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Name.....

Reg. No.....

SECOND SEMESTER M.A. DEGREE EXAMINATION, APRIL 2020

(CUCSS - PG)

CC19P ECO2 C07 - PUBLIC FINANCE: THEORY AND PRACTICE

(Economics)

(2019 Admissions - Regular)

Time: Three Hours

Maximum: 30 Weightage

Part A

Answer *all* questions.

Each bunch of *four* questions carries 1/5 weightage.

Multiple Choice Questions:

1. Public Authorities Include:

- (a) Central Government (b) State Government
(c) Local Government (d) All of these

2. Which is the main point on the basis of which public finance can be separated from private finance:

- (a) Price policy (b) Borrowings
(c) Elasticity in income (d) Secrecy

3. In the following which is the characteristic of a tax

- (a) Compulsory (b) optional (c) forced (d) nationality

4. Which is the main objective of a tax:

- (a) Increase in consumption (b) increase in production
(c) Raising public revenue (d) reduction in capital formation

5. ----- refers to refusal to repay the debt

- (a) Repudiation (b) Capital levy (c) Sinking fund (d) none of the above

6. Expenditure Tax for India was recommended by:

- (a) Kaldor (b) Colin Clarke (c) Adam Smith (d) Adolph Wagnor

7. Corporate Income tax is the tax levied on:

- (a) Corporations (b) Municipalities
(c) Co-operative societies (d) Companies

8. Education is an example of:

- (a) Public good (b) Merit good (c) Social good (d) Club good

9. Incidence of a tax refers to the ----- burden of tax:

- (a) Initial (b) Ultimate (c) Intermediate (d) None

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Turn Over

10. The FRBM Act was passed in:
 (a) 1991 (b) 2001 (c) 2003 (d) 2011
11. The Zero-based budgeting was first adopted in:
 (a) India (b) France (c) Germany (d) USA
12. Grants recommended by the Finance Commission are known as:
 (a) Plan grants (b) Conditional Grants
 (c) Statutory grants (d) Conditional grants
13. When $E_s > E_d$, more incidence is on
 (a) Buyers (b) Sellers (c) Govt. (d) none of these
14. The VAT was first introduced in the year
 (a) 2003 (b) 2004 (c) 2005 (d) 2006
15. The Current financial transactions of the government which are of recurring in nature is known as
 (a) Revenue budget (b) Capital budget (c) Surplus Budget (d) Deficit budget

(15 x 1/5 = 3 Weightage)

Part B (Very Short Answer Questions)Answer any *five* questions. Each question carries 1 weightage.

16. Give an example of Private good
17. Define proportional taxation
18. Define Fiscal policy
19. What is Fiscal decentralization
20. Bring out the key theme of Tiebout hypothesis
21. Define incidence of taxation
22. Define subsidy
23. Define FRBM Act

(5 x 1 = 5 Weightage)

Part C (Short Answer Questions)Answer any *seven* questions. Each question carries 2 weightage.

24. What is public expenditure?
25. Explain Negative externalities
26. Discuss the concept of Pigouvian tax
27. Differentiate partial and general equilibrium analysis
28. Explain Public choice theory

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29. What are the benefits of Zero-based budgeting?
30. Bring out the relation between tax and non-tax revenue
31. What is a good tax system?
32. Distinguish between vertical and horizontal imbalance
33. Showcase the trends and sources of revenue in union, states and local bodies

(7 x 2 = 14 Weightage)

Part D (Essay Questions)Answer any *two* questions. Each question carries 4 weightage.

34. Role of government in the national economy
35. What is the impact of Debt burden in an economy? What could be the measures to reduce such burden?
36. Explain the procedure of Budgeting.
37. Bring out the impact and effects of GST in the Indian Economy.

(2 x 4 = 8 Weightage)

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