



Reg. No. :

Name :



M 27185

II Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)
Examination, March 2015
Economics/Applied Economics/Development Economics
(2014 Admn. Onwards)
ECO 2C08 : PUBLIC ECONOMICS – I

Time : 3 Hours

Max. Marks : 60

PART – A

Answer **all** questions. Objective type.

(8x¹/₂=4)

1. Goods that may be under consumed in a free market are known as

a) Public goods	b) Private goods
c) Social goods	d) Merit goods

2. Satellite TV is an example of

a) Pure private goods
b) Private goods with externalities
c) Partially public goods
d) Pure public goods

3. Which of the following is not a capital expenditure ?

a) Salary paid to government employees
b) Purchase of machine from Germany
c) Repayment of loan taken from IMF
d) Interest paid on national debt

4. Identify the revenue expenditure

a) Loan given to State Government
b) Repayment of loans
c) Construction of school building
d) Subsidies

P.T.O.



5. Impact of a tax refers to
 - a) Final money burden
 - b) Immediate money burden
 - c) Indirect money burden
 - d) Direct money burden
6. Which factor has no role in the shifting of a tax ?
 - a) Changes in prices
 - b) Elasticity of demand and supply
 - c) Nature of demand
 - d) Income of the consumer
7. The level of external debt rises when the RBI
 - a) Prints more money
 - b) Sells securities to Indians
 - c) Sells securities to foreigners
 - d) Increases the deficit
8. Which is not an instrument of fiscal policy ?
 - a) Open market operations
 - b) Taxation
 - c) Public expenditure
 - d) Public debt

SECTION – B

Answer **any eight** questions, **each** carries **2** marks.

(8×2=16)

9. Social goods
10. Private goods
11. Wagners law
12. Capital expenditure
13. Commercial revenue
14. Optimal taxation
15. Tax incidence
16. Debt trap



17. Sinking fund
18. Built-in stabilizers
19. Fiscal crisis.

SECTION – C

Answer **any four** questions, **each** carries **five** marks.

(4×5=20)

20. Bring to light public choice approach.
21. Discuss the incidence of tax under perfect competition.
22. What is the strategy suggested by the Kelkar Committee regarding public expenditure ?
23. Elaborate the characteristics of a good tax system.
24. Write a note on public debt in India since 1951.
25. Explain the limitations of automatic stabilizers.

SECTION – D

Answer **any two** questions, **each** carries **10** marks.

(2×10=20)

26. Discuss about the optimal provision of public goods.
27. Critically examine Pigou's ability to Pay Theory.
28. Explain Hicks formal and effective incidence of tax.
29. Explain the main reason for the growing fiscal deficit in India.