

Program: B.Com(Economics)				Semester: III	
Course: Economics of Public Policy Academic Year: 2023-2024 Batch: 2022-25				Code: NMUBCOME304	
Teaching Scheme				Evaluation Scheme	
Lectures	Practicals	Tutorials	Credits	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
45	Nil	Nil	03	25 Marks	75 Marks
Internal Component					
Class Test (Duration 20 Mins)			Projects / Assignments		Class Participation
10 Marks			15 Marks (to be assigned in a group of up to 4 students)		-
Learning Objectives: 1. Understanding Market Failure and the role of government in an economy and developing a critical understanding of the economic principles that underlie public policy. 2. Analyzing the trade-offs involved in implementing public policies. 3. Evaluating the effectiveness of existing public policies and developing analytical skills to assess the economic impact of public policies					
Learning Outcomes: The student will be able to: 1. Understand the role of government in addressing market failures and promoting social welfare. 2. Analyze and evaluate the economic effects of various public policies, such as taxation, subsidies, and regulations 3. Evaluate the efficiency of public policies and develop skills in policy analysis and proposal development					
Pedagogy: Classroom Learning, problem solving, case studies, games and simulations, peer teaching, role play, projects or assignments.					
Detailed Syllabus: ( per session plan ) Session Outline For: Economics of Public Policy Each lecture session would be of one hour duration (45 sessions)					

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Module	Module Content	Module Wise Pedagogy Used	Module Wise Duration (hrs)
I	<b>Social Welfare and Market Failure</b> <ul style="list-style-type: none"> <li>• Introduction to public policy and the Social Welfare Function</li> <li>• Public Goods and their Provision</li> <li>• The Theory of Externalities and Market Failures</li> <li>• Coase Theorem</li> </ul>	Lectures and case study	15
II	<b>Industrial Policy, State Ownership, Privatization, and Regulation</b> <ul style="list-style-type: none"> <li>• The Theory of Industrial Policy and its Rationale</li> <li>• The Role of the State in Ownership and Regulation</li> <li>• Privatization and its Effects on Efficiency and Welfare</li> <li>• The Economics of Regulation</li> <li>• Public-Private Partnerships</li> </ul>	Lectures and case study	9
III	<b>Social Choice and Social Security</b> <ul style="list-style-type: none"> <li>• Individual and Collective decision making</li> <li>• Arrow's Impossibility Theorem</li> <li>• Voting Mechanism</li> <li>• Welfare State</li> <li>• Minimum Wages</li> <li>• Negative Income tax and Basic Income</li> </ul>	Lectures Case studies	13

IV	<b>Evaluating Public Policies and Government Failure</b> <ul style="list-style-type: none"> <li>• Cost-Benefit Analysis and its relevance in evaluating public policy</li> <li>• Contingent Valuation and Stated Preference method for evaluating public policy</li> <li>• Corruption and Rent-Seeking behaviour</li> <li>• Political Economy of regulation and Public Choice Theory</li> </ul>	Lectures and case studies	8
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Suggested References:

#### Reference Books:

Title	Author(s)	Publisher
Advanced Economic Theory	H.L. Ahuja	S Chand
Economics of the Public Sector	Joseph E. Stiglitz	W.W. Norton and Co.
Public Finance and Public Choice	John Cullis and Philip Jones	Oxford University Press
Intermediate Public Economics	Jean Hindriks and Gareth D.Myles	MIT Press

Latest editions of the text books may be used

#### Any other information:

#### Details of Internal Continuous Assessment (ICA)

**Test Marks : 10 marks (duration 20 minutes)**

**Assignment Marks: 15**

Assessment consists of one class test of 10 marks. The class test consists of ten short answer type questions of 1 mark each.

Assignment of 15 marks will be assigned in groups, of up to four students.

#### Term End Examination Question Paper Pattern

**Total Marks: 75**

**Time: 2½ hours**

Q1 Answer any <b>two</b> out of the following three questions (Question 1 from module 1)	<b>16</b>
Q2 Answer any <b>two</b> out of the following three questions (Question 2 from module 2)	<b>16</b>
Q3 Answer any <b>two</b> out of the following three questions (Question 3 from module 3)	<b>16</b>
Q4 Answer any <b>two</b> out of the following three questions (Question 4 from module 4)	<b>16</b>
Q5 Read the Case Study and answer the following questions	<b>11</b>