**Lesson Plan: PUBLIC ECONOMICS –I**

November: Unit - I

Economic Rationale of Mixed Economy; The Efficient Markets; Natural Monopolies and Market Failure; Non-Existence of Futures Markets and Market Failure; Asymmetric Information and market Failure; The Problem of Externalities and their Internalisation; The Coase Theorem; Rent Seeking Costs and Political process.

December : Unit - II

Concept, Characteristics, Types and Efficient Provision of Public Goods; Private provision of Pure Public Goods; Bowen Model, Samuelson Model; Wagner Hypothesis, Thompson Mechanism, Clarke Mechanism, Lindahl- Wicksell Mechanism; Theory of Club Goods.

January: Unit - III

Efficiency and Equity Principles of Taxation; Incentive Effects of Taxation on Labour Supply; Supply of Savings and Risk Taking; Taxation and Investment; Other Distorting Effects of the Tax System; Tax Incidence – Partial and General equilibrium Analysis; Mieszkowski Analysis of Tax Incidence; Keynesian Short Run Model of Tax Incidence; Dynamic Tax Incidence.

February: Unit - IV

Normative Analysis of Taxation – Income v/s Excise Tax; Optimal Commodity Tax- The Ramsey Rule, The Corlett and Hague Rule; Optimal Income Tax; Excess Burden of Tax and its Measurement; Normative Principles for Redistribution; Corporation tax and its Effects on Corporate Decisions; Tax Evasion and the Black Economy

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