

## Subject Title: Public Finance (232211)

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Chapter No & Chapter Title	Number of Classes with Class Title	Learning Outcomes
		At the end of the class the students would be able to
1. Theory of Public Goods (T-4)	1. Introduction to Public Goods and Their Characteristics	1. Define public goods and explain the concept of non-rivalry and non-excludability. 2. Identify and explain the key characteristics of public goods. 3. Differentiate between public goods and other types of goods based on excludability and rivalr
	2. Pure Public Goods vs. Impure Public Goods	1. Distinguish between pure public goods (those that exhibit both non-rivalry and non-excludability) and impure public goods (those that partially exhibit these characteristics). 2. Analyze real-world examples of pure and impure public goods. 3. Discuss how the degree of "impurity" impacts the provision and consumption of these goods
	3. Public Goods, Private Goods, and Club Goods	1. Define and compare public goods, private goods, and club goods in terms of rivalry and excludability. 2. Classify various goods as public, private, or club goods based on their characteristics. 3. Understand the economic and social implications of these different types of goods
	4. The Free Rider Phenomenon	1. Define the free rider phenomenon and explain how it relates to public goods. 2. Analyze the negative effects of free riders on the provision of public goods. 3. Explore examples of free rider behavior in various sectors (e.g., healthcare, national defense).
	5. The Prisoner's Dilemma and Public Goods Provision	1. Explain the concept of the Prisoner's Dilemma and its application to public goods. 2. Understand how individual rationality can lead to collectively inefficient outcomes in the provision of public goods. 3. Discuss strategies to overcome the Prisoner's Dilemma in the context of public goods.
2. Public Income and Expenditure (T-4)	6. Introduction to Public Finance	1. Understand the concept of public finance and its significance in economic management. 2. Identify the primary sources of government revenue. 3. Recognize the major categories of public expenditure
	7. Detailed Analysis of Revenue Sources	1. Analyze the different types of taxes and their economic implications. 2. Examine non-tax revenue mechanisms and their roles in public finance. 3. Evaluate the impact of grants, aid, and borrowing on government budgets
	8. Effects of Public Expenditure on the Economy	1. Analyze the short-term and long-term impacts of public spending on economic growth. 2. Evaluate the role of public expenditure in income redistribution and social welfare. 3. Discuss the challenges and considerations in managing public expenditure

3. Theory of Externalities (T-3)	9. Definition and characteristics of externalities	1. Define Externalities 2. Analysis of Externalities and Their Impact on Markets
	10. Externalities and market failure	1. Explain Externalities and Market Failure 2. Explain Externalities and Market Failure
	11. Market correction in the presence of externalities- Pigou's solution	1. Define and describe the concept of externalities and explain Pigou's solution for market correction, including the role of taxes or subsidies in addressing negative and positive externalities. 2. Analyze a real-world scenario involving externalities (e.g., pollution) and evaluate the effectiveness of Pigou's solution in correcting market failures
	12. The Coase theorem	1. Define the Coase Theorem and describe its key principles, including the idea that private parties can negotiate solutions to externalities without government intervention, assuming well-defined property rights and low transaction costs. 2. Analyze a case study of an externality (such as noise pollution or environmental damage) and evaluate the applicability of the Coase Theorem in resolving the issue, considering factors such as transaction costs, property rights, and the role of government in facilitating negotiations.
	13. The tragedy of the commons	1. Analyze the impact of individual and collective decision-making on shared resources by examining real-world examples of the tragedy of the commons. 2. Evaluate potential policy solutions to mitigate the effects of the tragedy of the commons and justify which approach would be most effective in a given scenario.
4. Burden of Taxation (T-4)	14. Principles of Taxation – Benefit and Ability to Pay Approaches	1. Define and explain the Benefit Approach and the Ability to Pay Approach to taxation. 2. Compare and contrast the two approaches with examples. 3. Analyze the advantages and disadvantages of each approach in taxation policy.
	15. Taxable Capacity – Definition and Classification	1. Define taxable capacity and its significance in public finance. 2. Classify taxable capacity into absolute and relative taxable capacity. 3. Understand factors influencing a country's taxable capacity.
	16. Low Taxable Capacity in Bangladesh – Causes and Government Initiatives	1. Identify the causes of low taxable capacity in Bangladesh. 2. Discuss the challenges in increasing tax revenue. 3. Evaluate the steps taken by the government to improve taxation
5. Impact, Incidence and Effects of Taxation (T-3)	17. Impact, shifting and incidence of direct and indirect taxation	1. Explain the differences between direct and indirect taxation and describe how tax shifting influences the incidence of taxation. 2. Assess the economic consequences of tax policies by evaluating how the shifting and incidence of direct and indirect taxes affect different stakeholders, such as consumers, businesses, and the government.
	18. Incidence of taxation under different cost and market situation	1. Describe how the incidence of taxation varies under different market structures, such as perfect competition and monopoly. 2. Evaluate the effects of taxation on producers and consumers in different cost and market conditions, determining who bears the greater tax burden in each scenario.

