Semester V

MJC 9

PUBLIC Finance

Any standard book on Public Finance holds chapters related to

Meaning, nature, scope & importance of public finance ; difference between private and public finance. Any student can cope with it on his own.

But the first theoretical chapter in this paper is the **Theory of Maximum Social Advantage** which would require some acumen and appreciation.

Below are given two links to follow to understand this theory :-

https://www.slideshare.net/slideshow/principle-of-maximum-social-advantage-251913255/251913255https://www.slideshare.net/slideshow/principle-of-maximum-social-advantage-251913255/251913255

https://micredits.wordpress.com/2016/09/11/principle-of-maximum-social-advantage/

After having gone through these two links along with standard text you should be able to answer the following questions :-

1. Maximum Social Advantage is achieved at the point where the marginal social benefit of public expenditure and the marginal social sacrifice of taxation are equated. Explain in detail.
2. Discuss the theory of Maximum Social Advantage of public expenditure.