

SEMESTER III (honours)
ECO-302: PUBLIC FINANCE AND BANKING

Unit I- Public finance and fiscal policy:

- Meaning and scope of public finance
- Principle of maximum advantage, fiscal and monetary policy.
- Objectives and role of fiscal policy.

Unit II: Public debt and expenditure.

- **Sources of public borrowing,**
 - Types
 - Causes
 - Effects of public borrowing
- **Burden of public debt**
 - Redemption of public debt.
- **Deficit financing**
- **Wagner's law**
- **Wiseman-peacock hypothesis**
- **Types, causes and effects of public expenditure.**

Unit III: Taxation

- **Taxation**
 - Direct and indirect taxation
 - Impact and incidence of taxation
 - Canons of taxation
 - Taxation capacity
- **India's tax structure**
- **Sources of public revenues.**

Unit IV: Indian Public Finance

- **Centre-State finance relations.**
- **Revenue of the state and local bodies**

- **India's public debt and expenditure**
- **Finance commission**
- **Union budget.**

Unit V: Banking,

- **Functions of central bank**
- **Instruments of control**
- **Objectives and limitation of monetary policy**
- **Functions of commercial banks**
- **Process of credit creation and limitations**
- **Nationalisation of banks**
- **Recent reforms in banking sectors in India.**