UNIVERSITY OF DELHI  
DELHI SCHOOL OF ECONOMICS  
DEPARTMENT OF ECONOMICS

Minutes of Meeting

(ERSTWHILE FYUP)

Course : 14 – Public Economics

Date of Meeting : 20th May, 2015

Venue : Department of Economics Delhi School of Economics  
University of Delhi

Chair : Professor Shreekant Gupta

Attended by:

1. Supiti Mishra Shyam Lal College (Morning)
2. Surajit Deb Aryabhatta College
3. Pawan Kumar Ramjas College
4. Kittu Kapoor Mata Sundari College
5. Dr. Renu Singh Satyawati College
6. Uma Lakshmi Bai College
7. Ravish ARSD College
8. Divya Gupta Daulat Ram College
9. Nidhi Dhamija Hindu College
10. Anil Kumar Ramjas College
11. Iti Tripathi Shivaji College
12. Dr. Deelpti Taneja Delhi College of Arts and Commerce
13. Vibha Aggarwal Indraprastha College
14. Dorothy Bharati College
15. Renu Bajaj Sri Aurobindo Commerce

The following texts were agreed upon:

TOPICWISE READING LIST

**Topic I: Competitive Economics**
Review of exchange and production economies, and classical efficiency theorems

Hindriks & Myles, Chapter 2 (de- emphasise)

**Topic II: Public Goods**
Various modes of provision and decision making; mechanism design, e.g. Clarke-Groves schemes. Club goods and local public goods; various models of provisioning; the Tiebout model.

Cullis & Jones, Chapter 3 (Sections: 3.1 to 3.5.2 and 3.5.4).
Cullis & Jones, Chapter 12 (Sections: 12.1 to 12.4.2). (de-emphasise Mechanism Design)

**Topic III: Externalities**
Various examples; various models for dealing with the inefficiency; taxation, licensing, internalization, the Coasian approach.

Hindriks & Myles, Ch. 8 (Sections: 8.1 to 8.4.5, 8.5, 8.7, 8.8, 8.10) (de-emphasise Licensing)

**Topic IV: Imperfect Competition**
Inefficiency and welfare loss; regulation of monopolies, monopsonies and oligopolies; detection of collusion and merger policy; taxation as a remedy.

Hindriks & Myles, Chapter 9 (Sections: 9.1 to 9.3, 9.7 to 9.10)

**Topic V: Asymmetric Information**
Moral hazard, screening, signalling; second-best contracting.

Hindriks & Myles, Chapter 10 (to be de-emphasized)

**Topic VI: Taxation**
Deadweight losses, optimal taxation, tax rules and equity considerations of commodity taxes; public sector pricing; income taxes and labour supply; various taxation schemes; models of tax evasion, auditing and punishment.

Stiglitz, Chapter 18 (pp. 482 to 497), Chapter 19, Chapter 20 (pp. 550 to 562).
Hindriks & Myles, Chapter 17 (Sections: 17.1 to 17.4 and 17.7)
S Poddar & E Ahmad (2009), “GST Reforms and Intergovernmental Considerations in India”, (Sections: 1 to 5A), Working Paper No.1/2009, Department of Economic Affairs, Ministry of Finance, GOI.
**Topic VII: Fiscal Federalism**
Arguments for multi-level government; optimal structure; risk sharing.

Cullis & Jones, Chapter 12 (Sections: 12.4.3a and 12.7).

**Examination Pattern**
- Students will be expected to attempt 5 out of 8 questions (15 marks each).
- Questions may include diagrams, numericals and short notes.
- Internal assessment is based on a class test (10 marks) and a presentation (15 marks).