(Pages : 2) **D – 2497**

Reg. No. : .....

Name : .....

Fifth Semester B.A. Degree Examination, December 2017
First Degree Programme under CBCSS
ECONOMICS
Core Course – X
EC – 1545 : Public Economics
(2015 Admn.)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences attempt **all** questions.

1. Sinking fund.
2. Deficit financing.
3. Capital levy.
4. Tax avoidance.
5. Incidence of tax.
6. Compensatory fiscal policy.
7. Merit goods.
8. Performance budgeting.
9. Taxable capacity.
10. Free rider problem.

(10×1=10 Marks)

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SECTION – II

Answer **any eight** questions **not** exceeding **one** paragraph. **Each** question carries **2** marks.

11. Explain the principles of public debt management.
12. What are the objectives of taxation ?
13. Distinguish between impact, incidence and shifting of a tax.
14. What are the merits and demerits of direct taxation ?

15. Explain Wiseman-Peacock hypothesis of public expenditure.
16. Explain the characteristics of Zero Based Budgeting.
17. Define Tax. What are the canons of taxation ?
18. What is Colin-Clark hypothesis ?
19. Explain the problems of local finance.
20. Distinguish between Specific and Advalorem Tax.
21. What is Laffer curve ?
22. Explain Planning Programming Budgeting System (PPBS). **(8×2=16 Marks)**

SECTION – III

Answer **any six** questions, **not** exceeding **120** words. **Each** question carries **4** marks.

23. What are the similarities between public finance and private finance ?
24. What are the characteristics of a good tax system ?
25. Explain Balanced budget and Unbalanced budget.
26. What are the instruments of fiscal policy ?
27. Explain the principles of federal finance.
28. Distinguish between Gadgil formula and Mukherjee formula.
29. Distinguish between private goods and social goods.
30. Distinguish between Consolidated Fund and Contingency Funds.
31. Briefly explain the concept of market failure. **(6×4=24 Marks)**

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SECTION – IV

Answer **any two** questions, **not** exceeding **four** pages. **Each** question carries **15** marks.

32. Discuss the usefulness of Deficit financing as a technique of economic development.
33. Discuss the effects of public expenditure on production, distribution and economic activity.
34. Explain the principle of maximum social advantage and how maximum social advantage is achieved.
35. What is Finance Commission ? Examine the major recommendations and functions of Finance Commission. **(2×15=30 Marks)**
