

DEPARTMENT OF ECONOMICS				CLASS: I M.A. Economics				
Sem	Course Type	Course Code	Course Title	Credits	Contact Hours/week	CIA	Ext	Total
II	Major Core-6	21P2VMC6	Fiscal Economics	4	5	25	75	100

Nature of Course			
Knowledge and skill		✓	Employability oriented
Skill oriented			Entrepreneurship oriented

Course Objectives	
1. To know about various alternative theories of firm	
2. To know the different welfare economic criteria of social welfare.	
3. To understand about the basic knowledge of Welfare Economics	

Unit	Description	Hours	K-Level	CLO
I	Introduction Major Fiscal functions: Allocation-Distribution-Stabilization- To accelerate economic development-Public goods and Private goods-Merit goods-Social goods-Market failure-causes-of market failure - Coase theorem.	15	Up to K4	1
II	Public Expenditure Theories of public expenditure:-Musgrave-Wagner's law -Wiseman-Peacock Hypothesis-Colin-Clark (Critical Limit) Hypothesis- Canon's of Public expenditure-Reasons for the growth of public expenditure in India.-Agencies to control of public expenditure.	15	Up to K4	2
III	Taxation and Public Debt Direct and Indirect taxes-merits and demerits- Kinds of taxes-Progressive-Proportional-Regressive- Degressive tax – Goods and Services Tax (GST) and its impact - Incidence and Shifting- Modern theory of incidence- classification and sources of public debt-methods of repayment of public debt-principles of public debt management.	15	Up to K4	3
IV	Budget, Fiscal Federalism and Local Finance Budget-objectives-types-Budgetary Procedure- The concept of federal finance-Principles of federal finance—Methods of inter-governmental resource transfer –Meaning of local finance- sources of local finance-Functions of local bodies-Obligatory and discretionary functions-Problems of local finance-Need for strengthening of local bodies in India.	15	Up to K4	4
V	Modern views on Fiscal policy Objectives and Instruments of Fiscal Policy- The concept of functional finance-Rules-Role of functional finance under inflation and deflation-The concept of Build-in stabilizers-Discretionary fiscal policy- fiscal drag - Compensatory fiscal policy- Deficit financing-meaning – objectives-effects of deficit financing- Deficit financing in India.	15	Up to K4	5

Book for Study

1. **Public Finance** by M. Maria John Kennedy (2012) - PHI learning Private Ltd, New Delhi.

Books for References

1. Musgrave R.A. & Musgrave P.B. “**Public Finance in Theory and Practice**”, (1976), McGraw Hill, Kogakusha, Tokyo.
2. Hajela T.N., “**Public Finance**”, 2015, Ane Books Private Limited, New Delhi.
3. Sankaran S. “**Fiscal Economics**”, 2016, Margham Publications, Chennai.
4. N. Radhakrishnan., “**Public Finance-Theory and Approach**”, (2013), Vrindha Publications (P) Ltd Delhi.

Web Resources

1. Richard Musgrave, <https://www.google.co.in/search> public finance in theory and practice, www.ebooklobby.com
2. <http://ebooks.kluweronline.com>
3. <https://elsevier.com>books>

Rationale for Nature of the course

Finance is the life blood of economic system. Financial administration is an important ingredients in the fiscal activities of the state. There is always a constraint in mobilizing the revenue of the Government. Since most of the governments the welfare governments, it is to be noted the expenditure are always ahead than that of revenue. Therefore there is an imperative need to consider the deficit to be compensated through sources of income. In this context, the understanding of budget, and its procedures and the fiscal instruments to attain the socio economic goals by using efficient and ideal financial management techniques is the need of the hour.

Activities having direct bearing on skill development/ Employability / Entrepreneurship

Students are asked to assess the sources of revenue and the heads of expenditures for his/her family for a period of three months. Suppose if he or she finds deficit/surplus, how the funds are being generated or borrowed and used respectively.

Pedagogy

Lecture method, PPT, Quiz, Group discussion, Seminar, Interaction, OOC.

