

St. Xavier's College (Autonomous), Ahmedabad

FACULTY OF ARTS

DEPARTMENT OF ECONOMICS (SF)

BA. Hons. (Economics) SF

SEMESTER-5

Minor Course – 2 (Micro-Minor): Public Economics (SWAYAM)

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course Title & Code	Credit Distribution of The Course			Eligibility Criteria	Pre-requisite(s) of the Course (if any)
	Lectures	Tutorial	Practical / Practice		
Public Economics (ECH-5102)	4	0	0	10 + 2 from a recognized board in any stream	NA

ECH-5102: Public Economics

[SWAYAM Course Link](#)

Syllabus

WEEK 1

1. Public Economics: An Introduction
 - 2.1 Justification for the Public Sector
 - 2.2 Pareto Efficiency
 - 2.3 Welfare Theorem
3. Fiscal Functions
4. Theories of Public Expenditure

WEEK 2

5. Peacock-Wiseman Hypothesis and Ratchet Effect
6. Demand and Supply of Public Expenditure

7. Excessive Government

8. Market Failures

8.2 Redistribution and Merit Goods

WEEK 3

9. Public Goods

10. General Model for Public Goods

10.2 Lindahl Equilibrium Model

11. Pure and Impure Public Goods

12. Free Riding and Voluntary Provision of Pure Public Goods

WEEK 4

13. Publicly Provided Private Goods

14. The Theory of Clubs

15. Externalities: Definition and Market Inefficiency

16. River Pollution and Traffic Jam

WEEK 5

17. Pecuniary Externalities

17.2 Private Response to Externalities

18. Tragedy of the Commons and Bandwagon Effect

19. Pigouvian Taxation

20. Emissions Fees and Cap-and-Trade

WEEK 6

21. Emission Fees vs. Cap-and-Trade Program

22. Coase Theorem

23. Principles of Taxation

23.2 Desirable Characteristics of a Tax System

WEEK 7

24. Meaning and Measures of Taxable Capacity

25. Nature of Tax Burden

26.1 Measuring Tax Incidence

26.2 Concept of Tax Incidence

WEEK 8

27. Tax Incidence in a Competitive Market

28. Incidence of Government Benefits: Ad Valorem vs. Specific Tax

29. Elasticity and Tax Incidence

WEEK 9

30. Partial Equilibrium View of Product Taxes

31. Quantifying Tax Distortion

32. Taxation on Saving and Labour

WEEK 10

33. Optimal Taxation

34.1 India's Tax Structure

34.2 Government in the Economy

35. Direct and Indirect Taxes: Composition, Issues, and Challenges

WEEK 11

36. Direct Tax Reforms

37. Value Added Tax (VAT)

38. Goods and Services Tax (GST)

WEEK 12

39. Techniques and Principles of Budgeting

40. Preparation of Budget: Revenue, Capital and Public Accounts

41. Budget Deficit: Types, Causes, and Effects

WEEK 13

42. Public Debt

43. Centre-State Financial Relations

44. Finance Commission and Devolution of Taxes and Grants

WEEK 14

45. State Finances and FRBM Act

46. Local Bodies and Financial Responsibility

47. Special Category States

WEEK 15

48. Public Policy and Development of Northeast India

49. Health Emergency and Fiscal Policy

50. Pandemic and Public Policies in India (Part 2)

Books and References

1. Bhatia, H.L. (2008). Public Finance (26th Edition). Vikas Publishing House.
2. Buchanan, J.M. (1970). The Public Finance. Richard D. Irwin.
3. Cullis, J., & Jones, P. (1998). Public Finance and Public Choice (1st Edition). Oxford University Press.

4. Herber, B.P. (1967). *Modern Public Finance*. Richard D. Irwin.
5. Leach, J. (2004). *A Course in Public Economics*. Cambridge University Press.
6. Lindahl, E. (1919/1958). "Just Taxation—A Positive Solution." In *Classics in the Theory of Public Finance*, R.A. Musgrave & A.T. Peacock (Eds.). St. Martin's Press.
7. Musgrave, R.A. (1959). *The Theory of Public Finance*. McGraw-Hill.
8. Musgrave, R.A. & Musgrave, P.B. (1989). *Public Finance in Theory and Practice* (5th Edition). McGraw-Hill.
9. Rosen, H.S. & Gayer, T. (2009). *Public Finance* (9th Edition). McGraw-Hill.
10. Stiglitz, J.E. (2009). *Economics of the Public Sector* (3rd Edition). W.W. Norton & Co.
11. Taylor, P.E. (1957). *The Economics of Public Finance*. Macmillan.
12. Tullock, G. (1970). *Private Wants, Public Means: An Economic Analysis of the Desirable Scope of Government*. Basic Books.