



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.

1. Finance Commission submits reports to
 - a) Finance Minister
 - b) Prime Minister
 - c) President
 - d) Vice-President
2. An example of 'sin' tax
 - a) High tax to reduce excess pollution
 - b) High tax on liquor and tobacco
 - c) Income tax
 - d) Security Transaction Tax
3. The deficit that shows the total debt generated by the government to finance the total budget expenditure
 - a) Primary Deficit
 - b) Revenue Deficit
 - c) Fiscal Deficit
 - d) Effective Fiscal Deficit
4. Receipts from sale of shares of Central Public Sector enterprises
 - a) Capital receipts
 - b) Non-debt capital receipts
 - c) Revenue receipts
 - d) Non-tax receipts
5. 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
- a) Universal inclusion
 - b) Horizontal summation
 - c) Externalities
 - d) Free rider problem
7. FRBM Act was passed in the Indian Parliament in
- a) 2003
 - b) 2002
 - c) 2006
 - d) 2017
8. The period of 15th Finance Commission of India
- a) 2015 – 2020
 - b) 2020 – 2025
 - c) 2010 – 2015
 - d) 2019 – 2024
- (8×½=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 ?
15. What is Functional Finance ?
16. What do you mean by externalities ?
17. 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)



PART - C

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

20. Explain Wagner's hypothesis on Public Expenditure with the help of diagram.
21. Write a note on traditional and modern view of the incidence of tax.
22. Write a note on classical approach to public expenditure.
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. (4×5=20)

PART - D

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 diagrams.
 28. Critically evaluate Chelliah Committee Report for tax reforms in India.
 29. Critically examine the merits and defects of different sources of resource mobilization in India. (2×10=20)
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