

K17P 1371

Reg. No. : .....

Name : .....

**Third Semester M.A. Degree (Reg./Supple./Improve.) Examination,  
November 2017**

**(2014 Admn. Onwards)**

**Economics/App.Economics/Dev.Economics**

**ECO 3C10 : PUBLIC ECONOMICS – II**

Time : 3 Hours

Max. Marks : 60

**PART – A**

**(Objective Type Questions)**

Write **all** the **eight** questions. **Each** question carries  $\frac{1}{2}$  marks.

- Increase in government spending may not necessarily lead to :
  - Displaces private spending
  - Increase in domestic interest rate
  - Reduction in domestic interest rate
  - Rise in domestic aggregate demand
- The classification of expenditure of Government of India as plan and non-plan ended from financial year.
  - 2014-15
  - 2015-16
  - 2016-17
  - 2017-18
- Which of the following is a non-debt capital receipt ?
  - Receipts of profits of PSUs
  - Non-tax receipts
  - Disinvestment receipts
  - Securities Transaction Tax (STT)
- Impact of a tax is the
  - First point of contact
  - Final resting place
  - Intermediary
  - Either A) or C)
- Goods that are rival in consumption but not excludable
  - Private Goods
  - Public Goods
  - Club goods
  - Common resources

P.T.O.





6. High rate of GST may lead to a/an :
- Incentive to consumers
  - Incentive to producers
  - Incentive to investors and producers
  - Disincentive to investors
7. The proposed expenditure and the anticipated revenue are equal in the case of
- Interim budget
  - Supplementary budget
  - Balanced budget
  - Emergency budget
8. Finance Commission has to make its recommendations to :
- Finance Minister
  - Prime Minister
  - President
  - Vice-President

(8×½=4)

## PART - B

Short answer type questions. Write **any eight** questions. **Each** question carries 2 marks.

- What is local finance ?
- What are the canons of taxation ?
- What is fiscal federalism ?
- What is public expenditure ?
- What are the canons of budget ?
- Explain FRBM Act.
- What are the types of public debt ?
- Explain what is vertical and horizontal imbalance ?
- Explain the characteristics of public goods.
- Define incidence of tax.
- Give an account of Goods and Service Tax (GST).

(8×2=16)





PART - C

Short essay type questions. Write **any four** questions. **Each** answer should **not** exceed **two and half a page**.

20. Explain the theory of optimal distribution.
21. Distinguish between revenue and capital expenditure.
22. Explain the role of government in national economy.
23. Critically explain the sources of resource mobilization in India.
24. Analyze the problem of growing fiscal deficit in India.
25. Briefly explain the division of tax powers and objectives of taxation in India.

(4×5=20)

PART - D

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

26. Explain the role of Finance Commission in ensuring smooth central-state financial relations.
27. Examine the changing dimensions of public finance.
28. Explain the major trends in public expenditure in India.
29. Critically examine the recommendations of Kelkar Committee Report. (2×10=20)