

# C.U.SHAH UNIVERSITY WADHWANCITY



**Faculty of: Arts & Humanities**  
**Department of: ECONOMICS**

**Semester: I**

**Name of Subject : Public Economics - I**

**Subject Code: 5AH01MAE1**



## 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	TW		Total
						Marks	Hrs	Marks	Hrs					
<b>5AH01PUE1</b>	<b>Public Economics - I</b>	4	0	0	4	30	1.5	70	3	100	--	--	--	100

### Objectives:

- To create awareness among the students how the public economics has been applied to the package of those policies and operations which involve the use of tax and expenditure measures.
- To analyse the public revenue and expenditures trends and programmes.
- To understand the existence of externalities concern from adjustment in the distribution of income and wealth etc.
- To understand fiscal institutions with a careful analysis of the issues, which underline budgetary policies in general and Indian experience in particular.

### Course outline:

Unit	Course Content (Title of the Unit)	Minimum No. of
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No.		Hours
0	Prerequisites	04
1	<p data-bbox="321 348 488 380"><b>Introduction:</b></p> <p data-bbox="321 428 1232 625">Meaning and definition of public finance – Scope of Public Finance – Similarities and dissimilarities of public and private finance – Market Failure – Imperfection – indivisibility – spill over benefit and spill over cost – Externalities. Role of Government Activity.</p>	14
2	<p data-bbox="321 676 967 707"><b>Inter – sector of Allocation and Public Choices:</b></p> <p data-bbox="321 730 1232 982">Private and Public mechanism for allocating resources: Types of goods and their characteristics – Private, Public and Merit goods – Principle of maximum social advantage. Public Choice – Unanimity – Relative Unanimity – the medium vote theorem – Arrow’s impossibility theorem.</p>	14
3	<p data-bbox="321 1003 760 1035"><b>Theories of Public Expenditure:</b></p> <p data-bbox="321 1087 1232 1392">Meaning of Public Expenditure – classification of public expenditure – Causes of Increase in Public Expenditure – Importance of Public Expenditure – Canons Public Expenditure – Effects of Public Expenditure – Wagner’s Law of Public Expenditure – Wiseman Peacock Hypothesis on Public Expenditure – Prof. Samuelson’s Pure Theory of Public Expenditure – Trends of Public Expenditure in India.</p>	14
4	<p data-bbox="321 1442 894 1474"><b>Public Revenue and Theories of Taxation:</b></p> <p data-bbox="321 1526 1232 1831">Meaning and definition of public Revenue – Sources – Classification of Public Revenue – Meaning and definition of Tax – Characteristics – Objectives of tax – canons of Taxation – Classification of Taxes – Direct Taxes and Indirect Taxes – Its Meaning – Merits and demerits of Indirect Taxes – Laffer Curve – Characteristics of Good tax System – Tax incidence – Effects of Taxes – Theories of Taxation – Erik</p>	14

	Lindhall's Theory of Voluntary Exchange – Howard Brown's Theory.	
	<b>Total Hours</b>	<b>60</b>

**Text and Reference Books:**

1. Buchanan J. M. (1970) The Public Finances, Richard D. Irwin, Home Wood
2. Goode R. (1986) Govt. finance in Developing Countries, Tata McGraw Hill, New Delhi
3. Houghton J. M. (1970) The Public Finance Readings, Penguin and Harmondsworth.
4. Jha, R. (1998) Modern Public Economics, Routledge, London.
5. Menutt P. (1996) The Economic of Public Choice, Edward Elgar, UK.
6. Musgrava, R. A. and P. B. Musgrava (1976) Public Finance in Theory and Practice, McGraw Ha Kogukhusa, Tokyo.
7. Musgrava, R. A. (1956) The Theory of Public Finance, McGraw Ha Kogukhusa, Tokyo.
8. Shoup C. S. (1970) Public Finance, Aldine Chicago
9. Bhatia H. L. (2003) Public Finance, Vikas Publishing House Pvt. Ltd. New Delhi