

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

THIRD YEAR - SEMESTER-V

Subject Code	Subject Name	Category	L	T	P	S	Credits	Inst. Hours	Marks		
									CIA	External	Total
304C5B	FISCAL ECONOMICS	Core -X					4	5	25	75	100
Learning Objectives											
C1	To enable students to acquire Knowledge on the various facets of Fiscal Economics.										
C2	To illustrates various theories of fiscal economics and its applications										
C3	To describes the budget process and features of a good tax system										
C4	To analyse the trends in public expenditure and debt management										
C5	To evaluate the Budget of the Government of India, central and state relation										
UNIT	Contents										No. of Hours
I	Introduction Fiscal Economics: Nature, Scope, Objectives and Instruments -Major Fiscal Functions - Market Failure: Public Goods and Private Goods, Externalities, Efficiency Versus Equity- Principles of Functional Finance.										15
II	Theories of Fiscal Economics and Policy Principle of Maximum Social Advantage -The Benefit Approach- The Ability-to- Pay Approach-Equal Sacrifice Principle- Fiscal Policy and its Instruments.										14
III	Budget and Taxation Role of Government in a Modern Economy- Public Budget: Types and Structure - Taxation -Features of a Good Tax System- Direct and Indirect Taxes -Concept of Impact- Incidence and Shifting of Taxation-Elasticity and Determination of Tax Burden - Optimal Taxation.										16
IV	Public Expenditure and Debt Public Expenditure: Canons and Classification -Wagner's Law of Public Expenditure- Public Debt: Meaning and Types, Burden of Public Debt-Principles of Public Debt Management- Deficit Financing.										15
V	Indian Public Finance Budget of the Government of India (Previous Financial Year)-Sources of Public Receipts (Tax and Non-Tax, GST and its Impacts)-Components of Public Expenditure-Sources of Public Borrowing and Debt Liabilities-Deficits-Appraisal of FRBM Act 2004- Fiscal Federalism: Centre and State Relations -Finance Commission Recommendations of Last 3 years.										15
Total										75	

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Course Outcomes		Programme Outcome
CO	On completion of this course, students will	
1	Understand the importance and Instruments of Fiscal Economics.	PO1,PO2
2	Evaluate the Principles and theories of Public Finance.	PO2
3	Analyze the Budget, Indian Tax System and Policy.	PO2,PO3
4	Describe Classification, Laws of Public Expenditure and Public Debt.	PO1,PO2
5	Know the Indian Public Finance System and Policy Recommendations.	PO1,PO3,PO7
Textbooks		
1	Bhatia H.L., (2012), Public Finance, Vikas Publications.	
2	Tyagi B.P and H.P.Singh(2018) “ Public Finance” Jai PrakashNath& Co ,Meerut	
3	Dr. S.K Singh, “Public Finance in theory and Practice”, S. Chand Publishing, 2008	
4	Lekhi, “Public Finance”, Kalyani Publishers, 2015.	
5	Richard. A. Musgrave & Peggy B. Musgrave, “Public Finance in Theory and Practices”, McGraw Hill International Edition, New York,2006.	
Reference Books		
1.	Harvey Rosen, (2005), Public Finance, Seventh Edition, McGraw Hill Publications.	
2.	KaushikBasu and Maertens (Ed), (2013), The New Oxford Companion to Economics in India, Oxford University Press.	
3.	Sury M.M., (1990), Government Budgeting in India, Commonwealth Publishers.	
4.	Andley and Sundaram. (2004). Public Finance, RatanPrakashan, Agra.	
5.	Mu Raja J. Chelliah, “Fiscal Policy in Underdeveloped Countries”, Allen and Moowbray Limited at the Alden Press Oxford, II Edition,2012.	
Web Resources		
1.	https://finmin.nic.in/	
2.	https://www.nipfp.org.in/	
3.	https://www.niti.gov.in/	
4.	https://www.gst.gov.in/	
5.	https://www.indiabudget.gov.in/	

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Mapping with Programme Outcomes:

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1	3	3	3	3	3	3	3	3
CO 2	3	3	3	3	3	3	3	3
CO 3	3	2	3	2	2	3	3	3
CO 4	3	3	3	3	3	2	3	3
CO 5	3	3	3	3	3	3	2	3
Weightage	15	14	14	14	15	14	14	15
Weighted percentage of course contribution to POS	3.0	2.8	3.0	2.8	2.8	2.8	2.8	3.00

S-Strong-3 M-Medium-2 L-Low-1

Level of Correlation between PSO's and CO's

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	3	3	3
CO2	2	2	3	3	2
CO3	3	3	3	2	3
CO4	2	2	2	2	1
CO5	3	3	2	3	2
Weightage	13	13	13	13	10
Weighted percentage of Course Contribution to PSOs	2.6	2.6	2.6	2.6	2

S-Strong-3 M-Medium-2 L-Low-1