

Dr. BABASAHEB AMBEDKAR MARATHWADA UNIVERSITY, AURANGABAD
DEPARTMENT OF ECONOMICS
M.A. (Economics) SYLLABUS

Course Code No.: ECO --302	No. of Credits: 04	Semester: III
Course Title:	PUBLIC ECONOMICS	
Course Objectives: This course brings out the role of modern state in a market oriented economy. This course offers an introduction to taxonomy of economic goods. It deals with the theory of taxation and public expenditure and aims at laying down the foundation of theory of public finance with a special unit devoted to budget economics. The course is designed to enable students to understand the practice of public economics with the help of principles of public economics.		
Unit	Course Content	Periods
I	Economic Rationale of the Modern State Rationale of State intervention- issues related to market failure and need for state intervention- externalities- the role of state in Allocation, Distribution, Regulation, Stabilization and in the Information sector - Individual and social welfare- Arrow's impossibility theorem- The Leviathan hypothesis	12
II	Economic Analysis of Public Goods: Pure and impure public goods, optimal provision of public goods –merit goods-voting and public choice–preference revelation mechanism – Lindahl equilibrium- free riding - The theory of clubs-public goods and the private cost of public goods - The global fiscal commons-The emergence of tax havens	14
III	Theory of Taxation: The conflict between efficiency and equity Horizontal and vertical equity- Shifting and incidence of tax: The Harberger Model, Canons of Taxation, theory of optimal taxation, Taxation and economic efficiency, Principles of efficient international taxation – The Tobin Tax	12
IV	Theory of Public Expenditure: Pure theory of public expenditure Canons of public expenditure Public sector pricing, Public expenditure management and control.	07
V	Economic Principles of the Government Budget: Basics of Budget Economics: Types of budgets, scope and Importance of Budget -Determination of efficient Budget size; Definition and major components of tax and non- tax revenue , Deficit Financing and its implications: Crowding out, Money supply and price level Public Debt Burden and Intergenerational Equity The concept of Sovereign Debt	15
Course Outcome :-		
<ul style="list-style-type: none"> • Student will understand the role of modern state in a market oriented Economy. • Student will be able to understand scientific classification of Economic growth • The Course will lay ... foundations of theory of Public Finance. 		

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