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Reg. No. : .....

Name : .....

Fifth Semester B.A. Degree Examination, December 2019

First Degree Programme under CBCSS

Branch : Economics

EC 1545 – PUBLIC ECONOMICS

(2014 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – I

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

1. Direct Tax
2. Redeemable public debt
3. Functional Finance
4. Unbalanced budget
5. Public good
6. Grants-in-aid
7. Escheat
8. Progressive tax
9. Taxable Capacity
10. Market Failure

**(10 × 1 = 10 Marks)**

P.T.O.

## SECTION – II

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

11. What do you mean by Stabilization Function?
12. Distinguish between impact and incidence of a tax.
13. What are the important merits of indirect tax?
14. What do you mean by federal finance?
15. What are the sources of non tax revenue?
16. Discuss the canons of public expenditure.
17. What are major sources of income to local government?
18. Differentiate between internal debt and external debt.
19. What are the objectives of fiscal policy?
20. Differentiate between Specific tax and advalorem tax.
21. What do you mean by public debt management?
22. Explain Ability to Pay Principle.

**(8 × 2 = 16 Marks)**

## SECTION – III

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

23. Discuss major issues of Centre-State financial relations in India.
24. Examine the causes for the growth of public expenditure.
25. Explain the role of deficit financing in developing countries.

26. Explain Adam Smith's Canons of Taxation.

27. Examine the effect of public debt on production and distribution.

28. Distinguish between horizontal and vertical imbalance.

29. What are the major fiscal functions of the modern government?

30. Explain the Principle of Maximum Social Advantage.

31. Briefly explain the reasons for market failure.

**(6 × 4 = 24 Marks)**

## SECTION – IV

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

32. Define public finance. Explain the nature and scope of public finance.

33. What do you mean by redemption of public debt? What are the methods of debt redemption?

34. Examine the effect of public expenditure on production, consumption, and distribution.

35. Define Finance Commission. Briefly explain the recommendations of 13$^{th}$ Finance Commission.

**(2 × 15 = 30 Marks)**