

# **ECONOMICS**

## **Major-3/Minor-3: Economic Theory and Public Finance**

### **Objectives :**

1. *To familiarize the students with aggregative variables such as N.I., Employment, Growth and development, Public Revenue, Public Expenditure, Budget etc.*
2. *To provide theoretical base for the above said aggregative variables at the national level.*

### **UNIT-I – National Income**

- i) National Income – Meaning, definitions and methods of Estimation
- ii) Concepts of National Income – GNP, GDP, NNP, NI , PI, DPI
- iii) Difficulties in calculation of N.I

### **UNIT- II – Theories of Employment**

- i) Say's Law of Markets
- ii) Keynesian theory of Employment- effective demand and its determination
- iii) Trade cycle – meaning, phases and control

### **UNIT-III – Economic Growth vs. Economic Development**

- i) Economic Growth vs. Economic Development
- ii) Determinants of economic development
- iii) Vicious circle of poverty and determination of BPL
- iv) Strategies of economic growth – Balanced Vs Unbalanced Growth
- v) Big push, critical minimum effort thesis

### **UNIT-IV – Public Finance**

- i) Public finance – meaning and definition
- ii) Sources of public revenue
- iii) Items of public expenditure
- iv) Characteristics of a good tax system
- v) Direct And Indirect Tax – meaning
- vi) Public debts – types and its repayment

### **UNIT-V – Budget**

- i) Budget – meaning and components
- ii) Balanced vs Unbalanced Budget
- iii) Types of Deficits – revenue, fiscal, primary and Budgetary Deficit
- iv) Deficit Financing

### **Book references :**

- 1.** Musgrave R A and P B Musgrave – *Public Finance in Theory and Practice* , 1976
- 2.** Bhatia H.L. – *Public Finance*, 2000
- 3.** Higgins B - *Economic Development* , 1959
- 4.** Adelman - *Theories Of Economic Growth And Development* , 1961
- 5.** Singh S K – Public Economics : theory and practice
- 6.** Ahuja H.L. – Advanced economic theory : micro economics, Analysis
- 7.** Shapiro, Edward – macro economic analysis
- 8.** Dalton, Hugh, - Principles of Public Finance
- 9.** Dedly Dellard - Economics of J.M.Keynes
- 10.** D.M. Mithani –Fundamentals of Public Finance