

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

Minutes of Meeting

Subject: B.A. (Hons) Economics Fifth Semester
Course: Public Economics **ECON045**
Credits: 4
Duration (per week): 4 hours (3 L + 1 T)
Date: Thursday 16th May 2024
Venue: Department of Economics, Delhi School of Economics,
University of Delhi
Convenor: **Ram Singh, Manish Kumar**

S.No.	Name	College
1	Nidhi Dhamija	Hindu College
2	Vibha Iyer	Zakir Husain College
3	Sucharita Khuntia	Hans Raj College
4	Deepa Verma	Sri Guru Gobind Singh College of Commerce
5	Ashish	College of Vocational Studies

Readings:

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-JeanHindriks/dp/0262018691/ref=dp_ob_title_bk
3. Joseph E. Stiglitz and Rosengard J. K. Economics of the Public Sector, 4th edition, W. W. Norton and Co. 2015.

1. PUBLIC ECONOMIC THEORY (30 Hours)

1a. Role of Public Sector - Justification of the Public Sector; Public Sector Growth; Excessive Government. (7 Lectures)

Hindriks & Myles, Chapter 5

1b. Political Economy of Public Sector - Public Mechanisms for allocation; Market and Non-Market Mechanism; Theory of Rent Seeking. (8 Lectures)

Stiglitz, Chapter 9 (pages 230 to 252)

Cullis & Jones, Chapter 5 (till Section 5.2.1) (pages 92-96)

1c. Taxation - Economic effects of Tax; Tax incidence; Dead Weight Loss and Distortion; Efficiency and Equity Considerations; Optimal taxation; Commodity

tax; Ramsey rule. (15 Lectures)

Stiglitz, Chapter 18 (pages 538 to 552), 19 (except Appendix), 20 (pages 606 to 621)

Hindriks & Myles, Chapter 15 (Sections 15.1, 15.2, 15.3 and 15.5 (15.5.1 and 15.5.2 – exclude derivation of Ramsey Rule)

Hindriks & Myles, Chapter 16* (Sections 16.1 to 16.3 - Optional reading)

Hindriks & Myles, Chapter 17 (Sections 17.1 to 17.4 and 17.7)

2. INDIAN PUBLIC FINANCE (15 Hours)

2a. Tax System – Indian Tax system; Structure and Reforms.

Rao, M. Govinda and Sudhanshu Kumar (2017). “Envisioning Tax Policy for Accelerated Development in India,” Working Paper No. 190, National Institute of Public Finance and Policy (NIPFP). (access at <http://www.nipfp.org.in/publications/workingpapers>)

Rao, M. Govinda. "Goods and Services Tax in India: Progress, Performance and Prospects." Indian Economic Summit (2019), School of International and Public Affairs, Columbia University

Singh, Ram & S Ray (2023), “Under-Reporting of Income by Wealthy Indians”, Economic & Political Weekly, Vol. 58, No. 20, pages 17 to 19.

2b. Budget, Deficits and Public debt.

Budget at a Glance 2023-24

Mundle S and Sahu A (2023), “Massive Capital Expenditure, Modest Fiscal Consolidation, and Cut in Pillars of Social Safety Net”, Economic & Political Weekly, Vol. 58, No. 12, pages 34 to 40.

Eichengreen et.al. (2023), “India’s Debt Dilemma” in Ideas for India. (access at <https://www.ideasforindia.in/topics/macroeconomics/india-s-debt-dilemma.html>)

Exam Pattern

- Students will be expected to attempt 5 out of 7 questions (18 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, numerical and short notes.

Internal Assessment (30 marks)

- One Class Test (12 marks), one Assignment (12 marks) and 6 marks for attendance.

Continuous Assessment (40 marks)

- 35 marks for PPT / Project activity (group) / Tests / Quizzes / Paper writing / Book Review / Literature Review / Movie Review and any other scholastic work related to conceptual understanding of the subject for evaluation and 5 marks for attendance.