	19. Incidence and elasticity of demand and supply	<ol style="list-style-type: none"> <li>1. Explain how the incidence of taxation is influenced by the price elasticity of demand and supply.</li> <li>2. Assess the impact of tax policies by analyzing the relationship between tax incidence and the elasticity of demand and supply in different market scenarios.</li> </ol>
	20. Shifting of various taxes- income tax, property tax, corporation tax	<ol style="list-style-type: none"> <li>1. Describe how the burden of income tax, property tax, and corporation tax can be shifted between different economic agents.</li> <li>2. Analyze the extent to which the shifting of income tax, property tax, and corporation tax affects consumers, businesses, and government revenue in different economic conditions.</li> </ol>
	21. Effects of income tax on consumption, savings, capital formation, investment, work effort & leisure.	<ol style="list-style-type: none"> <li>1. Explain how income tax influences individual decisions related to consumption, savings, investment, work effort, and leisure.</li> <li>2. Evaluate the overall economic impact of income taxation by assessing its effects on capital formation, labor supply, and long-term economic growth.</li> </ol>
6. Public Debt (T-3)	22. The rationale for public debt	<ol style="list-style-type: none"> <li>1. Describe the key reasons governments incur public debt and its role in economic management.</li> <li>2. Assess the advantages and disadvantages of public debt in different economic contexts, evaluating its impact on growth, inflation, and future generations.</li> </ol>
	23. Sources and problems with public debt	<ol style="list-style-type: none"> <li>1. Identify the various sources of public debt and explain the common challenges associated with its accumulation.</li> <li>2. Evaluate the economic consequences of different sources of public debt, assessing their long-term sustainability and impact on fiscal stability.</li> </ol>
	24. Burden of public debt;	<ol style="list-style-type: none"> <li>1. Explain the concept of the burden of public debt and how it affects different sectors of the economy.</li> <li>2. Assess the long-term implications of public debt on economic growth, intergenerational equity, and government fiscal policies.</li> </ol>
	25. Effect of public debt and debt policy	<ol style="list-style-type: none"> <li>1. Describe the effects of public debt on economic growth, inflation, and government spending.</li> <li>2. Evaluate the effectiveness of different debt policies in managing public debt and their impact on long-term economic stability.</li> </ol>
	26. Public debt in Bangladesh since liberation	<ol style="list-style-type: none"> <li>1. Summarize the trends and key factors influencing public debt in Bangladesh since its liberation in 1971.</li> <li>2. Assess the impact of Bangladesh's public debt policies on economic growth, development, and fiscal sustainability over time.</li> </ol>
	27. Effect of public debt on consumption	<ol style="list-style-type: none"> <li>1. Explain how public debt influences consumer spending through taxation, interest rates, and government borrowing.</li> <li>2. Evaluate the long-term impact of rising public debt on household consumption patterns and overall economic stability.</li> </ol>
	28. Investment and internal resource mobilization	<ol style="list-style-type: none"> <li>1. Describe the relationship between investment and internal resource mobilization in fostering economic growth.</li> <li>2. Assess the effectiveness of different strategies for improving internal resource mobilization to enhance investment and sustainable development.</li> </ol>
7. Budget (T-4)	29. Types of Budgets – Balanced, Deficit, Surplus, Revenue, and Capital Budgets	<ol style="list-style-type: none"> <li>1. Explain Theory of games and economic behaviorDefine and differentiate between a balanced budget, deficit budget, and surplus budget.</li> </ol>

		<ol style="list-style-type: none"> <li>2. Explain the significance of revenue budget and capital budget in government planning.</li> <li>3. Analyze the advantages and disadvantages of different types of budgets in economic policy.</li> </ol>
	30. Budget Multiplier and Its Impact on Economic Growth	<ol style="list-style-type: none"> <li>1. Explain how government spending affects national income through the multiplier effect.</li> <li>2. Analyze the impact of fiscal policies on employment, inflation, and GDP growth.</li> </ol>
	31. Characteristics of an Ideal Budget & Budgeting in Developed vs. Developing Nations	<ol style="list-style-type: none"> <li>1. Explain Walras model of General Equilibrium. Identify the key characteristics of an ideal budget.</li> <li>2. Compare and contrast budgeting strategies in developed and developing nations.</li> <li>3. Evaluate the challenges and reforms in budgeting for economic stability.</li> </ol>