

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

Minutes of Meeting

Subject : B.A. (Hons.) Economics – Fifth Semester
Course : 17 – Public Economics
Date of Meeting : Monday 4th August, 2014 at 2.30 P.M.
Venue : Department of Economics, Delhi School of Economics
University of Delhi, Delhi – 110 007
Chair : Prof. Pulin B. Nayak

Attended by:

1	Deepa Verma	SGGSCC
2	Uma	Lakshmibai College
3	Nandini Dutta	Miranda House
4	D. Brahma Reddy	SV College
5	A. Vijay Kumar	Ramjas College
6	Surajit Deb	Aryabhatta College
7	K. Sucharita	Hansraj College
8	Kanika Talwar	SGTB Khalsa College
9	Pratibha Madan	Kirori Mal College
10	Mridula Bhatia	Satyawati College (M)
11	Sanjana Kadyan	LSR
12	Nupur Kataria	Kamla Nehru College
13	Sakshi Goel	Janki Devi Memorial College
14	Devender Konar	Janki Devi Memorial College
15	Nidhi Dhamija	Hindu College
16	Dr. Saroj Rani	Maitreyi College
17	Mukesh Kumar	Motilal Nehru College
18	Manoj Kumar	Shyam Lal (E)
19	Ashutosh Gupta	Satyawati College (E)
20	Dr. Manjit Kaur	SPM College
21	Dr. Rashmi Chaudhary	Kalindi College
22	Dr. Deepti Taneja	DCAC

The Following Points were decided upon:

- 1) The Question Paper would have the following structure:
 - Part A would have a weightage of 45 marks, where students will have to attempt any 3 out of given 5 questions

- Part B would have a weightage of 30 marks, where students will have to attempt any 2 out of given 4 questions

Based on the Suggestions, the Reading List for Semester V (2014: July to December) is as follows:

Part I: PUBLIC ECONOMICS THEORY

I.1 Fiscal Functions: An Overview

- 1) R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice*, 5th edition, Chapter 1

I.2 Public Goods: Definition, Models of Efficient Allocation, Pure and Impure Public Goods, Free Riding

- 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 (Sections: 3.1 to 3.5.2)
- 3) Joseph E. Stiglitz, *Economics of the Public Sector*, 3rd Edition, Chapter 6, Pp. 127-141
- 4) R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice*, 5th edition, Chapter 5, Sections A—C (Pp. 65-67) [For Analysing Paul Samuelson's Diagrammatic Exposition of a Theory of Public Good]

I.3 Externalities: The Problem and its Solutions, Taxes versus Regulation, Property Rights, the Coase Theorem

- 1) Harvey Rosen (2005), *Public Finance*, Chapter 5
- 2) P. Richard G. Layard, Alan Arthur Walters, *Microeconomic Theory*, 1987, Chapter 6 [**For Teachers**]
- 3) Ronald H. Coase (1960), "The Problem of Social Cost" in *Journal of Law and Economics* 3 (1), Pp. 1–44 [**For Teachers**]

I.4 Taxation: Its Economic Effects; Dead Weight Loss and Distortion, Efficiency and Equity Considerations, Tax Incidence, Optimal Taxation

1. R.A. Musgrave and P.B. Musgrave, *Public Finance in Theory & Practice* 5th edition, Chapter 13, Chapter 14 (pp. 234—242), Chapter 15 (pp. 249—257)
2. Joseph E. Stiglitz, *Economics of the Public Sector*, 3rd Edition, Chapter 19 (Pp. 518-537—till Fig. 19.13), Chapter 20 (Pp. 550 to 562)

Part II: INDIAN PUBLIC FINANCES

II.1 Tax System: Structure and Reforms

- 1) M. Govind Rao (2005), “*Tax Reform System in India: Achievements and Challenges Ahead*”, *Journal of Asian Economics*, Vol. 16, Issue 6, Pp. 993-1011
- 2) Mahesh Purohit (2007), “*Value Added Tax: Experiences of India and Other Countries*”, Chapter 1
- 3) Deepa S Vaidya, K Kanagasabapathy (2013), “*Reform of Indirect Taxes: Hurdles before the GST*”, *Economic and Political Weekly*, June 29, 2013, Pp. 79-81
- 4) M. Govind Rao and Kavita Rao (2009), “*Direct Tax Code: Need for greater reflection*”, *Economic and Political Weekly*, September 12, 2009, Pp. 35-38

II.2 Budget, Deficits and Public Debt

- 1) M.M. Sury (1990), *Government Budgeting in India*, Chapter 2
- 2) Raja J. Chelliah (1993): *The Meaning and Significance of the Fiscal Deficit*, in Amaresh Bagchi (ed): *Readings in Public Finance*, OUP
- 3) Rangarajan and D.K. Srivastava, “*Fiscal Deficit and Government Debt: Implications for Growth and Stabilization*”, *Economic and Political Weekly*, July 2, 2005, pp 2919-2924 and 2931-2933 (Only Sections 1,2,3 and Policy Options)

II.3 Fiscal Federalism in India

- 1) M. Govinda Rao (2005), “*Changing Contours of Federal Fiscal Arrangements in India*”, Amaresh Bagchi (ed), “*Readings in Public Finance*”
- 2) Report of the 13th Finance Commission, 2010-15: Ch 8 (Sharing of Union Tax Revenues) [Available at <http://fincomindia.nic.in/ShowContentOne.aspx?id=28&Section=1>]
- 3) Report of the 14th Finance Commission: *Terms of Reference* (available at <http://fincomindia.nic.in/ShowPDFContent.aspx>)