



Spring 2025

GP-EA-PFDT-7254

Public Finance: Data Systems and Theoretical Discourses

B. A. and M.A. (Cross-elective)

Course Information

Course Duration: 45 hours

Credit Hours: 4

Meeting time: To be decided

Location: FOB

Prerequisites: Strong foundations of Micro and Macro Economics

Instructor Information

Dr. Gurpreet Singh

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1. Course Description

This course offers an in-depth exploration of public finance, with a focus on analysing Indian budget data. It provides a comprehensive guide to the budgetary process, including formulation, implementation, execution, and monitoring, along with methods for analysing budget data to inform policymaking. The course begins by establishing a strong foundation in fiscal functions and normative analysis, introducing key theoretical concepts that explain government interventions in the economy. It then transitions to contemporary issues in public finance, examining the effects of government policies on externalities, public goods, taxation, inequality, and social insurance programs, with a particular focus on India.

A distinctive feature of the course is its practical approach to understanding budgets in the context of policymaking. Students will work directly with key Indian budget documents, gaining hands-on experience in analysing resource allocation and expenditure across various social and economic sectors. This blend of real-world application and theoretical learning equips students to critically evaluate fiscal policies and effectively navigate the complexities of public finance in India.

2. Course Intended Learning Objectives

Course Intended Learning Outcomes	Teaching and Learning Activities	Assessments/ Activities
Learn how to find, read and analyse public budget documents	Presentations, class discussions, audio-visual	Presentations
Understand the role of Fiscal Policy in achieving allocation and distribution objectives of the government.	Class discussions, Graphical analysis, audio-visual	Presentations
Understand the concepts of budgeting and analyse the fiscal management policies of the government	Class discussions, audio-visual	Quiz
Learn about fiscal federalism in India and the role and contribution of Finance Commission in achieving equity and efficiency in resource allocation in multiple levels of government	Presentations, Class discussions	Written test
Understand the key issues in resource mobilization and budgetary spending in India	Presentations, class discussions, audio-visual	Written test, Presentations

3. Scheme of Evaluation and Grading

Internal Assessment: 70%

Of which,

- Quiz- 20 %
- Presentation- 20 %
- Class test (written)- 30 %

End-term Exam:

The end-term will constitute 30% of the total grade.

4. Academic Integrity

- Attendance as per University rules
- ‘Examination code of conduct’ to be followed during written exams

5. Keyword Syllabus

Budget Expenditures, Budget Receipts, Externalities, Public Budget, Public Debt, Public Finance, Public Goods, Schemes and Programmes, Fiscal Federalism.

6. Course Material with Session Plan

Introduction to the course

1. Explaining role of public finance, its scope, learning objectives, and need for budgeting (*Lecture-1*)
2. Understanding union budget 2026- Baseline assessment- class activity (*Lecture-2*)
Readings: union budget speech, 2026, Budget at a glance, union budget 2026.
3. Seminar (expert talk on union budget) (*Lecture-3 or JSMP open lecture*)

Unit 1- Public Provisioning and Public Budgets

1. *Budget Process* (Stages of Budgetary Process) (*Lecture 4*)

Readings:

Budget Process- Budget Basics, Open Budgets India

<https://budgetbasics.openbudgetsindia.org/budget-process>

Glossary- Budget Basics, Open Budgets India

<https://budgetbasics.openbudgetsindia.org/glossary>

2. *Introduction to Government Budget* (*Lecture 5 & 6*)

(What are the characteristics of Government Budget, Where the Government gets money from (Receipt Budget), Where the Government spends money on (Expenditure Budget))

Readings:

- Introduction to Budget- Budget Basics, Open Budgets India
<https://budgetbasics.openbudgetsindia.org/introduction-to-budget>
- Union Budget- Budget Basics, Open Budgets India
<https://budgetbasics.openbudgetsindia.org/union-budget>
- Let's Talk About Budget by S. Das (*Chapter 4* (pages 26 -35) and *Chapter 7* (pages 58 - 65))
- Glossary- Budget Basics, Open Budgets India
<https://budgetbasics.openbudgetsindia.org/glossary>

3. *Strategies of Budgeting* (Budgeting for marginalized sections, gender budgeting etc.)
(Lecture- 7)

Readings:

- Budget Strategies- Budget Basics, Open Budgets India
<https://budgetbasics.openbudgetsindia.org/budget-strategies>

4. *Federal Structure and Responsibilities of Governments* (Lecture 8)

(Understanding India' Governance Structure, Division of responsibilities across the three tiers of Government, How different levels of Government carry out their responsibilities, resource raising powers of different tiers of Government)

Readings:

- Federal Structure of India - Budget Basics, Open Budgets India
<https://budgetbasics.openbudgetsindia.org/indian-federal-structure>

5. *Budgetary Data Systems* (Lecture 9)

(Budget extraction of the Union Government, Sector-specific extraction, scheme related extraction process, what are the different sources of budgetary analysis)

Readings:

- Class exercise based on Union Budget data extraction
- Parliamentary standing reports
- Open Budgets India, Centre for Budget and Governance Accountability
- Select reports of Comptroller and Auditor General of India

Slots for Class Presentations and Assessment (Lecture slots-10 & 11)

Unit 2 - Public Finance Theory

1. *Understanding Fiscal Functions, Normative Analysis and Social Welfare* (Lecture 12)

