



K16P 0360

Reg. No. :

Name :

**Second Semester M.A. Degree (Regular/Supplementary/Improvement)
Examination, March 2016**

ECONOMICS/APP. ECONOMICS/DEV. ECONOMICS

(2014 Admn. Onwards)

ECO 2C08 : Public Economics – I

Time : 3 Hours

Max. Marks : 60

PART – A

Answer all questions, objective types :

(8×½=4)

1. Marginal cost of pricing a public good to an extra consumer is
a) = 0 b) = 1 c) > 0 d) < 0
2. Who provided solution to the free rider problem using competitive market conditions ?
a) Pareto b) Coax c) Pigou d) Musgrave
3. Who is not associated with the benefit principle ?
a) Lindahl b) Johansen c) Bowen d) Pigou
4. An unquantifiable cost or benefit is known as
a) Tangible b) Indirect c) Intangible d) Marginal
5. The marginal tax rates of a progressive tax
a) Fall with income b) Rise with income
c) Do not change with income d) First rise, then fall with income
6. Incidence of a tax refers to
a) Final money burden b) Immediate money burden
c) Indirect money burden d) Indirect real burden
7. Burden due to increase in prices a result of public debt funded development project can be classified as
a) Direct money burden b) Direct real burden
c) Indirect money burden d) Indirect real burden
8. Public spending undertaken for filling the decline in aggregate demand is known as
a) Pump priming b) Investment
c) Productive expenditure d) Compensatory public expenditure.

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PART - B

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

(8×2=16)

9. Merit goods.
10. Market failure.
11. Benefit principle.
12. Protective expenditure.
13. Tax burden.
14. Equal marginal sacrifice.
15. Public debt.
16. Debt trap.
17. Pump priming.
18. Revenue deficit.
19. Functional finance.

PART - C

Answer **any four** questions, **each** carries **5** marks :

(4×5=20)

20. Explain the characteristics of externalities.
21. What are the reasons for the growth of public expenditure ?
22. What are the recommendations of the Kelkar Task Force on Customs Tariff ?
23. Write a note on Musgrare's concept of tax incidence.
24. Discuss the internal sources of public debt.
25. Write a note on fiscal deficit since 1990-91.

PART - D

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

(2×10=20)

26. Explain public goods and the free rider problem.
 27. Critically examine the Peacock-Wisemen hypothesis.
 28. Explain the modern concept of tax incidence.
 29. Critically examine India's fiscal policy during the last 25 years.
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