



(Pages : 2)

F – 2377

Reg. No. :

Name :

Fifth Semester B.A. Degree Examination, December 2018
First Degree Programme Under CBCSS
Economics
Core Course X
EC 1545 : PUBLIC ECONOMICS
(2015 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – I

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

1. Externalities.
2. Club goods.
3. Incidence of tax.
4. Internal debt.
5. Deficit financing.
6. Revenue deficit.
7. Compensatory fiscal policy.
8. Fiscal imbalance.
9. Displacement effect.
10. VAT.

(10×1=10 Marks)

SECTION – II

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

11. Why is public sector needed in a national economy ?
12. What are merit goods ?
13. Distinguish between direct and indirect tax.
14. Explain the main sources of public debt.

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F – 2377



15. What is Contingency fund ?
16. Define the term Balanced Budget Multiplier.
17. State the difference between backward and forward shifting of tax.
18. Give an account of the various organs of local self government.
19. Define Ad Valorem tax.
20. What do you understand by free rider problem ?
21. Write a note on non tax revenue of government.
22. Distinguish between revenue budget and capital budget. **(8×2=16 Marks)**

SECTION – III

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

23. Write down the scope of Public Finance.
24. Explain Peacock and Wiseman hypothesis.
25. Examine the canons of public expenditure.
26. Write down the various classification of public debt.
27. What do you understand by the term PPBS ? Explain.
28. Highlight the main features of good tax system.
29. Explain the sources of revenue of local bodies.
30. State the difference between positive and negative externalities with an example.
31. Discuss the various instrument of fiscal policy. **(6×4=24 Marks)**

SECTION – IV

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

32. Discuss Dalton's Principle of Maximum Social Advantage. Explain its limitations.
 33. What are the objectives of public expenditure ? Examine the causes for the growth of public expenditure in India.
 34. Explain the effects of taxation on production and distribution.
 35. Examine the main problems of federal finance. Discuss the various suggestions for improvement in federal financial relationship. **(2×15=30 Marks)**
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