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Name:

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, APRIL 2020

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC15U ECO6 B13 - PUBLIC FINANCE

Economics – Core Course

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer *all* questions. Each question carries ½ mark.

1. Joint consumption is a characteristic of
(a) public goods (b) private goods (c) mixed goods (d) none of the above
2. Which of the following principle is also called least aggregate sacrifice?
(a) equal absolute sacrifice (b) equal proportional sacrifice
(c) equal marginal sacrifice (d) equal relative sacrifice
3. Penalties imposed by courts for the failure of individuals to appear in the courts, to complete contracts as stipulated.
(a) forfeitures (b) escheat (c) fines (d) fees
4. The Chairman of the fourteenth Finance Commission
(a) Y V Reddy (b) N K Singh (c) C Rangarajan (d) I G Patel
5. Tax on net income of companies.
(a) income tax (b) corporate tax (c) wealth tax (d) interest tax
6. The 73rd and 74th constitutional amendments came into force as the constitution act on
(a) 1989 (b) 1995 (c) 1991 (d) 1993
7. The difference between revenue receipts and revenue expenditure is
(a) fiscal deficit (b) revenue deficit (c) budget deficit (d) capital deficit
8. Which of the following is the largest single source of the government earning from tax revenue?
(a) income tax (b) customs duty (c) wealth tax (d) central excise
9. To control inflation the government should increase
(a) budget deficit (b) pensions
(c) income tax (d) consumer spending
10. Tax that better conforms to the principle of equality in taxation.
(a) progressive tax (b) regressive tax (c) degressive tax (d) proportional tax
11. Parallel economy emerges due to
(a) tax compliance (b) tax estimation (c) tax evasion (d) tax imposition

12. Long term debt of the government.

(a) funded debts (b) productive debts (c) unfunded debts (d) irredeemable debts

(12 x ½ = 6 Marks)

Part B (Very short answer questions)

Answer any *ten* questions. Each question carries 2 marks.

13. Sources of non tax revenue.
14. Peacock-Wiseman hypothesis.
15. Performance budgeting.
16. Federal finance.
17. Merit goods.
18. Black money.
19. Fiscal deficit.
20. Horizontal and vertical equity.
21. Cannons of taxation.
22. Specific and Ad valorem taxes.
23. Sources of local finance.
24. Externalities.

(10 x 2 = 20 Marks)

Part C (Short essay questions)

Answer any *six* questions. Each question carries 5 marks.

25. Distinguish between Public Finance and Private Finance.
26. Explain the modern theory of incidence.
27. Describe the effects of public expenditure.
28. What are the merits and demerits of indirect taxes?
29. Explain the methods of debt redemption.
30. Describe Zero Based Budgeting.
31. Briefly explain deficit financing.
32. Describe Goods and Services Tax.

(6 x 5 = 30 Marks)

Part D (Essay questions)

Answer any *two* questions. Each question carries 12 marks.

33. Explain the principle of maximum social advantage.
34. Explain the role of contra cyclical fiscal policy in maintaining economic stability.
35. State the functions of Finance Commission and describe the centre-state financial relations.
36. Explain the major principles of taxation.

(2 x 12 = 24 Marks)
