

**DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI**

**Minutes of Meeting**

<b>Subject</b>	:	B.A. (H) Economics
<b>Course</b>	:	HE 53 Public Economics, Discipline Specific Elective (DSE)
<b>Date of Meeting</b>	:	July 28, 2021
<b>Venue</b>	:	Department of Economics Delhi School of Economics University of Delhi
<b>Chair</b>	:	Professor Ram Singh

**Attended by:**

Aisha Ahmed, Daulat Ram College  
Amit kumar jha, Sri Venkateswara college  
Anil Kumar, Ramjas College  
Abhinav Parashar Sri Aurobindo College (Evening)  
Ankush Garg, PGDAV College  
Divisha Lakshmibai College  
Puja Pal, JDMC  
Sumam Rani, Shyam Lal College  
Shreya Malhotra , Deshbandhu College  
Shreya Malhotra  
Valbha Shakya, Shaheed Bhagat Singh College (M)  
Dr Renu Kumari Verma, Motilal Nehru College Evening,  
Har Simrat Kaur, Lady Shri Ram College for Women  
DEEPA VERMA , SRI GURU GOBIND SINGH COLLEGE OF COMMERCE  
K Sucharita Khuntia, Hansraj college,  
Dr. Rita Rani, Daulat Ram College, DU  
Himani Choudhary, Lady Shri Ram College for Women  
Shashi singh , College of Vocational Studies  
Iti Dandona, Shivaji College  
Apeksha Singh, Dyal Singh College  
Indu Choudhary, Kalindi College  
A Sunil Dharan, Motilal Nehru College  
Surajit Deb, Aryabhata College  
Nidhi Dhamija, Hindu College

**The following texts were agreed upon:**

1. John Cullis and Philip Jones, *Public Finance and Public Choice*, Oxford University Press, 2<sup>nd</sup> edition, 1998. [Available at Ratan Tata Library]

2. Jean Hindriks and Gareth D. Myles. *Intermediate Public Economics*, MIT Press, 2<sup>nd</sup> edition, 2013. [Available at Ratan Tata Library]  
[http://www.amazon.com/Intermediate-Public-Economics-JeanHindriks/dp/0262018691/ref=dp\\_ob\\_title\\_bk](http://www.amazon.com/Intermediate-Public-Economics-JeanHindriks/dp/0262018691/ref=dp_ob_title_bk)
3. Joseph E. Stiglitz, *Economics of the Public Sector*, 3<sup>rd</sup> edition, W. W. Norton and Co. 2009.

[Note: All chapters and sections in the topic-wise reading list refer specifically to these editions of the texts.]

## TOPICWISE READING LIST

\*Number of lectures for each topic are in parentheses. These are only indicative.

\*\* End of chapter problems in the texts (relevant sections) should be covered in lectures and tutorials.

### **1. PUBLIC ECONOMIC THEORY (48-50 Lectures)**

#### **1a. Fiscal functions: an overview (7-8 lectures)**

Hindriks & Myles, Chapter 5.

#### **1b. Public Goods: definition, models of efficient allocation, pure and impure public goods, free riding (9-10 lectures)**

Cullis & Jones, Chapter 3 (Sections: 3.1 to 3.5.4).

Cullis & Jones, Chapter 12 (Sections: 12.1 to 12.4.2)

#### **1c. Externalities: the problem and its solutions, taxes versus regulation, property rights, the Coase theorem (11-12 lectures)**

Hindriks & Myles, Chapter 8 (Sections: 8.1 to 8.5, 8.7 to 8.10)

#### **1d. Taxation: its economic effects; dead weight loss and distortion, efficiency and equity considerations, tax incidence, optimal taxation, Commodity tax, Ramsey rule (19-20 lectures)**

Stiglitz, Chapter 18 (pp. 482 to 497), Chapter 19, Chapter 20 (pp. 550 to 562).

Hindriks & Myles, Chapter 15 (Sections 15.1 to 15.3, 15.5 - 15.5.1, 15.5.2)

Hindriks & Myles, Chapter 16\* (Sections: 16.1 to 16.3,  
Optional reading)

Hindriks & Myles, Chapter 17 (Sections: 17.1 to 17.4 and 17.7)

## **2. INDIAN PUBLIC FINANCE (15 lectures)**

**Note** Topic-wise readings for the part will be finalized within next 10 days after carefully looking the Budget Paper, Economic Surveys, Reports and Recommendations of the 15<sup>th</sup> Finance Commission.

### **2a. Tax System: structure and reforms (6 - 7 lectures)**

Rao, M. Govinda and Sudhanshu Kumar (2017). "Envisioning Tax Policy for Accelerated Development in India," Working Paper No. 190, National Institute of Public Finance and Policy (NIPFP). (access at <http://www.nipfp.org.in/publications/workingpapers> )

Rao, M. Govinda. "Goods and Services Tax in India: Progress, Performance and Prospects." Indian Economic Summit (2019), School of International and Public Affairs, Columbia University

Srivastava, D K et al., Taxing Petroleum Products: Sharing Revenue Space between Centre and States, Vol. 56, Issue No. 9, 27 Feb, 2021, EPW (access at <https://www.epw.in/journal/2021/9/notes/taxing-petroleum-products.html> )

### **2b. Budget, deficits and public debt (3 - 4 Lectures)**

Bajaj & Dutt (2020), "Financing of fiscal response to COVID-19: a pragmatic Alternative", Indian Economic Review, Vol. 55. (Suppl 1): S149 – S160  
Budget at Glance 2021-22

Chakraborty, Lekha Union Budget 2021–22: The Macroeconomic Framework, Vol. 56, Issue No. 9, 27 Feb, 2021, EPW

### **2c. Fiscal federalism in India (4 - 5 Lectures)**

Rao, M. Govinda. "Central transfers to states in India: rewarding performance while ensuring equity." Final report submitted to NITI Aayog (2017) (pages 1 to 18).

Fifteenth Finance Commission Report 2021-26, Chapter 6  
Report Summary, 15th Finance Commission, PRS India

### **Exam Pattern**

- Students will be expected to attempt 5 out of 7 questions (15 marks each).
- Marks will be approximately proportional to suggested number of lectures for each topic.
- Questions may have sub-parts from different topics.
- Questions may include diagrams, numerical and short notes.

### **Internal Assessment**

- Two class tests (10 marks each) and attendance (5 marks).