New York: Mc Graw Hill.
- Gareth D. Myles (2012). Public Economics. Cambridge University Press
- Anthony B. Atkinson and Joseph E. Stiglitz. Lectures on Public Economics. Princeton University Press.

The additional books would be referred to clarify the basic concepts of Public Economics wherever additional information is required. Students would be encourage to refer to the additional books to understand the basic concepts of Public Economics.

### **Assessment**

**Internal Evaluation:** There will be two class tests of 10 marks each and 5 marks for attendance.

### **Tentative date of assessments/ assignments (time frame):**

1<sup>st</sup> Test: First Week of September

Assignment: 2<sup>nd</sup> week of October

2<sup>nd</sup> Test: 1<sup>st</sup> week of November

**Criteria of Assessment:** The students are assessed on comprehension and clarity of concepts based on learning and application.

I have adhered to the above-mentioned teaching plan and have completed the course on time

**VISHAKHA SHARMA**