



K24P 3307

Reg. No. :

Name :

III Semester M.A. Degree (C.B.S.S. – Supple./Imp.)
Examination, October 2024
(2021 and 2022 Admissions)
ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT ECONOMICS
ECO3C10 : Public Economics – II

Time : 3 Hours

Max. Marks : 60

PART – A

Objective type questions. Answer **all** questions.

(8×½=4)

1. The three functions the state has to perform according to Musgrave are
 - a) Allocation function, distribution function and stabilization function
 - b) Public expenditure, financial administration and economic stabilization
 - c) Economic development, social welfare, equitable distribution of income
 - d) All the above
2. Income received from administration, commercial enterprises, gifts and grants etc. is
 - a) Tax revenue
 - b) Non-tax revenue
 - c) Public receipts
 - d) Administrative revenue
3. The important instrument of financial administration through which all the financial affairs of the state are regulated is
 - a) Tax
 - b) Non-tax revenue
 - c) Public debt
 - d) Budget

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4. The concept of fiscal policy has been developed by
 - a) J. M. Keynes
 - b) A. P. Lerner
 - c) Pigou
 - d) Mrs. Ursula Hicks
5. In India the Finance Commission is appointed by
 - a) Prime Minister
 - b) The President of India
 - c) The Chief Justice
 - d) None of the above
6. The FRBM Act was passed in
 - a) 1991
 - b) 2001
 - c) 2003
 - d) 2011
7. Corporate income tax is the tax levied on
 - a) Corporations
 - b) Municipalities
 - c) Co-operative societies
 - d) Companies
8. The zero-based budgeting was first adopted in
 - a) India
 - b) France
 - c) Germany
 - d) USA

PART – B

Short answer questions. Answer **any 8** questions.

(8×2=16)

9. What is fiscal federalism ?
10. What are the principal source of local finance ?



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11. What is balanced budget ?
12. What are the objectives of fiscal policy ?
13. Define cannon of equity of taxation.
14. Differentiate between zero-based budgeting and performance budgeting.
15. What are the main sources of public expenditure ?
16. Compare progressive and proportional tax.
17. Bring out the difference between revenue and capital budget.
18. Describe black money.
19. What is taxable capacity ?

PART – C

Short essay. Answer **any 4** questions.

(4×5=20)

20. Write a note on FRBM Act.
21. Critically explain the Gadgil-Mukherjee formula.
22. How does taxation affect the economy ?
23. What are the principles of local finance ?
24. What are the arguments for and against balanced budget ?
25. Discuss the role of public expenditure to the economic development.

PART – D

Long essay. Answer **any two** questions.

(2×10=20)

26. Discuss the contribution of various committees on taxation in India.
27. Explain the significance and types of budgeting. Narrate the procedure of budgeting in India.
28. Discuss the major recommendations of 15th Finance Commission.
29. Examine the changing dimension of public finance.