

PROGRAM	Master of Business Administration
SEMESTER	IV
COURSE TITLE	Public Finance and Policy
COURSE CODE	04MB0446
COURSE CREDITS	3
COURSE DURATION	42

COURSE OUTCOMES:

- ❖ To know the role of government in the economy, applying tools of basic microeconomics
- ❖ To find out the important policy questions such as government response to global public finance policy challenges.
- ❖ To discuss various economic activities of the public sector; with taxation and expenditures of governments and their effects on the economy. In addition, governments create regulations that significantly affect the economy without involving either taxes or expenditure.
- ❖ To explore the Public Finance policy and take away that governments were pure, selfless institutions that would function perfectly to implement socially optimal policies.
- ❖ To know the functioning of Social Security versus private retirement savings accounts, government versus private health insurance, setting income tax rates for individuals and corporations.

COURSE CONTENTS:

Unit No	Unit / Sub Unit	Sessions
I Public goods in theory and practice	Public provision of private goods, Meaning, Nature & Scope, Importance, Role of Government in Changing Perspective; Government as an agent of economic growth and development; Fiscal Functions of the Government; Classification of Goods: Private, Public, Social, Merit and Mixed Goods, Regional public goods in practice.	08
II The Size	Level of Government and Functions: Union, State and Local- functions	10

of Government and Public Revenue	of each level for public finance policy, Closed economy, open economy, mixed economy Public Revenue: Sources of Revenue, Taxation – characteristics of a good taxation system, Canons of taxation, direct vs. indirect taxes, principles of taxation, effects of taxation, taxable capacity, impact and incidence of taxation; Tax structure in India and Recent Reforms - GST.	
III Public Debt and Public Budget	Sources of Public Debt, Burden of public debt – theories, effects of public debt, methods of debt redemption, Public Debt Management in India. Public Budget - Concept of public budget, types of public budget, theories of public budgeting.	08
IV Federal Finance and Fiscal policy	Principles and problems of Federal finance – centre-state financial relations, 15th Finance Commission; Fiscal Policy: meaning and objective, fiscal multipliers, compensatory fiscal policy, functional finance approach, fiscal policy for inflation, full employment and economic growth.	08
V Public Expendit ure	Public Expenditure- Meaning and Classification, Theories of Public Expenditure – Wagner's Law; Maximum Social Advantage, Normative and Positive Theories, Growth in Public Expenditure, Canons of Public Expenditure, Effects of Public Expenditure on Production, Distribution and economic growth, Criteria for public investment – social cost-benefit analysis – project evaluation.	08

EVALUATION:

The students will be evaluated on a continuous basis and broadly follow the scheme given below:

	Component	Weightage
A	Continuous Evaluation Component (Assignments / Presentations/ Quizzes / Class Participation/ etc.)	20% (C.E.C.)
B	Internal Assessment	30% (IA)
C	End-Semester Examination	50% (External Assessment)

SUGGESTED READINGS:

Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year
T-01	Choudhary, R. K.	Public Finance and Fiscal Policy	Kalyani Publishers, New Delhi	2014 4 th edition
T-02	Backhaus, J. G. & Wagner, R. E.	Handbook of Public Finance	Springer, US.	2004 (Revised Edition)
T-03	Musgrave, R. A.	The Theory of Public Finance	MG-Hill Publication, New York	1959 (2 nd Edition)
T-04	Dalton, H. (1922):	Principles of Public Finance,	Allied Publishers, Reprinted by Routledge	2009 (4 th Revised Edition)

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year
R-01	NIRMALA SITHARAMAN 1 st February, 2021 Minister of Finance Government of India Ministry of Finance Department of Economic Affairs	15 th Finance Commission Annual Reports	Finance Commission of India	https://fincomindia.nic.in/
R-02	Jha, Raghendra	Modern Theory of Public Finance	New Age International Pvt. Ltd. India	2010 –edition
R-03	Garg, R. & Garg, S.	Handbook of GST in India	Bloomsbury India Professional.	2017-2020