



Reg. No. : .....

Name : .....

**VI Semester B.A. Degree (CCSS – Reg./Supple./Improv.)**  
**Examination, May 2015**  
**(2011 and Earlier Admn.)**  
**CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS**  
**6 B15 ECO : Public Finance**

Time : 3 Hours

Max. Weightage : 30

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

PART – A

Objective type questions (in bunches of **two**) :

- I. 1. Public good is
- |                   |                  |
|-------------------|------------------|
| a) Excludable     | b) Rivalrous     |
| c) Non-excludable | d) None of these |
2. Tax is a \_\_\_\_\_
- |                       |                  |
|-----------------------|------------------|
| a) Compulsory payment | b) Sacrifice     |
| c) Both a) and b)     | d) None of these |
3. Canon of taxation not includes
- |                 |               |            |               |
|-----------------|---------------|------------|---------------|
| a) Productivity | b) Elasticity | c) Utility | d) Simplicity |
|-----------------|---------------|------------|---------------|
4. Who is the Finance Minister of India ?
- |                     |                   |
|---------------------|-------------------|
| a) Pranab Mukherjee | b) P. Chidambaram |
| c) A. M. Khushru    | d) None of these  |
- (Weightage = 1)**
- II. 5. Index of ability to pay includes
- |             |           |                   |                  |
|-------------|-----------|-------------------|------------------|
| a) Property | b) Income | c) Size of family | d) All the above |
|-------------|-----------|-------------------|------------------|
6. If during the budget period, revenue receipts are greater than cost payments then it is
- |                    |                   |
|--------------------|-------------------|
| a) Balanced budget | b) Surplus budget |
| c) Deficit budget  | d) None of these  |



7. Club goods are \_\_\_\_\_
- a) Pure public good                      b) Impure public good
- c) Private good                              d) None of these
8. Redemption of public debt includes
- a) Repudiation    b) Refunding    c) Capital Levy    d) All the above
- (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. Explain Gadgil formula.
10. What is pump-priming ?
11. What is repudiation ?
12. Explain internal debt ?
13. Explain grants-in-aid.
14. Explain ability-to-pay principle.
15. What is direct tax ?
16. Distinguish progressive and proportional taxes.
17. Explain public debt.
18. Explain the principles of federal finance.
19. What are forward shifting and backward shifting ?
20. Explain characteristics of a good tax system. **(Weightage = 1×10)**

## PART - C

Short essay. Answer **any five** questions **not** exceeding **150** words **each**. **Each** question carries **2** weightage :

21. Explain Capital Levy.
22. Explain Tiebout Model.

23. Explain features of new economic policy.
24. Explain objectives of fiscal policy.
25. Explain Balanced Budget.
26. Explain Peacock-Wiseman hypothesis.
27. What are direct and indirect taxes ? What are its merits and demerits ? **(Weightage = 2×5)**

## PART - D

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

28. Explain different theories of taxation.
29. Explain general theories of public expenditure.
30. Explain recommendation of Thirteenth Finance Commission.
31. Explain fiscal policy. What are its instruments ? **(Weightage = 4×2)**