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

Max. Marks: 60 Time: 3 Hours

PART - A

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

- 1. Finance Commission submits reports to
  - a) Finance Minister
  - c) President
- b) Prime Minister d) Vice-President
- 2. An example of 'sin' tax
  - a) High tax to reduce excess pollution

c) Income tax

- b) High tax on liquor and tobacco
- d) Security Transaction Tax
- 3. The deficit that shows the total debt generated by the government to finance the total budget expenditure b) Revenue Deficit a) Primary Deficit
  - c) Fiscal Deficit
- d) Effective Fiscal Deficit

a) Capital receipts

c) Revenue receipts

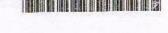
4. Receipts from sale of shares of Central Public Sector enterprises b) Non-debt capital receipts

d) Non-tax receipts

- Principle of income tax is based on
  - a) Natural Justice
- b) Benefit
- c) Propriety
- d) Ability to pay

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- 6. The unwillingness of people to pay for the public goods in the belief that the goods would be provided anyway is b) Horizontal summation a) Universal inclusion
  - c) Externalities
- d) Free rider problem
- 7. FRBM Act was passed in the Indian Parliament in

a) 2015 - 2020

c) 2010 - 2015

- c) 2006

a) 2003

d) 2017

b) 2002

- 8. The period of 15th Finance Commission of India
  - b) 2020 2025

d) 2019 - 2024

 $(8 \times \frac{1}{2} = 4)$ 

PART - B

Answer any eight questions. Each answer should not exceed half page. 9. What are the principles of public expenditure?

- 10. Explain the canons of taxation.
- 11. What are the objectives and measures of fiscal policy?
- 12. What are the types of public debt?
- 13. What are the characteristics of public goods? 14. What are the components of non-tax revenue?

16. What do you mean by externalities?

- 15. What is Functional Finance?
- Define private goods. 18. What is 'Market Failure' ? What are the reasons for market failure ?
- 19. What are the economic effects of public expenditure?

(8×2=16)

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

21. Write a note on traditional and modern view of the incidence of tax.

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PART - C

20. Explain Wagner's hypothesis on Public Expenditure with the help of diagram.

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2. Write a note on classical approach to public expenditure.

PART - D

23. Write a note on the importance of fiscal policy. 24. What is free rider problem? What are the impacts of such free rider problem?

25. Explain briefly the merits and demerits of GST system in India.

 $(4 \times 5 = 20)$ 

Answer any two questions. Each answer should not exceed six pages. 26. Critically examine the issues and major trends in public expenditure in India.

- 27. Explain the theories of public expenditure growth with the help of suitable
- 28. Critically evaluate Chelliah Committee Report for tax reforms in India. 29. Critically examine the merits and defects of different sources of resource

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(2×10=20)