

UNIVERSITY OF MADRAS
M.A. DEGREE PROGRAMME IN ECONOMICS
SYLLABUS WITH EFFECT FROM 2023-2024

501C3B

SEMESTER – III - CORE – VIII

PUBLIC ECONOMICS

Course Objectives:

1. To understand the economics of government expenditure and taxation.
2. To discuss the implications of policy for efficiency and equity.

Unit I: Introduction

Introduction Role of public finance - Major Fiscal functions- Private and Public goods – Mixed goods –Merit goods- Social goods-Market failure Public goods and externalities.

Unit II: Theories of Public Expenditure

Public Expenditure Theories of Public Expenditure – Musgrave – Wagner - Peacock Wiseman– Growth of Public Expenditure – Canons and Evaluation of Public Expenditure.

Unit III: Taxation

Taxation and Public Debt Direct and Indirect taxation – Cannons and Principles of Taxation – Theory of optimal taxation – modern theory of incidence- Classification and Sources of public debt–Burden of public debt–Principles of public debt–Methods of repayment of public debt–Compensatory aspects of public debt policy.

Unit IV: Fiscal Policy

Fiscal Policy and Fiscal Federalism Objectives and Instruments of Fiscal policy –Compensatory Fiscal policy – Fiscal policy for Economic stability and growth– Effectiveness of fiscal policy- Fiscal federalism – Role of finance commission – Principles – Recommendations of 14th Finance Commission and Terms of Reference of the 15th Finance Commission – Transfer of resources from Union and States and States to Local Bodies.

Unit V: Financial Administration

Indian Public Finance - Financial Autonomy in India – Tax Reform proposals of Kelkar Committee Tax structure and Working of Fiscal federalism in India – Resource transfer from union to state of Tamil Nadu – VAT – Merits and Demerits- GST design, implementation and impact- Fiscal consolidation in India since 2001-2002 – Fiscal responsibilities of central and state- FRBM Act 2003- Central and State government Budgets – issues of fiscal deficit- Fiscal policy and Economic downturn : Fiscal correction versus additional Stimulus.

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Text Books:

1. Tyagi B.P., Public Finance, Jai Prakash Nath & Company, 2014
2. AmerashBagchi (2005), Readings in Public Finance, Oxford University Press, New Delhi.

References:

1. AmerashBagchi (2005), Readings in Public Finance, Oxford University Press, New Delhi.
2. Rao, M. Govida and Nirvikar Singh, (2005), The Political Economy of Federalism in India, Oxford University Press, New Delhi.
3. Government of India, Economic Survey (Annual issues). Ministry of Finance, New Delhi. Tamilnadu State Council for Higher Education 15.

Web Resources:

1. <https://www.india.gov.in/my-government/documents/policy>
2. <http://www.niti.gov.in>
3. <https://www.indiabudget.gov.in/>

Course Outcomes (Cos):

Upon Completion of this course, the students will be able

No.	Course Outcomes	K-Levels
CO1	To label and interpret the basic theories of public finance.	K1,K2,
CO2	To explain, identify and analyse the public expenditure.	K2,K3,
CO3	To recall, outline and determine about taxes	K1,K2,K5,
CO4	To organize, examine and evaluate about fiscal policy.	K3,K4,
CO5	To summarize, develop and explain about Indian public finance.	K2,K3,K5,

K1 – Knowledge, K2 - Understand, K3 – Apply, K4 – Analyse, K5 – Evaluate, K6 – Create.

CO-PO Mapping (Course Articulation Matrix)

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	3	3	3
CO2	3	3	3	3	3
CO3	3	3	3	3	3
CO4	3	3	3	3	3
CO5	3	3	3	3	3
Weightage	15	15	15	15	15
Weighted percentage of Course Contribution to Pos	3.0	3.0	3.0	3.0	3.0

Level of Correlation between PSO's and CO's

(Suggested by UGC as per Six Sigma Tool – Cause and Effect Matrix)

Assign the value

1 – Low

2 – Medium

3 – High

0 – No Correlation