

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

**Minutes of Meeting**

Subject: B.A. (Hons.) Economics CBCS Sem –IV, 2020  
Course: SEC-IV: Contemporary Economic Issues  
Date of Meeting: 06<sup>th</sup> February, 2020  
Venue: Department of Economics, Delhi School of Economics  
University of Delhi, Delhi – 110 007

The following members were present:

S.No.	Name	College
1.	Aishwarya Goel	St. Stephens College
2.	A. Vijay Kumar	Ramjas College
3.	Gaganpreet Kaur	SGTB Khalsa College
4.	Abhinav Prakash	SRCC
5.	V. Sushmitha Naidu	SRCC
6.	Saket Kr. Dubey	KNC
7.	Sumit Singh	Motilal Nehru College
8.	Navpreet Kaur	JDMC
9.	Shalini Basna	MLNC
10.	Anushruti	SRCC

The course seeks to familiarize the students with basic concepts related to some contemporary economic issues. Its aim is to equip the students with sufficient knowledge and skills so as to understand media discussions, and to critically analyze contemporary issues that figure in high-profile government documents, in particular, the Economic Survey and the Union Budget. Such capability is necessary to understand government policies and to increase people's participation in economic decision-making. The course will also help to relate the theoretical frameworks of the Microeconomics and Macroeconomics courses to the Indian context, and to prepare students for the more detailed treatment of Indian economic issues in semesters V and VI. The emphasis in the course will be on conceptual understanding, not data.

**I. Concepts**

- a. Fiscal policy, need for government spending, areas of government spending in India
- b. Capital expenditure, revenue expenditure, plan expenditure, non-plan expenditure.
- c. Deficits (fiscal, primary, revenue), impact of fiscal deficit on economy, need to control fiscal deficits,
- d. Capital receipts, revenue receipts, tax and non-tax revenue, direct and indirect taxes, need to rationalize tax structure. Goods and Services Tax (GST).
- e. Actuals, Revised Estimates, Budget Estimates
- f. Zero-base budgeting

- g. Gender budgeting
- h. Fiscal devolution and centre-state financial relations in India
- i. Index numbers: Laspeyres, Paasche, and Ideal index numbers. WPI, CPI and implicit deflators.

- II. Economic Survey
- III. The Union Budget

Need for the Budget, Understanding the process of budget making in India, Analysis of budget in terms of various parameters such as:

- a) Deficits –trends in fiscal deficit and revenue deficit
- b) Receipts - proposed sources of revenue and expected growth in revenue; steps taken to increase revenue such as tax simplification, improvement in tax administration, expansion of tax net;
- c) Expenditure -expenditure pattern and expected growth in expenditure; The thrust areas of the budget; areas/sectors which have received higher or lower share of expenditure, reasons and consequences thereof; steps proposed to ensure effective spending.

Suggested Readings:

#### UNION BUDGET

1. The Key to Budget Documents  
[https://www.indiabudget.gov.in/doc/Key\\_to\\_Budget\\_Document\\_2020.pdf](https://www.indiabudget.gov.in/doc/Key_to_Budget_Document_2020.pdf)  
  
 Budget at a Glance  
  
[https://www.indiabudget.gov.in/doc/Budget\\_at\\_Glance/budget\\_at\\_a\\_glance.pdf](https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf)
2. Let's Talk About Budget. Centre for Budget and Governance Accountability. Chapters 4 to 6. Union Budget of India, Making of Union Budget, What does Union Budget papers look like? This text can be downloaded from <http://www.cbgaindia.org/primers-manual/lets-talk-about-budget/>  
 De-emphasize pages: Pg 29 (Chapter 4 Plan and Non-plan Expenditure) and 37(Preparation of Union Budget Section)
3. Dipak Dasgupta and Supriyo De (2012), "Fiscal Deficit", in Basu and Maertens.
4. Y V Reddy (2015), "Continuity, Change and The Way Forward: Fourteenth Finance Commission", EPW Vol. 50, Issue No. 21, 23 May 2015. (Pg.27-31, Subpoint 1-9)
5. The Fifteenth Finance Commission (FFC) Report for the Year 2020-21 Chapter 1



titled "Approach and Summary" available at:

