

Semester	VI
Paper Code	
Paper Title	<b>PUBLIC ECONOMICS</b>
No. of Credits	4
Theory/Practical/Composite	Theory
No. of periods assigned	4
Minimum No. of preparatory hours per week a student has to devote	4
Learning outcomes/Course description/objective	<p>This core-course on Public Economics applies the fundamental principles and tools of Microeconomics, Macroeconomics and Econometrics to the analysis of</p> <ol style="list-style-type: none"> <li>1. efficiency and equity,</li> <li>2. market imperfection and market failure,</li> <li>3. public goods and their efficient provisioning,</li> <li>4. the role of the Government in the economy,</li> <li>5. principles of taxation and public expenditure,</li> <li>6. tax incidence including distortions and welfare losses, and</li> <li>7. behavioral responses to income and business taxation, social insurance programmes etc.</li> </ol> <p>The course is intended to familiarize the students to frontier research that has significant practical relevance to the design of public policies.</p>
Syllabus	<p><b>Module 1: (Full Marks- 25) Number of Class: 1</b></p> <p><b>Unit 1:</b> Definition and Scope of Public Economics, Overview of Public Good, Features of Pure Public Good, Distinction between Pure Public Good and Private Good, Concept of Club good and Merit Good, Common Property resources, Market failure in case of Pure Public Good, Externality, Optimal Provision of public good;</p> <hr/> <p><b>Module 2: (Full Marks-45) Number of Classes: 3</b></p> <p><b>Unit 2:</b> <b>Taxation-</b> Classification of Taxes, Benefit Principle Approach, Ability to Pay Approach, Incidence of Taxation – Perfect competition and Monopoly, Burden of Taxation, Excess burden of taxation- Direct tax, Indirect Tax, Tax and work effort, Effect of tax on Savings, Laffer Curve;</p> <p><b>Unit 3:</b> <b>Public Expenditure &amp; Public Debt-</b> Concept of government budget and its types, Classification of Public Expenditure, Concept of Public Debt, Sources of Public Debt, Types of Public Debt- Internal and External, Effect of Public Debt, Intergeneration Equity in Public Debt.</p>

Readings	<ol style="list-style-type: none"> <li>1. A. B. Atkinson and J. E. Stiglitz, Lectures on Public Economics, McGraw-Hill Inc.,US, 1980.</li> <li>2. C. V. Brown and P. M. Jackson. Public Sector Economics, Wiley Blackwell; 4th Edition, 1991.</li> <li>3. R.A. Musgrave and P.B. Musgrave, Public Finance in Theory &amp; Practice, McGraw Hill Publications, 5th edition, 1989.</li> <li>4. Amaresh Bagchi (ed), Readings in Public Finance, OUP.</li> <li>5. J. E. Stiglitz. Economics of Public Sector, W. W Norton and Company, 3rd Edition, 2000.</li> <li>6. R.J.Chelliah (ed), Towards Sustainable Growth, OUP, 2009.</li> <li>7. A Ghosh and C. Ghosh, Public Finance, Prentice Hall India Learning Private Limited; 2nd Revised edition (2014).</li> </ol>			
Evaluation	Continuous Internal Assessment: 30 marks End- Semester Theory Examination: 70 marks			
Paper Structure for End-Sem Exam	Module	No. of Questions to be Answered	No. of Alternatives	Marks
	Module 1	1	2	5 x 1 = 5
		2	3	10 x 2 = 20
	Module 2	3	4	5 x 3 = 15
		3	4	10 x 3 = 30
	Total Marks			70