



Indian Institute of Management Indore

**INTEGRATED PROGRAMME IN MANAGEMENT (IPM)
TERM: IX**

**TITLE OF THE COURSE: Cost-Benefit Analysis of Public Policy Making
CREDITS: 2**

COURSE DESCRIPTION

We have all studied macroeconomics. This course is about application of macroeconomics. As government operates with a fixed pot of money it is essential to identify and advocate for the most cost-efficient interventions in India. For instance, whether government should prioritize its spending, more on agriculture as oppose to the health sector? And within the agriculture sector, how should government policymakers prioritize their spending among basket of available alternatives: farm loan waivers, building more cold storage and warehouses, e-mandis, or putting emphasis on food processing industry. As each one of these interventions come with costs and consequential benefits, ideally interventions should happen in an area with a higher benefit-to-cost ratio. Using data from various sources such as National Account Statistics, Planning Commission, Reserve Bank Bulletin, Economic Survey, etc. we demonstrate the economic logic of intervening in any particular sector. At the end of this course, you should be able to analyze and comment about topical macroeconomic issues.

COURSE OBJECTIVES

- 1) In case of budgetary allocation how to prioritize government spending?
- 2) Understanding intervention in agriculture.
- 3) Understanding intervention in health.
- 4) Understanding intervention in sanitation.
- 5) Understanding intervention in education.
- 6) Jobless growth and possible intervention.