



Reg. No. :

Name :

VI Semester B.A. Degree (CCSS – Regular/Supple./Improv.)
Examination, May 2014
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
6B 15 ECO : Public Finance

Time : 3 Hours

Weightage : 30

Instruction : Answers may be written either in **English** or in **Malayalam**.

PART – A

Objective Type questions (In bunches of **two**).

I. 1) Non-rivalry is seen in the case of

- a) Private goods
- b) Public goods
- c) Merit goods
- d) Mixed goods

2) Voluntary Exchange Theory was given by

- a) Musgrave and Keynes
- b) Prest and Samuelson
- c) Bowen and Lindahl
- d) Bowen and Hicks

3) Escheat is a form of

- a) Tax revenue
- b) Non-tax revenue
- c) Public debt
- d) Debt redemption

4) Equity-efficiency criteria is satisfied by

- a) Equal total sacrifice
- b) Equal proportional sacrifice
- c) Equal marginal sacrifice
- d) Equi-marginal utility

(Weightage : 1)

P.T.O.



II. 5) Entertainment tax is collected by _____

- a) Central government b) State government
c) Local government d) All of the above

6) Repudiation is a form of _____

- a) Tax exemption b) Non-tax revenue
c) Debt redemption d) Tax imposition

7) Imposing fine is one method of raising

- a) Tax revenue b) Non-tax revenue
c) Public expenditure d) Public debt

8) Wealth tax in India was introduced on the basis of recommendations made by

- a) Raja Chelliah b) Nicholas Kaldor
c) Ursula Hicks d) Richard Musgrave

(Weightage : 1)

PART – B

Short Answer Questions. Answer **any ten** questions of the following **not** exceeding **50** words **each**. **Each** question carries **1** weightage.

9. Define externalities.
10. What is a budget ?
11. What are mixed goods ?
12. State the principle of equity in taxation.
13. What is meant by optimal taxation ?
14. Differentiate progressive and proportional taxation.
15. Distinguish between Customs duty and excise duty.
16. What is meant by zero base budgeting ?

17. What is cost of service theory of taxation ?

18. State the meaning of special assessment.

19. What are built-in stabilisers ?

20. Give an account of stabilisation function.

(Weightage : 1×10)

PART – C

Short essay. Answer **any five** questions **not** exceeding **150** words **each**.

Each question carries **2** weightage.

21. What are the budgetary functions ?

22. What are the sources of non-tax revenue ?

23. State the meaning and type of taxable capacity.

24. What is meant by shifting of tax burden ?

25. State Peacock-Wiseman hypotheses.

26. Give the arguments for progressive taxation.

27. What is a Laffer curve ?

(Weightage : 2×5)

PART – D

Long essay. Answer **any two** questions **not** exceeding **450** words. **Each** question carries **4** weightage.

28. Explain the effects of taxation on production and distribution.

29. What is meant by fiscal policy ? State the role of fiscal policy in developing economics.

30. State Musgrave's theory of tax incidence.

31. Explain the principles of federal finance giving the centre-State financial relations.

(Weightage : 4×2)