

Course Code	Course Name	Credits
26EC509	PUBLIC ECONOMICS	04

Course Objectives

- To better understand the economics of taxes and expenditures by the government.
- To develop the theoretical, empirical understanding of government roles and rationality.
- To examine market failures caused by public goods, externalities.
- To understand public budgeting and fiscal policy.
- To basic ideas in public economics, public spending, public income, and public debt.

Learning Outcomes

Upon successful completion of this course it is intended that a student will be able to:

- The development of knowledge of financial resources for the public sector.
- Understanding the explanation for the existence of modern governments.
- Working knowledge of both the micro and macro aspects of government expenditures.
- Knowledge of the government's function and the externality phenomenon.
- An awareness of how the government budget works.

Unit 1 – Principle of Public Finance (12Hrs)

Role and significance of public finance, principle of maximum social advantage, views of Musgrave and Delton on social welfare, public goods, private goods, merit goods, mixed goods, club goods, efficiency and externalities.

Unit 2 –Public Revenue and Sources (12Hrs)

Meaning and sources of public revenue, classification of public revenue: Adam Smith's, Lutz's, Seligman's, Dalton's, and Taylor's, Taxation meaning, importance and role in economic development, value added tax, goods and service tax, incidence of taxation, measurement of incidence.

Unit 3 – Public Expenditure and Debt (12Hrs)

Meaning and role of public expenditure, Wagner's law of increasing state activities, Wiseman Peacock hypothesis, meaning, important and classification of public debt, public debt management, burden of public debt, redemption of public debt.

Unit 4 – Public Budget and Fiscal Policy (12Hrs)

Meaning, types and classification of public budget, economic and functional classification of budget, zero base budget, balance and unbalanced budget, theory of budgeting, Meaning, objective and instrument of fiscal policy.

Unit 5 –Public Utilities and Federal Finance (12Hrs)

Meaning, role and pricing policy of public enterprise, public utilities, finance commission and planning commission in resources transfer from central to the states in India, fiscal federalism in India.

Reference Books:

1. Richard A. Musgrave (1989), Public Finance in Theory and Practice McGraw Hill Book Company, New York.
2. Jha H. (1998), Modern Public Economics, Routledge, London.
3. Singh S.K. (1986) Public Finance in Developed and Developing Countries, S.Chand and Company Ltd, New Delhi.
4. Chelliah R.J. (1971), Fiscal Policy in Underdeveloped Countries.
5. Hemlata Rao (2006) Fiscal Federalism –Issues and Policies, New Country Publications, New Delhi.

Websites and eLearning Sources:

1. <https://appliedeconomics.com.au/wp-content/uploads/2021/10/public-economics-principles-and-practice-book-by-peter-abelson>
2. <https://www.scribd.com/document/388082588/Public-Economics-in-India-J-R-Gupta-pdf>
3. <https://www.cambridge.org/core/publications/elements/public-economics>
4. https://doonuniversity.ac.in/admin/assets/uploads/docs/final_public%20finance.

COs and Bloom's Taxonomy Mapping – 26EC509

Course Outcomes	On successful completion of this course, students will be able to	BTL
CO1	Explain principles, role, and significance of public finance and social welfare concepts.	K2
CO2	Apply concepts of public revenue, taxation, and incidence in economic analysis.	K3
CO3	Analyse public expenditure, public debt, and their economic implications.	K4
CO4	Evaluate public budgeting and fiscal policy instruments in economic stability.	K5
CO5	Assess public utilities and fiscal federalism in India.	K5

BTL (Bloom's Taxonomy Level) - K1 – Remembering, K2 – Understanding, K3- Applying, K4 – Analyse, K5- Evaluate and K6 - Create

Relationship Matrix – 26EC509

Course Outcomes	Programme Outcomes (POs)						Programme Specific Outcomes (PSOs)					Mean Score of Cos
	PO1	PO2	PO3	PO4	PO5	PO6	PSO1	PSO2	PSO3	PSO4	PSO5	
CO1	3	2	1	-	-	-	2	1	-	-	-	1.5
CO2	3	3	2	1	-	-	3	2	-	-	-	2.0
CO3	3	2	3	2	1	-	3	2	1	-	-	2.1
CO4	3	3	2	3	2	1	3	3	2	1	-	2.3
CO5	3	2	2	3	2	2	3	3	2	2	1	2.3
Total												2.04

Mean Score: 3- High, 2- Medium/Moderate, 1-Low

