



MANIPAL UNIVERSITY JAIPUR

School of Arts and Law

Department of Economics

Course Hand-out

Money Banking and Public Finance | EO 1304 | 4 Credits

Session: Jul- Dec 2016 | Faculty: Dr Manas Roy

Course Outcomes: At the end of the course, students will be able to

- [1304.1] Describe the concept, functions and types of money.
- [1304.2] Interpret the banking system in general with special reference to India.
- [1304.3] Aware of the principles of monetary policy concerning Indian economy.
- [1304.4] Recognize different principles, roles and canons of public finance and taxes to fulfil the requirements of present day employers, who demand skill employability.
- [1304.5] Recall different types of public revenue systems, public expenditure, trends in tax revenue of the central and state governments in India.

A. SYLLABUS

Introduction: Money and Banking: Money — meaning, functions and classification. Meaning and types; Functions of commercial banks; The process of credit creation — Purpose and limitations. **Central Bank:** Functions of a central bank; Quantitative and qualitative methods of credit control: bank rate policy, open market operations, variable reserve ratio and selective methods; Role and functions of the Reserve Bank of India; Objectives and limitations of monetary policy with special reference to India; **Public Finance:** Meaning and scope of public finance; Distinction between private and public finance; Public goods vs. private goods; The Principle of maximum social advantage; Market failure; Role of the government. Meaning, classification and principle of public expenditure; Canons and effects of public expenditure; Trends in public expenditure and causes of growth of public expenditure in India; **Taxation:** Sources of public revenue; Taxation — Meaning, canons and classification of taxes; Division of tax burden — The benefit and ability-to-pay approaches; Impact and incidence of taxes; Taxable capacity; Effects of taxation; Characteristics of a good tax system; Major trends in tax revenue of the central and state governments in India.

B. TEXT BOOKS

- T.N. Haleja, *Money, Banking and Public Finance*, Ane Books Private Limited, New Delhi, 8th Edition, 2015
- R K Lekhi, *Public Finance*, Kalyani Publishers, 19th Edition, 2010
- S K Singh, *Public Finance in theory and practice*, S Chand and company pvt. limited, New Delhi, 9th Edition, 2015
- Varshney & Malhotra, *Principles of Banking*, Sultan Chand & Sons, 2005
- R A Musgrave and P B Musgrave, *Public Finance in theory and practice*, McGraw Hill Education, 5th Edition, 2016
- D M Mithani, *Modern Public Finance: Theory and Policy*, Himalaya Publishing House, 1st Edition, 2014

