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Reg. No. :

Name :

Third Semester B.A. Degree Examination, January 2023

First Degree Programme Under CBCSS

Economics

Complementary Course V

EC 1331 – PUBLIC FINANCE AND TRADE

(2015 – 2018 Admissions)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer all questions. Each question carries 1 mark.

1. Fiscal operation
2. Optimum budget
3. Commercial revenue
4. Globalization
5. Fiscal deficit
6. Development expenditure
7. Local finance
8. Marginal social benefit

P.T.O.

9. Grants – in – aid
10. Sinking fund

(10 × 1 = 10 Marks)

SECTION – B

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

11. What are public utilities? Give examples.
12. Explain the objectives of public expenditure.
13. What are the Components of tax revenue?
14. Explain the classification of Public Debt.
15. What is free trade?
16. Distinguish between surplus budget and deficit budget.
17. Explain the methods of deficit financing in India.
18. Spell out the difference between impact and incidence of a tax.
19. Explain the functions of WTO.
20. Write down the difference between plan and non-plan expenditure.
21. Explain the components of external debt.
22. State the features of GST.

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions not exceeding **120** words.

Each question carries **4** marks.

23. What are the broad divisions of the subject matter of Public Finance? Explain.
24. State the major canons of public expenditure.
25. Write a note on progressive proportional and regressive taxes.
26. Write down the components of balance of payment.
27. How do you account for the importance of federal finance?
28. Explain the principles of budgeting.
29. Briefly explain the principles of public debt management.
30. Give an account of Peacock - Wiseman Hypothesis of the growth of public expenditure.
31. Distinguish between private goods and public goods with an example.

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions, not exceeding **four** pages.

Each question carries **15** marks.

32. Critically examine the ability to pay theory of taxation.
33. Discuss the interrelationship between foreign trade and economic development.
34. Explain the factors which contributed to the increase in public expenditure in recent times.
35. Public debt has become an integral part of economic development – Discuss.

(2 × 15 = 30 Marks)