

**UNIVERSITY OF DELHI
DELHI SCHOOL OF ECONOMICS
DEPARTMENT OF ECONOMICS**

Minutes of Meeting

Subject	:	B.A. (H) Economics – 5 th Sem. (2017) CBCS – Disp. SEC
Course	:	vii) Public Economics
Date of Meeting	:	8 th May, 2017
Venue	:	Department of Economics Delhi School of Economics University of Delhi
Chair	:	Professor Shreekant Gupta

Attended by:

1	Priyanka Yadav	DR College
2	Rashmi Chaudhary	Kalindi College
3	Sakshi Goel Bansal	Janki Devi Memorial College
4	Dr. Daisy Sales	J&M College
5	D Appala Naidu	SVC
6	P. Srinivasa Rao	SVC
7	Meeta Kumar	Miranda House
8	Surajit Deb	Aryabhatta
9	Deepa Verma	Sri Guru Gobind Singh College of Commerce
10	Iti Dandona	Shivaji College
11	Rupali Sharma	Ramjas College
12	Dr. Geeta	Dyal Singh College (M)
13	Namita Mathur	IP College

The following texts were agreed upon:

1. John Cullis and Philip Jones, *Public Finance and Public Choice*, Oxford University Press, 2nd edition, 1998. [Available at Ratan Tata Library]
2. Jean Hindriks and Gareth D. Myles. *Intermediate Public Economics*, MIT Press, 2nd edition, 2013. [Available at Ratan Tata Library]
http://www.amazon.com/Intermediate-Public-Economics-Jean-Hindriks/dp/0262018691/ref=dp_ob_title_bk
3. Joseph E. Stiglitz, *Economics of the Public Sector*, 3rd edition, W. W. Norton and Co. 2009.

[Note: All chapters and sections in the topicwise reading list refer specifically to these editions of the texts.]

TOPICWISE READING LIST

*Number of lectures for each topic are in parentheses. These are only indicative.

** End of chapter problems in the texts (relevant sections) should be covered in lectures and tutorials.

1. PUBLIC ECONOMIC THEORY

1a. Fiscal functions: an overview (7-8 lectures)

Hindriks & Myles, Chapter 5.

1b. Public Goods: definition, models of efficient allocation, pure and impure public goods, free riding (9-10 lectures)

Cullis & Jones, Chapter 3 (Sections: 3.1 to 3.5.4).

Cullis & Jones, Chapter 12 (Sections: 12.1 to 12.4.2)

1c. Externalities: the problem and its solutions, taxes versus regulation, property rights, the Coase theorem (11-12 lectures)

Hindriks & Myles, Chapter 8 (Sections: 8.1 to 8.5, 8.7 to 8.10)

1d. Taxation: its economic effects; dead weight loss and distortion, efficiency and equity considerations, tax incidence, optimal taxation (19-20 lectures)

Stiglitz, Chapter 18 (pp. 482 to 497), Chapter 19, Chapter 20 (pp. 550 to 562).

Hindriks & Myles, Chapter 15 (Sections 15.1 to 15.3, 15.5 to 15.5.1)

Hindriks & Myles, Chapter 16 (Sections: 16.1 to 16.3)

Hindriks & Myles, Chapter 17 (Sections: 17.1 to 17.4 and 17.7)

2. INDIAN PUBLIC FINANCE (10 lectures)

2a. Tax System: structure and reforms

- 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). (access at <http://www.nipfp.org.in/publications/working-papers>)
- GOI (2017). "GST – Concept and Status - as on 3rd June, 2017," Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, (access at www.cbec.gov.in/htdocs-cbec/gst/gst-concept-status-ason-03062017.pdf)
- S. Das (2017). "Some Concepts Regarding the Goods and Services Tax," *Economic and Political Weekly*, Vol. 52, No. 9 (March 4, 2017).
- S.A. Alam (2016). "GST and the States: Sharing Tax Administrations," *Economic and Political Weekly*, Vol. 51, No. 31 (July 30, 2016).

2b. Budget, deficits and public debt

- Rangarajan, C. and D. K. Srivastava (2005). "Fiscal Deficit and Government Debt: Implications for Growth and Stabilization", *Economic and Political Weekly*, Vol. 40, No. 27 (July 2, 2005) pp. 2919-2923, 2931-2933 (Sections I to III and Section VIII).

2c. Fiscal federalism in India

- Cullis & Jones, Chapter 12 (Sections: 12.4.3a and 12.7).
- M. Govinda Rao (2005). "Changing Contours of Federal Fiscal Arrangements in India" in Amaresh Bagchi (ed.) *Readings in Public Finance*, Oxford Unity Press.
- Y. V. Reddy (2015). "Fourteenth Finance Commission, Continuity, Change and Way Forward," *Economic and Political Weekly*, Vol. 50, No. 21 (May 23, 2015) pp. 27-36.

Exam Pattern

- Students will be expected to attempt 5 out of 7 questions (15 marks each).
- Marks will be approximately proportional to suggested number of lectures for each topic.
- Questions may have sub-parts from different topics.
- Questions may include diagrams, numericals and short notes.

Internal Assessment

- Two class tests (10 marks each) and attendance (5 marks).