

## C. U. SHAH UNIVERSITY WADHWANCITY



**Faculty** : Arts & Humanities  
**Department** : Economics  
**Branch** : B.A. Economics  
**Semester** : IV  
**Name of Subject:** Public Finance and Public Policy  
**Subject Code** : 4AH03MAE1



### TEACHING & EVALUATION SCHEME:

Subject Code	Name of the Subject	Teaching Scheme (Hours)				Evaluation Scheme								
		Th	Tu	P	Total	Theory				Practical (Marks)			Total	
						Sessional Exam		University Exam		Total	Pr/Viva	T/W		Total
						Mark s	Hrs	Mark s	Hrs					
4AH01PFP 1	Public Finance and Public Policy	3	0	0	3	30	1.5	70	3	100	-	-	-	100

### Objectives:

Public finance are achieved by managing and drafting polices pertaining to key areas such as taxation , management of public revenue and expenditure, raising and servicing public debt, fiscal administration

- **Course Outline:-**

Unit No.	Content	Maximum Hours
0	Prerequisites	04
1	<b>Concept of Public Finance</b> Meaning, Nature & Scope of Public Finance Difference between Public and Private Finance Property of Public and private goods	13
2	<b>Theory of Maximum Social Welfare</b> Concept of Maximum Social Welfare Evaluation of Maximum Social Welfare Pigou concept of social welfare	10

3	<b>Principles of Taxation</b> Benefit vs. Ability to Pay; Different criteria for ability and progressive taxation; types of taxes; Incidence and Shifting of tax; Taxable Capacity; Welfare Cost of Taxation; Effect of tax on price and output; unit and ad valorem taxation under competition and monopoly; Taxation and Work effort – theory and evidence: An Introduction, the Laffer curve.	15
4	<b>Public Revenue</b> Meaning & Sources of Public Revenue Meaning, canons of features of best tax system Concepts of Impact of Taxation, Shifting of Taxation, Incidence of Taxation	18
5	<b>Public Expenditure</b> Meaning & Causes of rising Public Expenditure Classification of Public Expenditure Effects of Public Expenditure	10
<b>Total Hours</b>		<b>45</b>

### Reference:

- Atkinson, A. and Stiglitz, J. (1980): Lectures in Public Economics, McGraw Hill, London.
- Browning, Edgar K. and Browning, Jacqueline, M. (2004): Public Finance and the Price System, Pearson Education Pvt. Ltd. Delhi.
- Buchanan, James M. (1968): The Demand and Supply of Public Goods, Skokie III Rand Mc Nally.
- Chelliah, Raja J: Fiscal policy in Underdeveloped Countries.
- Chelliah, Raja J. et.al: Trends and Issues in India's Federal Finance.
- Jha, Raghendra (1999): Modern Public Economics, Routledge, London and New York.
- Laffont, Jean. Jacques (1994): Fundamentals of Public Finance, Cambridge Mass, MIT Press.
- Musgrave, R.A., and Musgrave, P.B. (1989): Public Finance in Theory and Practices, McGraw Hill, New York.
- Musgrave, Richard.A.(1959): The Theory of Public Finance, McGraw Hill, New York.
- Myles, Gareth D. (1995): Public Economics, Cambridge University Press, Cambridge.
- Rosen, Harvey S. (1995): Public Finance (Fourth Edition), Richard D. Irwin, Chicago.
- Thompson, F. and Green, M.T. (1998): Handbook of Public Finance, Marcel Dekker, New York.