

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

Minutes of Meeting

Subject	:	B.A. (Hons.) Economics – Fifth Semester (2016)
Course	:	21 – Public Economics
Date of Meeting	:	Thursday May 5, 2016
Venue	:	Department of Economics Delhi School of Economics University of Delhi
Chair	:	Professor Shreekant Gupta

Attended by:

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|----------------------|------------------------------------|
| 1. Trisha Jolly | Janki Devi Memorial College |
| 2. Dr. Daisy Sales | Jesus and Mary College |
| 3. Udayan Rathore | Lady Shri Ram College |
| 4. Dr. Renu Sinha | Satyawati College (Morning) |
| 5. Prarthna Goel | Daulat Ram College |
| 6. Dr. Sujit Kumar | Sri Venkateswara College |
| 7. Rajib | Lakshmibai College |
| 8. Surajit Deb | Aryabhatta College |
| 9. Iti Dandona | Shivaji College |
| 10. Supriti Mishra | Shyam Lal College (Morning) |
| 11. Rupali Sharma | Ramjas College |
| 12. Abhishek | St. Stephens College |
| 13. Rashmi Chaudhary | Kalindi College |
| 14. Alka Budhiraja | Miranda House |
| 15. Namita Mathur | Indraprastha College |
| 16. Nita Singh | Satywati College (Evening) |
| 17. Dr. Manjit Kaur | Shyama Prasad Mukherjee College |
| 18. Renu Bansal | Shri Ram College of Commerce |
| 19. Nidhi Pande | Delhi College of Arts and Commerce |

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

*Indicative number of lectures for each topic are in parentheses.

** 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

- Mukherjee, Sacchidananda (2015). "Present State of Goods and Services Tax (GST) Reform in India," Working Paper No. 2015-154 (September 2015). National Institute of Public Finance and Policy, New Delhi.

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*, July 2, 2005, (Vol. 40, No. 27) pp. 2919-2923, 2931-2933 (Sections I to III and 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) 23 May 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).