

# PART ONE

# **PUBLIC FINANCE**

#### 1. Meaning, Scope and Importance of Public Finance

Meaning; Nature of Public Finance; Scope of Public Finance; Difference Between Public and Private Finance; Importance of Public Finance; Exercises.

#### 2. Public Goods, Private Goods and Market Failure

Public Goods; Private Goods; Note on Externalities; Market Failure and Role of Government; Exercises

# ${\bf 3.}\ \ The \ Principle \ of \ Maximum \ Social \ Advantage$

Meaning; Maximisation of Social Advantage; Limitations of Maximum Social Advantage Principle; Objective Tests of Social Advantage; Exercises.

# 4. Taxes

Proportional and Regressive Taxes; Direct and Indirect taxes; Canons of Taxation; Exercises.

#### 5. Theories of Taxation

Introduction; Cost of Service Theory; The Benefit Theory; Ability to Pay Theory; Exercises

#### 6. Incidence and Effects of Taxes

Incidence of Commodity Taxes; Effects of Taxation; Exercises.

# 7. Classical Theories of Incidence of Taxation

The Concentration Theory; The Diffusion Theory; Exercises.

# 8. Taxable Capacity

Meaning; Factors Determining Taxable Capacity; Measurement or Limits of Taxable Capacity; Exercises.

# 9. Meaning and Classification of Public expenditure

Meaning; Classification of Public Expenditure; Different Classifications; Exercises

### 10. Canons, Effects and Growth of Public Expenditure

Canons of Public Expenditure; Effects of Public Expenditure; Growth of Public Expenditure; Exercises.

#### 11. Public Debt

Meaning of Public Debt; Difference Between Public Debt and Private Debt; Public Loans Vs Taxes; Types of Public Debt; Need for Public Debt; Effects of Public Debt. Burden of Public Debt; Management of Public Debt; Redemption of Public Debt; Role of Public Debt in Economic Development; Exercises.

#### 12. Public Budget

Meaning of Public Budget; Purpose of Public Budget; Types of Budgets; Economic and Functional Classification of Budget; Preparation and Passing of Budget in India; Exercises

#### 13. Functional Finance and Budgetary Policy

Functional Finance; Budgetary Policy—Contracyclical Budgetary Policy; Exercises.

#### 14. Deficit Financing and Development

Meaning; Role of Deficit Financing; Adverse Effects of Deficit Financing; Safe Limits of Deficit Financing; Exercises.

# 15. Trends in Tax Revenue and Expenditure of Centre and State Governments in India

Trends in Tax Revenue of the Centre; Expenditure Trends of the Centre; Trends in Revenue and Expenditure of State Governments; Exercises

# PARTTWO INTERNATIONAL TRADE

# 16. Distinguishing Features of Inter-regional and International Trade

Introduction; Difference between Inter-regional and International Trade; Similarities between Inter-regional and International Trade; Exercises.

# 17. The Theory of Comparative Costs

Introduction; Comparative Costs Theory; Its Criticisms; Exercises.

#### 18. Mill's Theory of Reciprocal Demand

Introduction, Exercises

#### 19. Haberler's Theory of Opportunity Cost

Introduction; Theory of Opportunity Cost; Critical Appraisal; Exercises.

# 20. The Heckscher-Ohlin Theory

Introduction; The Heckscher-Ohlin Theory; The Superiority over the Classical Theory; Its Criticisms; Exercises.

#### 21. The Terms of Trade

Meaning; Commodity Terms of Trade; Gross Barter Terms of Trade; Income terms of Trade; Single Factorial Terms of Trade; Double Factorial Terms of Trade; Real Cost Terms of Trade; Utility Terms of Trade; Factors Affecting Terms of Trade; Exercises.

#### 22. The Gains from International Trade

Meaning; Factors Determining the Gains from Trade; Gains from Trade and Income Distribution; Exercises.

#### 23. Tariffs

Meaning and Types, Effects of Tariffs, Effects of a Tariff in a Large Country, Optimum Tariff and Welfare, Effects of a Tariff on Income Distribution; The Stopler-Samuelson Theorem, Exercises.

#### 24. Import Quotas

Meaning; Objectives of Import Quotas; Types of Import Quotas; Effects of Import Quotas; Import Quotas vs. Tariffs; Conclusion with Reference to LDCs; Exercises.

#### 25. Balance of Payments

Meaning; Structure of Balance of Payments Accounts; Is Balance of Payments Always in Equilibrium; Measuring Deficit or Surplus in Balance of Payments; Balance of Trade and Balance of Payments; Disequilibrium in Balance of Payments. Exercises.

#### 26. Foreign Exchange Rate

Meaning of Foreign Exchange Rate; Determination of Equilibrium Exchange Rate; Theories of Foreign Exchange Rate; Causes of Changes in the Exchange Rate; Exercises

# 27. Foreign Exchange Rate Policy

Introduction; Fixed Exchange Rates; Flexible Exchange Rates; Exercises.

#### 28. Foreign Trade and Economic Development

Introduction; Importance of Foreign Trade; Exercises.

#### 29. Foreign Aid in Economic Development

Types of Foreign Aid; Role of Foreign Aid in Economic Development; Tied Vs. United Aid; Factors Determining the amount of foreign Aid for Economic Development; Aid or Trade; Exercises.

# 30. Foreign Trade Multiplier

Working of Foreign Trade Multiplier; Exercises.

#### 31. The International Monetary Fund (IMF)

Origin of IMF; Objectives of the Fund; Functions of the Fund; Organisation and Structure of the Fund; Working of the Fund; Suggestions to Reform the IMF; India and the IMF; The Role of Gold in the IMF; Special Drawing Rights (SDRs); Exercises.

# 32. The World Bank

Functions, Membership, Organisation, Capital Structure, Funding

Strategy, Bank Borrowings, Bank Lending Activities, Other Activities, Critical Appraisal, India and the World Bank, Exercises.

### 33. International Monetary System

Meaning; The Bretton Woods System; The Breakdown of the Bretton Woods System; The Present International Monetary System; Exercises.

# 34. The General Agreement on Tariffs and Trade (GATT)

Introduction; What is GATT?; Objectives of GATT; Provisions of GATT; GATT "Rounds" of Global Trade Negotiations; GATT and Developing Countries; Criticisms of GATT; Exercises.

# 35. The World Trade Organisation (WTO)

Introduction, The WTO; Difference Between GATT and WTO; Its Structure; Its Objectives; Its Functions; WTO Agreement; Critical Appraisal of Uruguay Round and WTO Agreement; Working of WTO; Exercises.

# 36. Foreign Trade and Balance of Payments in India

Introduction, Volume of Trade, Balance of Trade; Terms of Trade; India's Balance of Payments Position: 1951-90; Balance of Payments; Developments Since 1990; India's Foreign Trade Policy; Exercises.