



K22P 0112

Reg. No. :

Name :

II Semester M.A. Degree (CBSS – Reg./Supple./Imp.)
Examination, April 2022
(2018 Admission Onwards)
ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT ECONOMICS
ECO2C08 : Public Economics – I

Time : 3 Hours

Max. Marks : 60

PART – A

Answer **all** questions. **All** questions carry **equal** marks. Choose the correct answer.

- Finance Commission submits reports to
 - Finance Minister
 - Prime Minister
 - President
 - Vice-President
- An example of 'sin' tax
 - High tax to reduce excess pollution
 - High tax on liquor and tobacco
 - Income tax
 - Security Transaction Tax
- The deficit that shows the total debt generated by the government to finance the total budget expenditure
 - Primary Deficit
 - Revenue Deficit
 - Fiscal Deficit
 - Effective Fiscal Deficit
- Receipts from sale of shares of Central Public Sector enterprises
 - Capital receipts
 - Non-debt capital receipts
 - Revenue receipts
 - Non-tax receipts
- Principle of income tax is based on
 - Natural Justice
 - Benefit
 - Propriety
 - Ability to pay

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- The unwillingness of people to pay for the public goods in the belief that the goods would be provided anyway is
 - Universal inclusion
 - Horizontal summation
 - Externalities
 - Free rider problem
- FRBM Act was passed in the Indian Parliament in
 - 2003
 - 2002
 - 2006
 - 2017
- The period of 15th Finance Commission of India
 - 2015 – 2020
 - 2020 – 2025
 - 2010 – 2015
 - 2019 – 2024

(8×½=4)

PART – B

Answer **any eight** questions. **Each** answer should **not** exceed **half** page.

- What are the principles of public expenditure ?
- Explain the canons of taxation.
- What are the objectives and measures of fiscal policy ?
- What are the types of public debt ?
- What are the characteristics of public goods ?
- What are the components of non-tax revenue ?
- What is Functional Finance ?
- What do you mean by externalities ?
- Define private goods.
- What is 'Market Failure' ? What are the reasons for market failure ?
- What are the economic effects of public expenditure ?

(8×2=16)



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PART – C

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

- Explain Wagner's hypothesis on Public Expenditure with the help of diagram.
- Write a note on traditional and modern view of the incidence of tax.
- Write a note on classical approach to public expenditure.
- Write a note on the importance of fiscal policy.
- What is free rider problem ? What are the impacts of such free rider problem ?
- Explain briefly the merits and demerits of GST system in India.

(4×5=20)

PART – D

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

- Critically examine the issues and major trends in public expenditure in India.
- Explain the theories of public expenditure growth with the help of suitable diagrams.
- Critically evaluate Chelliah Committee Report for tax reforms in India.
- Critically examine the merits and defects of different sources of resource mobilization in India.

(2×10=20)