Readings:

- Musgrave and Musgrave, Public Finance in Theory and Practice (Chapter 1)
- Harvey Rosen (2005), Public Finance (Chapter 3)

2. *Market Failure and the Role of Government* (Lecture 13 & 14)

Readings:

- JVM Sarma, Principles and Practice, Oxford Publications (Chapter 3)

- Joseph E. Stiglitz, Economics of the Public Sector (Chapter 4)

3. Efficiency and Equity (*Lecture 15-16*)

Readings:

- Musgrave and Musgrave, Public Finance in Theory and Practice (Chapter 5 and 6)

4. *Theories of Taxation: Burden and Incidence (Lecture 17-18)*

Readings:

- JVM Sarma, Principles and Practice, Oxford Publications (Chapter 9)

Unit 3 - Issues from Indian Public Finance

1. *Fiscal Policy In India (Lecture 19) (Lecture 20)*

Readings:

- Liberalisation as a Constraint on Fiscal Policy: Some Lessons from the Indian Experience by C. P. Chandrasekhar in Progressive Fiscal Policy in India, Chapter 2.
- Introduction of Progressive Fiscal Policy in India by P. Jha

2. *Fiscal Federalism in India (Lecture 21)*

Readings:

- Report Summary, 15th Finance Commission, PRS India
- Rao, M. Govinda. "Central transfers to states in India: rewarding performance while ensuring equity." Final report submitted to NITI Aayog (2017).
- Fiscal Devolution in the Era of Liberalisation: The Indian Experience, by Jayati Ghosh in Progressive Fiscal Policy in India, Chapter 7

3. *Current Issues of Indian Tax system (Lecture 22-23)*

Readings:

- Some Concerns Regarding the Goods and Services Tax by S. Das in Economic and Political Weekly.
- Taxing Petroleum Products: Sharing Revenue Space between Centre and States, by Srivastava et al. in Economic and Political Weekly.
- Walking the Tightrope: An Analysis of Union Budget 2023 24 by CBGA (Chapter 2)

4. *Issues Pertaining to Budgetary Spending in India (Lecture 24-26)*

(It locates the Budget in a larger picture of government intervention for socio-economic development, which helps both in appreciating the importance of analysing government Budgets as well as recognizing the limitations of the same)

Readings:

- Walking the Tightrope: An Analysis of Union Budget 2023-24 by CBGA (Chapter-3-5)
- Public Provisioning for Social Protection and Its Implications for Food Security by Jha and Acharya, Economic and Political Weekly

Unit-4

Analysis of the Budget: Application of Theories on Indian Budget (Lecture 27-30)

(Analysis of the some of the important constituents of budgets at the level of Ministry/ Sector/ scheme)

Readings:

- Previous material and class discussions

References

- Budget Process: <https://budgetbasics.openbudgetsindia.org/budget-process>
- CBGA (2023). *Walking the Tightrope: An Analysis of Union Budget 2023-24*. Centre for Budget and Governance Accountability, New Delhi. <https://www.cbgaindia.org/wp-content/uploads/2023/02/Walking-the-Tightrope-An-Analysis-of-Union-Budget-2023-24.pdf>
- Chandrasekhar, CP. (2011). *Liberalisation as a Constraint on Fiscal Policy: Some Lessons from the Indian Experience* in Praveen Jha (eds.) *Progressive Fiscal Policy in India*, Sage: India.
- Das, Subrat. (2007). *Let's Talk About Budget, Primer*, Centre for Budget and Governance Accountability, New Delhi.
<https://www.cbgaindia.org/wp-content/uploads/2016/03/PRIMER-1-FIN-reduced.pdf>
- Das, Surajit. (2017). Some Concerns Regarding the Goods and Services Tax, 52 (9), *Economic and Political Weekly*.
- Federal Structure: <https://budgetbasics.openbudgetsindia.org/indian-federal-structure>
- Ghosh, J. (2011). *Fiscal Devolution in the Era of Liberalisation: The Indian Experience* in Praveen Jha (eds.) *Progressive Fiscal Policy in India*, Sage: India.
- Jha, P. (eds.) (2011). *Introduction, Progressive Fiscal Policy in India*. Sage: India
- Jha, P. and Acharya, N. (2016). Public Provisioning for Social Protection and Its Implications for Food Security, 51(18), *Economic and Political Weekly*.
- PRS (2020-21). Report Summary of 15th Finance Commission. <https://prsindia.org/policy/report-summaries/report-15th-finance-commission-fy-2020-21>
- Musgrave, R.A. and Musgrave, P.B. (1989). *Public Finance in Theory and Practice*, 5th edition, McGraw-Hill: Singapore.
- Rao, M. Govinda (2017). *Central Transfers to States in India: Rewarding Performance while Ensuring Equity*. Final report submitted to NITI Aayog.
- Rosen, Harvey S. and Gayer, Ted (2005), *Public Finance*, 8th edition, McGraw-Hill: Singapore.
- Srivastava, D. K., Bharadwaj, M., Kapur, T. and Trehan, R. (2021). Taxing Petroleum Products: Sharing Revenue Space between Centre and States, 56(9), *Economic and Political Weekly*.
- Stiglitz, Joseph E. (2000). *Economics of the Public Sector*, 3rd edition, Norton: New York and London.