Public Finance (GE41)
Generic Elective (GE)  Credit: 6

Course Objective
This course is a non-technical overview of government finances with special reference to India. The course does not require any prior knowledge of economics. It will look into the efficiency and equity aspects of taxation of the centre, states and the local governments and the issues of fiscal federalism and decentralisation in India. The course will be useful for students aiming towards careers in the government sector, policy analysis, business and journalism.

Course Learning Outcomes
The module aims to introduce students to the main concepts in public finance, equip students with a thorough analytical grasp of government taxes: direct and indirect taxes, and familiarise students with the main issues in government expenditure. At the end of the module the students should be able to demonstrate their understanding of the economic concepts of public finances, use diagrammatic analysis to demonstrate and compare the economic welfare effects of various government policy options, and demonstrate their understanding of the usefulness and problems related to government revenues and expenditures.

Unit 1
Theory: Overview of Fiscal Functions, Tools of Normative Analysis, Pareto Efficiency, Equity and the Social Welfare; Market Failure, Public Good and Externalities; Elementary Theories of Product and Factor Taxation (Excess Burden and Incidence)

Unit 2
Issues from Indian Public Finance: Working of Monetary and Fiscal Policies; Current Issues of India's Tax System; Analysis of Budget and Deficits; Fiscal Federalism in India; State and Local Finances

References


**Teaching Learning Process**
Lectures and tutorials

**Assessment Methods**
Internal assessment and final examination as per CBCS rules

**Keywords**
Taxation, public expenditure, policy