6. <https://fincomindia.nic.in/ShowContent.aspx?uid1=3&uid2=0&uid3=0&uid4=0>
7. Chakraborty, Lekha (2019) "Indian Fiscal Federalism at the Crossroads: Some Reflections", NIPFP working paper no 260 available at: <https://www.nipfp.org.in/publications/working-papers/1855/>
8. Subramanian A (2019), "India's GDP Mis-estimation: Likelihood, Magnitudes, Mechanisms and Implications" CID Faculty Working Paper no 354 (Pg. 1-5, 18-28) (To be done with topic 9 (b))  
(The technical discussions are to be de-emphasized. Only the key arguments should be explained to students in simple terms)
9. Goods and Service Tax (GST): Concept and Status (as on 01st July, 2019); CBIC, Department of Revenue, Ministry of Finance. Pg. 3-15, 36 (section 10)-44, 48-50 <http://www.gstcouncil.gov.in/sites/default/files/GST-Concept-and-Status01072019.pdf>
10. Das S (2017), "Some Concerns Regarding the Goods and Services Tax," Economic and Political Weekly, Vol. 52, No. 9 (March 4, 2017), (access at <http://www.epw.in/journal/2017/9/web-exclusives/some-concerns-regarding-goods-and-services-tax.html>)
11. ECONOMIC SURVEY (2019-2020)
  - a) Creating jobs and growth by specializing to exports in network products, Chapter 5 Volume 1
  - b) State of the Economy in 2018-19: A Macro View Chapter 1, Volume 2
  - c) Fiscal Developments, Chapter 2 Volume 2 (To be taught with reading no. 6)
  - d) Prices and Inflation, Chapter 5, Volume 2
  - e) External Sector – Chapter 3, Volume 2  
(student should be able to comprehend the Balance of Payments chart of the country)
  - f) Social Infrastructure, Employment and Human Development – Chapter 10, Volume 2
12. FOURTH INDUSTRIAL REVOLUTION\* (This entire section is starred. No questions for the examination this year are to be set from this section. However, this section is to be considered for adding to the syllabus from next year onwards. Discussions in class can be done for this semester as well)
  - a) "The Fourth Industrial Revolution", Klaus Schwab. Chapter 1-2. Page 11-30
  - b) Development 4.0: Opportunities and Challenges for Accelerating Progress towards the Sustainable Development Goals in Asia and the Pacific, UNDP. Page 14-38  
<https://www.undp.org/content/dam/rbap/docs/Research%20&%20Publications/s>

ustainable-development/UNDP\_EIU%20Development%204.0%20Report\_FA%20101018.pdf

2-7

- c) "A New Social Contract for the Digital Age", ORF special report, 2018. Page  
[https://www.orfonline.org/wp-content/uploads/2018/11/ORF\\_Special\\_Report\\_79\\_Social\\_Contract.pdf](https://www.orfonline.org/wp-content/uploads/2018/11/ORF_Special_Report_79_Social_Contract.pdf)
- d) Chapter III.G: Science, technology, innovation and capacity building, Financing for Sustainable Development Report, 2019, United Nations. Page 151-162  
<https://developmentfinance.un.org/sites/developmentfinance.un.org/files/FSDR2019.pdf>
- e) "Ethics, Privacy, Security and Artificial Intelligence", National Strategy for AI, Discussion Paper, Niti Aayog. Page 85-89  
[https://niti.gov.in/writereaddata/files/document\\_publication/NationalStrategy-for-AI-Discussion-Paper.pdf](https://niti.gov.in/writereaddata/files/document_publication/NationalStrategy-for-AI-Discussion-Paper.pdf)

#### RECOMMENDED READINGS FOR TEACHERS:

(However, questions shall NOT be asked from these readings in the end semester test)

1. Sustainable Development and Climate Change-Economic Survey (2019-2020) – Chapter 6, Volume 2
2. Felman J, Subramanian A (2019), "India's Great Slowdown: What Happened? What's the Way Out?" CID Faculty Working Paper no 370
3. Chandrashekhar CP, Ghosh J "GST Regime proving to be troublesome for States", available at the following link:  
<https://www.thehindubusinessline.com/opinion/columns/c-p-chandrasekhar/gst-regime-proving-to-be-troublesome-for-states/article29262036.ece>

#### EVALUATION

The SEC Course on Contemporary Economic Issues will have 75 marks examination at the end of the semester and 25 marks for internal assessment. Apart from the 5 marks for attendance, the rest of the 20 marks shall either be for Class test or Written Project (which shall be presented in the class, i.e. written project + presentation). The project shall be related to issues in Economic Survey and Union Budget with related articles in this regard.

End Semester Examination of 75 marks (Three hours)

The question paper shall have two sections: Section A and Section B

- Section A is compulsory. It shall have two questions with sub-parts. The first would test the understanding of the student on the concepts related to the budget, and the second on the basis of balance of payments chart. Both shall be through a set of short questions as well as simple numerical to be answered on the basis of the data provided. (Max Marks 15)

- Section B shall have six questions, out of which the student shall attempt four. Each question carries 15 marks each. (Max Marks 60)
- In the event that question(s) in the final examination question paper are from out of the syllabus, then the teachers evaluating the paper shall co-ordinate and decide on a common marking scheme to moderate and/or distribute the marks for such questions among the rest of the questions of the paper.
- The examiners setting the paper are requested to set the paper in a manner that reflects the weightage given to each section in the reading list.