

Reg. No. : .....

Name : .....

**Fifth Semester B.A. Degree Examination, December 2018****First Degree Programme Under CBCSS****ECONOMICS****Core Course : X****EC-1545 : Public Economics****(2013 Admn. & 2014 Admn.)**

Time : 3 Hours

Max. Marks : 80

**SECTION – I**Answer in on **one** or **two** sentences. Attempt **all** questions.

1. Externalities.
2. GST.
3. Market failure.
4. Fiscal policy.
5. Own Revenue.
6. Budget.
7. Public goods.
8. Market imperfections.
9. Direct tax.
10. Special assessments.

**(10×1=10 Marks)**

P.T.O.



## SECTION – II

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

11. Distinguish between private finance and public finance.
12. Explain the concepts of impact and incidence of tax.
13. What are merit goods ?
14. What are the different sources of non-tax revenue ?
15. Explain proportional, progressive and regressive taxation.
16. Distinguish between developmental and non-developmental expenditure.
17. What do you mean by shifting of taxation ?
18. Explain cascading effect of tax.
19. Explain the concepts of deficit financing.
20. What do you mean by internal and external debt ?
21. Explain the working of Value Added Tax in avoiding the tax cascading effects.
22. Explain the concept of Taxable Capacity. **(8×2=16 Marks)**

## SECTION – III

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

23. Evaluate the benefit theory of taxation.
24. Explain zero based budgeting.
25. Examine the reasons for the growth of public expenditure.
26. What are Adam Smith's canons of taxation ?
27. Explain Wagner's law of increasing state activities.



28. What are the methods of redemption of public debt ?
29. Examine the role of government in a modern economy.
30. Explain performance budgeting.
31. Explain the role of finance commission in maintaining centre state financial relations. **(6×4=24 Marks)**

SECTION – IV

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

32. Evaluate the ability to pay theory of taxation.
  33. Explain the economic effects of public expenditure on production, consumption and distribution.
  34. Critically evaluate the theory of maximum social advantage.
  35. Explain the nature, scope and significance of public finance. **(2×15=30 Marks)**
-