

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

**Minutes of Meeting**

**Course** : **B.A. (Prog.) 6th Sem. - DSE**  
**Subject** : **(vi) Public Finance**  
**Date of Meeting** : **17th January, 2020**  
**Venue** : **Department of Economics, Delhi School of Economics,  
University of Delhi**  
**Chair** : **Prof. Surender Kumar**

**Attended by :**

<b>S.No.</b>	<b>Name</b>	<b>College</b>
1	Pummy Yadav	Kalindi College
2	Vandana Rathore	Vivekananda College

**Notes:**

**1. Internal Assessment:**

There will be two tests of 10 marks each and 5 marks will be allotted for attendance.

**2. Examination Pattern:**

- a.) Part 1 : Public Finance Theory: 60% weightage
- b.) Part 2 : Issues from Indian Public Finance : 40% weightage

Students will be required to answer 3 out of 5 questions from Part 1 and 2 out of 3 questions from Part 2.

## **Topic – wise revised reading list for 2020**

### **PART 1 : PUBLIC FINANCE THEORY**

#### **Unit 1 Overview of Fiscal functions, Tools of Normative Analysis, Pareto Efficiency, Equity and the Social Welfare**

1. R.A. Musgrave and P.B. Musgrave , Public Finance in Theory and Practice, 5th Edition, Chapter 1
2. Harvey Rosen (2005), Public Finance, Chapter 3 (pp 33 to 46)

#### **Unit 2 Market Failure, Public Goods and Externalities.**

1. Joseph E. Stiglitz, Economics of the Public Sector, 3rd Edition, Chapter 4.
2. John Cullis and Philip Jones (1998), Public Finance and Public Choice, Chapter 3 (sec.- 3.1, 3.2 and 3.3 )
3. Harvey Rosen (2005): Public Finance, Chapter 5.

#### **Unit 3 Elementary Theories of Product and Factor Taxation (Excess Burden and Incidence)**

1. R.A. Musgrave and P.B. Musgrave , Public Finance in Theory and Practice, 5th Edition, Chapter 14 (pp 234-242), Chapter 15 (pp 249-256 only part A and B).
2. Additional Reference:  
Jean Hindricks and Gareth D Myles Intermediate Public Economics MIT Press, 2<sup>nd</sup> edition,2013 ,Chapter 15& Chapter 16

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

#### **Unit 4 Working of Monetary and Fiscal Policies**

1. Case and Fair, Principles of Economics, 10th Edition, Chapter 24 (pp 478-486).
2. Case and Fair, Principles of Economics, 10th Edition, Chapter 25 (pp 501-502, 505-510, 515-519)

#### **Unit 5 Current Issues of India's tax System**

1. Report of the Fourteenth Finance Commission, Chapter 13 (pp178- 201)
2. GOI(2017). “ GST-Concept and Status-as on 3<sup>rd</sup> June,2017”, Central Board of Exciseand Customs, Department of Revenue, Ministry of Finance.
3. S.Das(2017). “Some Concepts Regarding the Goods and Service Tax”, Economic and Political Weekly, Vol.52, No.9(March 4,2017)
4. M. Govinda Rao, “Goods and Services Tax in India: Progress, Performance

& Prospects” National Institute of Public Finance and Policy, working paper no. 2019-02

**Unit 6 Analysis of Budget and Deficits**

1. Report of the Fourteenth Finance Commission, Chapter 3 (pp 21- 24)
2. For concepts and definitions , refer to ‘Let’s talk about Budget ‘ available at <http://www.cbgaindia.org/publications/primers-manuals/page/2/> chapters 4,5 and 6.

**Unit 7 Fiscal Federalism in India**

1. Y. V. Reddy, “Fourteenth Finance Commission, Continuity, Change and Way Forward” EPW, Vol.50, Issue No.21, 23 May 2015
2. Report of the Fourteenth Finance Commission, Chapter 12.

**Unit 8 State and Local Finances**

1. Report of the Fourteenth Finance Commission, Chapter 7(7.1-7.8, 7.42-7.47) and 9 (9.1- 9.28, 9.45-9.86).

**Note:**

The readings by Mahesh Purohit and Sacchidananda Mukherjee in Unit 5 have been dropped and are replaced by paper by Govind Rao, Surajit Das and GOI document. It has also been decided to additionally refer to Intermediate Public Economics by Jean Hindricks and Gareth D Myles for Unit 3.