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Name:

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2018

(CUCBCSS-UG)

CC15U ECO6 B13 - PUBLIC FINANCE

Economics–Core Course

(2015 Admission)

Time: Three Hours

Maximum: 80 Marks

Part A

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

1. Tax is levied on income of corporation is called:
(a) Income tax (b) Capital gains tax (c) Corporate income tax (d) None of these
2. In Kerala, building tax is levied by :
(a) Union Government (b) State Government (c) Local Government (d) None of these
3. Functional Finance concept is introduced by
(a) Keynes and Lerner (b) Dalton and Pigou (c) Marx and Engels (d) Ricardo
4. Wagner's view is related to:
(a) Environment (b) Tax (c) Public expenditure (d) All the above
5. The most popular method of project evaluation is:
(a) Cost-benefit analysis (b) Production analysis
(c) Profit analysis (d) Price analysis
6. Externality refers to:
(a) Internal effects (b) Social benefit (c) Spillover effects (d) Social cost
7. If the tax is levied on the weight of the commodity is known
(a) Advalorem (b) Specific (c) Compound (d) Direct
8. Consolidated funds includes:
(a) Government revenues (b) Loan raised
(c) Recoveries of loan raised (d)None of these
9. Gift tax was introduced in India in :
(a) 1954 (b) 1960 (c)1961 (d) 1958
10. A pure private good is:
(a) Non-rival and non-excludable (b) Non-rival and excludable
(c) Rival and non- excludable (d) Rival and excludable
11. The ultimate burden of VAT is on:
(a) The manufacturer (b) The seller (c)The consumer (d) The Government
12. The largest component of revenue expenditure of Government of India is:
(a) Interest payments (b) Defense expenditure
(c) Pensions (d) Education

(12 x ½ = 6 Mark)

Part B (Very Short Answer Type Questions)

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

13. What are the canons of public expenditure.
14. What are the objectives of deficit financing?
15. Write a note on special assessment.
16. Explain Built-in-stabilizer.
17. Performance budgeting.
18. Balanced budget.
19. What is meant by Local Finance.
20. What is meant by benefit principle.
21. What is fiscal federalism.
22. What do you mean by contra cyclical fiscal policy.
23. Examine modern theory of incidence.
24. Write a note on functional finance.

(10 x 2 = 20 Marks)

Part C (Short Essay Questions)

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

25. State the ability to pay principle of taxation.
26. Distinguish between progressive, regressive and proportional taxation.
27. Explain the shortcomings in centre-state financial relations.
28. What are the methods of debt redemption.
29. Discuss the major taxes in India.
30. What are the sources of Non-Tax Revenues in India.
31. Briefly explain the principles of Federal Finance.
32. Explain Wagner's law.

(6 x 5 = 30 Marks)

Part D (Essay Questions)

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

33. Explain the recent trends in the growth of public expenditure in India.
34. What are the economic effects of taxation on production and distribution?
35. Briefly discuss the stages involved in preparation, presentation and execution of a budget.
36. Distinguish between direct and indirect taxes and point out their merits and demerits.

(2 x 12 = 24 Marks)
