

THIRD SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2015

(CUCSS)

Economics

ECO 3C 12—FISCAL ECONOMICS

(2010 Admission onwards)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each bunch of four questions carries a weightage of 1.

(A) Multiple Choice :

- 1 The committee recommended abolition of tax rebates under section 88 : ✓
 (a) Chelliah Committee. (b) Kelkar Committee.
 (c) Shome Committee. (d) None of the above.
- 2 The budget estimate for effective revenue deficit for 2011-12 stands at :
 (a) 3.5 % GDP. (b) 2.3 % GDP.
 (c) 1.8 % GDP. (d) 1.3 % GDP.
- 3 Thirteenth Finance Commission was constituted under the Chairmanship of :
 (a) Y. S. P. Thorat. (b) Vijai L Kelkar.
 (c) T. S. Vijayan. (d) Laxminarayan.
- 4 The rate at which banks lend to RBI is known as : ✓
 (a) Bank rate. (b) Repo rate.
 (c) Reverse Repo Rate. (d) Interest Rate.

(B) Multiple choice :

- 5 The twelfth Finance Commission was appointed on :
 (a) April 2001. (b) June 1, 2001.
 (c) June 1, 2002. (d) November 1, 2002.
- 6 Consolidated funds includes : ✓
 (a) Government revenues. (b) Loan raised.
 (c) Recoveries of loan granted. (d) All the above.

Turn over

- 7 Market failure of public goods is due to :
- (a) Non-rival in consumption. (b) Non-excludability.
(c) Externality. (d) All the above.
- 8 Sales tax is collected by :
- (a) Central Government. (b) State Government.
(c) Both (a) and (b). (d) Panchayat.
- (C) Fill in the blanks :
- 9 Deficit budgeting is _____.
- 10 Open Market Operation' is a part of _____.
- 11 Corporate tax is imposed by _____.
- 12 Primary deficit is _____.
- (D) State True or False :
- 13 Gadgil Formula provided a basis for the transfer of assistance to the state.
- 14 Budgetary determination of the Government is based on voting.
- 15 Zero base budgeting is an infinite deficit financing.
- 16 Finance Commission is a non-statutory body.

(16 × ¼ = 4 weigh

Part B (Short Answer questions)

Answer any ten questions not exceeding one page each.

- 17 Explain Public goods.
- 18 What is meant by externalities ?
- 19 Write a note on functional finance.
- 20 Explain the rationale for Government intervention in the distribution of goods.
- 21 Write a note on fiscal federation.
- 22 Discuss the theory of second best.
- 23 Explain the features of tax system in India.
- 24 Write a note on agricultural taxation in India.
- 25 Explain the major trends in public debt in India.
- 26 Discuss the optional provision of public goods.

- 27 Discuss the different sources of public revenue.
- 28 Write a note on Zero based budgeting.
- 29 Explain the measures of budgetary deficit.
- 30 Discuss the Chelliah Committee Report on taxation.

(10 × 2 = 20 weightage)

Part C (Essay Questions)

Answer any three not exceeding three pages each.

- 31 Discuss the role of Government in the national economy.
- 32 Analyse the fiscal crisis in India.
- 33 Examine the reforms in direct and indirect taxes in India.
- 34 Discuss the major recommendations of 13th Finance Commission in India.
- 35 Examine the stabilization policy of the Government in an open economy.

(3 × 4 = 12 weightage)