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NORTH-EASTERN HILL UNIVERSITY

Proposed TDC Syllabus in Economics under Semester System

Paper – IV
PUBLIC ECONOMICS

Unit-I

Introduction to Public Economics: The nature, scope and significance of public economics; public goods, private goods and merit goods; models of efficient allocation of public goods, free riding; The Principle of Maximum Social Advantage; Externalities- the problem and its solutions; Market failure.

Unit-II

Public Expenditure and Public Revenue: Public expenditure- Meaning and classification; Canons and effects of public expenditure; Wagner's law of increasing state activities; Wiseman-Peacock hypothesis; Structure and growth of public expenditure; Public expenditure in India – its pattern and growth; Public Revenue; Taxation – classification of taxes and canons; the benefit and ability to pay approaches; impact and incidence of taxes; Taxable capacity; effects of taxation; recent tax reforms – VAT & GST.

Unit-III

Fiscal Policy and Fiscal Federalism: Objectives of fiscal policy; interdependence of fiscal and monetary policies; budgetary deficit and its implications; Balanced Budget Multiplier; Fiscal federalism in India; Finance Commission (latest); Devolution of resources and grants.

Unit-IV

Public Debt and Budget: Sources of public borrowing; effects of public debt; methods of debt redemption; growth of India's public debt; Budget: kinds of budget, economic and functional classification of budget, preparation and passing of budget in India.

Suggested Readings:

1. Atkinson, A. B. and J.E. Stiglitz (1980), *Lectures on Public Economics*, Tata McGraw Hill, New York.
2. Auerbach, A. J. and M. Feldstein (eds.) (1985), *Handbook of Public Economics*, Vol.-I, North Holland, Amsterdam.
3. *Buiter, Willem H. (1990), Principles of Budgetary and Financial Policy*, The MIT Press.
4. Ghosh, A. and G. Chandana (2008), *Economics of the Public Sector*, Prentice Hall of India Pvt. Ltd., ND.
5. Government of India, *Economic Survey* (Annual), New Delhi.
6. Hyman, D.N. (2007), *Public Finance: A Contemporary Application of Theory to Policy*, Thomson Asia.
7. Jha, R. (1998), *Modern Public Economics*, Routledge, London.
8. Lipsey, R. and A. Chrystal (2011), *Economics*, Oxford University Press, New York.
9. Mishra, B. (2006), *Fiscal Policy in North-East India*, Akansha Publishing House, New Delhi.
10. Musgrave, Richard A. (1959), *The Theory of Public Finance*, Tata McGraw Hill, New York.
11. Purohit, Mahesh (2001), *Value Added Tax*, Gayatri Publications.
12. Srivastav, D.K. (ed.) (2000), *Fiscal Federalism in India*, Har Anand Publications Ltd., New Delhi.
13. Stiglitz, J.E. (1986), *Economic of Public Sector*, Norton, New York.
14. Ulbrich, H. (2004), *Public Finance in Theory and Practice*, Thomson Asia Pvt. Ltd., Singapore.