

Public Economics

Objective: - to aware the students with fundamentals of fiscal policy, fiscal federalism and public economics.

Unit. 1.

Theory of fiscal federalism, practice of fiscal federalism with special reference to India. Main principles of fiscal federalism in India, finance commission.

Unit 2.

Nature and scope of public finance, public goods v/s private goods. Spill over benefits & spill over cost. Principle of maximum social advantage, market failure, role of government.

Unit 3.

Objectives of fiscal policy, major instruments of fiscal policy. Limitations of fiscal policy, Limitations of fiscal policy with reference to developing countries.

Unit 4.

Deficit financing, its meaning, budgetary deficit and fiscal deficits. Revenue deficit, need for fiscal deficit in developed and developing countries. Limitations of / adverse effects of deficit financing. Agriculture income tax in developing countries (advantage &disadvantage), its effects.