Syllabus: ECO 302 MJ - Public Finance [4T]

Class: TYBA Economics

Semester: V

Course Type: Credits Related to Major – Major Core

Course Code: ECO 302 MJ

Course Name: Public Finance

No. of Credits: 04 Credits [Theory]

No. of Lectures per week – 4 Hours

No. of Hours: 60 Hours

Total Marks: 100 Marks

Introduction:

Indian Public Finance is a branch of economics concerned with the Indian government's financial operations. It investigates how the Union, States, and Local Governments generate revenue through taxes and non-tax sources, spend public funds, manage public debt and formulate fiscal policies. Operating within a federal system, Indian public finance is governed by constitutional provisions that explicitly outline financial powers and obligations. It contributes significantly to economic development, poverty reduction, social welfare, and balanced regional expansion. The Union Budget, Finance Commission and fiscal policy all contribute to the government's goal of economic stability, equity, and long-term growth.

Course Objectives:

After completing the course in International Economics, students will be able:

1. To introduce students to the nature, scope, and importance of Public Finance in an economy.
2. To examine principles and types of public revenue, public expenditure, and public debt.
3. To study concepts of taxation, tax incidence, and effects of taxation on economic activities.
4. To examine public expenditure policy as tools of economic management.
5. To develop analytical skills to evaluate government financial policies and welfare measures.

Course Outcomes:

After Successfully Completing this Course Students will Be able to

1. Understand, apply, and analyse principles and theories of public finance.
2. Evaluate how government programs such as subsidies, welfare systems, and social sector spending affect economic development and inequality.
3. Raise awareness of equality, justice, and accountability in public spending while encouraging responsible citizenship.

UNITS AND CONTENTS

Unit No	Unit Title and Contents	Hours
1	**1. Introduction to Public Finance**	15
	1.1 - Origin of Public finance	
	1.2 - Meaning, Nature & Scope of Public Finance	
	1.3 - Private Finance and Public Finance	
	1.4 - Importance and Role of Public Finance	
	1.5 - Principle of Maximum Social Advantage- Dr. Dalton	
2	**2. Public Expenditure**	15
	2.1 - Meaning and Principle of Public Expenditure	
	2.2 - Trends in Public Expenditure since 2011 in India	
	2.3 - Causes of Growth of Public Expenditure	
	2.4 - Effects of Public Expenditure.	
	2.5 - Theories of Public Expenditure	
	I) Wagner's Law of Increasing State Activities	
	II) Peacock-Wiseman Hypothesis	
	III) Social Cost and Benefit Analysis	
3	**3. Public Revenue**	15
	3.1 - Meaning and Needs of Public Revenue	
	3.2 - Source of Public Revenue	
	3.3 - Public Debt-Types-Internal Debt & External Debt	
	3.4 - Classification of Public Revenue	
	3.5 - Principles of Public Revenue	
	3.6 - Effect of Public Revenue	
	3.7 - Significance of Public Revenue	
4	**4. Taxation**	15
	4.1 - Meaning and Characteristics of Tax	
	4.2 - Direct and Indirect Taxation-Merits and Demerits	
	4.3 - Principles of Taxation- Benefit and Ability to Pay Approaches	
	4.4 - Theory of Incidence; Alternative concepts of Incidence	

	4.5 - Allocative and equity aspects of Individual Taxes;	
	4.6 - Theory of Optimal Taxation; Excess Burden of Taxes.	
	4.7 - The problem of Double Taxation.	
	4.8 - Shifting of Tax Burden	

Reading List

1. Mueller, D.C. (1979),"Public Choice", Cambridge University Press, Cambridge.
2. Houghton, J.M. (1970), The Public Finance: Selected Readings, Penguin, Harmondsworth.
3. Rajesh K. Jha (2012) Public Finance. Pearson Publication. New Delhi.
4. Musgrave, Richard A and Musgrave, Peggy B (1989), Public Finance in4. Theory and Practice, Tata McGraw Hill, New Delhi.
5. Stiglitz, Joseph E (1999), Economics of the Public Sector, W. W. Norton and Company New York
6. Patil J. F. (1983):"Taxation for Development in Maharashtra",Continental Prakashan, Pune.
7. Stiglitz, Joseph E (1986),"Economics of Public Sector", Norton, NewYork.
8. Deshpande D.K (1984),"Sarvajnikvitta", Shri Mangesh Prakashn, Nagpur.
9. Dev S.P. and Zamare G.N. (1988), "Rajasva" Pimpalpure Prakashan, Nagpur.
10. Patil J.F. (2011),"Vrudddhi va vikasache arthshahstra", Phadke Prakshan, Kolhapur.
11. Datir R.K., Lomate G.J.,Chiantamani R.M.(2015), "Arthik Vikas va Niyojan", Nirali,Pune.
12. Datir R.K., Lomate G.J., Chiantamani R.M.(2015),"Sarvajanik Aywyay", Nirali, Pune.
13. Ugale S.P.,Gaikwad A.A., Kare D.N.,Adhav S.P.,(2023),"Sarvajanik Aywyay", Nirali, Pune.
13. Lekhi R.K.(2003) "Public Finance,Kalyani Publishers",Ludhiana-141008

Web References:

1.https://www.economicsdiscussion.net/government/role-of-government-ineconomic-systems/4041
2. https://www.britannica.com/topic/allocation-of-resources
3. https://www.youtube.com/results?search_query=principle+of+taxation
4. https://www.youtube.com/watch?v=Y2q6ECLJBAg
5. https://www.jstor.org/stable/1829823
6. https://www.fincomindia
7. https://www.finmin.nic.in
8. https://www.imf.org.in
9. https://www.indiabudget.nic.in
10. https://.www.nipfp.org.in
11. https://.www.rbi.org.in

Recommended Journals:

1. Journal of Public Economics- Science Direct
2. South Asian Journal of Macroeconomics and Public Economics- Sage Journals
3. Journal of Public Economics-Elsevier