

Syllabus B.Com. (Business Economics) (Sem.- IV)

Title of Paper: Public Finance

Sr. No.	Heading	Particulars
1	Description the course: Including but Not limited to:	Public Finance is a vital discipline in economics that examines the role of government in the economy. This course introduces students to key fiscal functions, including allocation, distribution, and stabilization. It covers taxation, public expenditure, debt management, and fiscal policy, offering insights into government budgeting and intergovernmental financial relations. Relevant to policy-making, banking, and financial services, this course connects with macroeconomics and public policy, preparing students for careers in government, finance, and economic consultancy.
2	Vertical :	Minor
3	Type :	Theory
4	Credit:	4 credits (1 credit = 15 Hours for Theory)
5	Hours Allotted :	60 Hours
6	Marks Allotted:	100 Marks
7	Course Objectives: By the end of this course, students will be able to: - <ol style="list-style-type: none"> 1. To understand the learners with the various concepts related to public finance 2. To make the learners able to understand the sources of public revenue 3. To make the learners understand the tools of fiscal policy. 4. To equip the learners with government budget and Intergovernmental Fiscal Relations 5. To make the learners understand the classification of public debt 	
8	Course Outcomes: By the end of this course, students will be able to: - <ol style="list-style-type: none"> 1. Evaluate the effects of taxation and public expenditure 2. Evaluate the objectives of fiscal policy. 3. Analyze the sources of internal and external debt 4. Differentiate between the balanced and unbalanced budget 	

9

Syllabus

Module 1: The Role of Government in an Economy (15 hours)

- **Meaning and Scope of Public finance**, Major fiscal functions : allocation function, distribution function & stabilization function
- **Principle of Maximum Social Advantage:** Dalton and Musgrave Views - the Principle in Practice, Limitations.
- **Relation between Efficiency, Markets and Governments**

Module 2: Public Revenue (15 hours)

- **Sources of Public Revenue** : tax and non-tax revenues, Objectives of taxation - Canons of taxation - Types of taxes: direct tax and Goods and Services Tax - Tax Base and Rates of taxation: proportional, progressive and regressive taxation
- **Shifting of tax burden:** Impact and incidence of taxation - Processes- factors influencing incidence of taxation
- **Economic Effects of taxation:** on Income and Wealth, Consumption, Savings, Investments and Production. Redistributive and Anti – Inflationary nature of taxation and their implications

Module 3: Public Expenditure and Public Debt (15 hours)

- **Public Expenditure:** Canons - classification - economic effects of public spending - on production, consumption, distribution, employment and stabilization
- **Theories of Public Expenditure:** Wagner's Hypothesis and Wiseman Peacock Hypothesis - Causes for Public Expenditure Growth - Significance of Public Expenditure: Low Income Support and Social Insurance Programmes.
- **Public Debt:** Classification - Burden of Debt Finance : Internal and External- Public Debt and Fiscal Solvency

Module 4: Fiscal Policy and Management (15 hours)

- **Fiscal Policy:** Meaning, Objectives, constituents and Limitations, Contra cyclical Fiscal Policy and Discretionary Fiscal Policy : Principles of Sound and Functional Finance
- **Budget-** Meaning objectives and types - Structure of Union budget - Deficit concept
- **Intergovernmental Fiscal Relations:** fiscal federalism and fiscal decentralization - central- state financial relations, recommendations of recent finance commission.

11 References:

- Ahuja H.L. : Modern Economics, 19th edition, 2015, S.Chand &co Pvt Ltd, New Delhi
- Bhatia H.L.: Public Finance. Vikas Publishing House Pvt. Ltd.
- David N. Hyman : Public Finance A Contemporary Application of theory of policy, Krishna Offset, Delhi
- Hoiughton E.W.(1998) : Public Finance, Penguin, Baltimore
- Hajela T.N: Public Finance – Ane Books Pvt.Ltd
- Jha, R (1998) : Modern Public Economics, Route Ledge, London
- Musgrave, R.A and P.B. Musgrave (1976) : Public Finance in Theory and Practice, Tata McGraw Hill, Kogakusha, Tokyo
- Mithani, D.M (1998) : Modern Public Finance, Himalaya Publishing House, Mumbai
- Singh.S.K. (2014): Public finance in Theory and Practice, S. Chand &co Pvt Ltd, New Delhi