Course Designer

Dr.V. Sriman Narayanan

Lecture Schedule

Unit	Topics	Hours	Mode
Unit I	Public goods and Private goods	2	Lecture Method, OOC Seminar, Test
	Major Fiscal functions: Allocation-Distribution-Stabilization-To accelerate economic development	4	
	Merit goods and Social goods	4	
	Market failure-causes of market failure	4	
	Coase theorem	4	
Unit II	Musgrave-Wagner's law	4	Lecture Method, Seminar, Quiz
	Wiseman-Peacock Hypothesis-Colin-Clark (Critical Limit) Hypothesis	4	
	Reasons for the growth of public expenditure in India	4	
	Canon's of Public expenditure	3	
	Agencies to control of public expenditure	3	
Unit III	Direct and Indirect taxes-merits and demerits	4	Lecture Method, Seminar, Group Discussion
	Kinds of taxes-Progressive-Proportional-Regressive-Degressive tax – Goods and Services Tax (GST) and its impact	4	
	Incidence and Shifting- Modern theory of incidence	4	
	Classification and sources of public debt-methods of repayment of public debt	4	
	Principles of public debt management	2	
Unit IV	Budget-objectives-types	4	Lecture Method, Seminar, PPT
	Budgetary Procedure- The concept of federal finance	4	
	Principles of federal finance—Methods of inter-governmental resource transfer	4	
	Meaning of local finance- sources of local finance-Functions of local bodies-Obligatory and discretionary functions	4	
	Problems of local finance-Need for strengthening of local bodies in India	2	
Unit V	Objectives and Instruments of Fiscal Policy	4	Lecture Method, Seminar, PPT
	The concept of functional finance-Rules-Role of functional finance under inflation and deflation	4	
	The concept of Build-in stabilizers-Discretionary fiscal policy-fiscal drag	4	
	Compensatory fiscal policy- Deficit financing-meaning – objectives	3	
	Effects of deficit financing- Deficit financing in India.	3	
	Total	90	

Course Learning Outcome:

On successful completion of the course, the student will be able to:

CLO	Course Learning Outcome	Knowledge Level
CLO1	Outline the role of Government in fiscal functions	Up to K4
CLO2	Assess the theories of public expenditure and growth in India	Up to K4
CLO3	Classify the sources of public revenue and public debt	Up to K4
CLO4	Analyze the interrelationship between centre and state and provide to know about federal finance	Up to K4
CLO5	Study the modern concepts on fiscal policy and deficit financing	Up to K4

K1 – Remembering**K2** – Understanding**K3** – Application**K4** – Examining, analyzing and presentation**Mapping of CLOs with POs**

#	PO1	PO2	PO3	PO4	PO5
CLO-1	3	-	3	3	2
CLO-2	2	3	2	3	2
CLO-3	3	2	1	2	3
CLO-4	2	3	3	-	3
CLO-5	3	2	2	2	1

Measurement of Scaling : Advanced Application-3, Intermediate Level-2, Basic Level-1.

Learning Outcome Based Education (LOBE) & Assessment
Formative – Blue – Print – Model
(Articulation Mapping with Course Learning Outcome (CLOs))

Units	CLOs	K-Level	Section - A		Section – B (Either or Choice)	Section – C (Open choice)
			Short Answers			
			No. of Questions	K-Level		
I & II	CLO 1 & 2	Up to K4	2	K2, K3	2 (K3 & K3)	2 (K2, K3)
III, IV	CLO 3 & 4	Up to K4	3	K2, K2, K3	2 (K4 & K4)	1(K3/K4)
No. of questions to be asked			5		4	3
No. of questions to be answered			5		2	2
Marks for each question			2		5	10
Total marks for each section			10		10	20

Learning Outcome Based Education (LOBE) & Assessment
Summative – Blue – Print – Model
(Articulation Mapping with Course Learning Outcome (CLOs))

Unit	CLOs	K-Level	Section – A MCQs		Section – B Short Answer		Section – C (Either or Choice)	Section – D (Open Choice)
			No. of Questions	K-Level	No. of Questions	K- Level		
I	CLO-1	Up to K4	2	K1 & K1	1	K1	2 (K3 & K3)	1 (K3)
II	CLO-2	Up to K4	2	K2 & K3	1	K2	2 (K1 & K1)	1 (K2)
III	CLO-3	Up to K4	2	K2 & K3	1	K1	2 (K4 & K4)	1 (K4)
IV	CLO-4	Up to K4	2	K3 & K4	1	K3	2 (K4 & K4)	1 (K3)
V	CLO-5	Up to K4	2	K2 & K3	1	K2	2 (K2 & K2)	1 (K4)
No. of questions to be asked			10		5		10	5
No. of question to be answered			10		5		5	3
Marks for each question			1		2		5	10
Total marks for each			10		10		25	30

K1 – Remembering

K2 – Understanding

K3 – Application

K4 – Examining, analyzing and presentation

Distribution of Section-wise Marks with K-Levels

K Levels	Section – A (No Choice)	Section – B (No Choice)	Section – C (Either or)	Section – D (Open Choice)	Total Marks	% of Marks without choice
K1	2	4	10	-	16	13.33
K2	2	4	10	10	26	21.67
K3	4	2	10	20	36	30.00
K4	2	-	20	20	42	35.00
Total Marks	10	10	50	50	120	100.00