K16P 0983

Reg. No. : ....

Name : ....

Third Semester M.A./M.Sc./M.Com. Degree (Reg./Suppl./Imp.)
Examination, November 2016
ECONOMICS/APP.ECONOMICS/DEV.ECONOMICS
ECO 3C10 : Public Economics – II
(2014 Admission Onwards)

Time : 3 Hours

Max. Marks : 60

PART – A

Answer **all** questions.

1. The expenditure tax was introduced in India on the recommendation of :

    a) L.K. Jha
    b) Prof. Kaldor
    c) D.R. Gadgil
    d) C. Rangarajan

2. Gadgil Formula was used for the objective transfer of _____ funds from the centre to the states.

    a) Central grant
    b) Plan-funds
    c) Central loans
    d) Non-plan funds

3. The positive correlation between the deficits of the state governments and the deficits of the central government has been described as

    a) Spite effects
    b) Transfer effects
    c) Crowding out effects
    d) Sympathy effects

4. Finance commission is appointed by the President of India for every five years under Article _____ of the constitution.

    a) 275
    b) 273
    c) 280
    d) 285

5. Regarding the role of Government in economic activity, individualism and laissez-faire were the bedrock of
   - a) Classicals
   - b) Physiocrats
   - c) Mercantilists
   - d) Keynesians

6. High 'crowding-out effect' shows the failure of
   - a) Monetary policy
   - b) Income policy
   - c) Fiscal policy
   - d) Credit policy

7. "Money can be more fruitful in the hands of the public as compared to the government". This statement has been made by
   - a) Robert
   - b) Wagner
   - c) Dalton
   - d) J.K. Mehta

8. The proposed expenditure and the anticipated revenue are equal in the case of
   - a) Interim budget
   - b) Supplementary budget
   - c) Balanced Budget
   - d) Emergency budget   (8×½=4)

PART – B

Answer **any eight** questions. **Each** question should **not** exceed **one** page.

9. Canons of taxation.

10. Taxable capacity

11. Tax buoyance.

12. Balanced budget.

13. Fiscal policy.

14. Fiscal federalism.

15. Modified Gadgil formula.

16. Finance Commission.

17. FRBM Act.

18. Canons of budget.

19. Optimal distribution.   (8×2=16)

PART – C

Answer **any four** questions. **Each** answer should **not** exceed **two** and **half** a page.

20. Identify the reasons responsible for the growth of public debt in India.

21. Give a brief account on zero base budgeting.

22. Explain the difference between classical and modern theories of budget.

23. Give a brief account on FRBM Act-2003.

24. Briefly explain the inter-governmental transfers in India.

25. Explain the functions of State Finance Commission in India.   (4×5=20)

PART – D

Answer **any two** questions. **Each** answer should **not** exceed **six** pages.

26. Critically evaluate Kelkar committee report.

27. Briefly explain the major trends in public expenditure in India.

28. Analyse the problem of growing fiscal deficit in India.

29. Give a brief account on the highlights of the Union budget 2015-16.   (2×10=20)

_____