18U641	(Pages: 2)	Name
		Reg. No:
SIXTH SEMEST	TER B.A. DEGREE EXAM	INATION, APRIL 2021
	(CUCBCSS-UG)	
(F	Regular/Supplementary/Impro	ovement)

CC15U ECO6 B13 - PUBLIC FINANCE

(Economics – Core Course)
(2015 Admission onwards)

		(2015 Admission of	onwards)		
me:	Three Hours		ľ	Maximum: 80 Marks	
Part A					
Answer <i>all</i> questions. Each question carries ½ mark.					
1.	The concentration the	eory of incidence was p	propounded by		
	a) Mercantilists	b) Classical	c) Keynesians	d) Physiocrats	
2.	. Education is an example of				
	a) Public good	b) Merit good	c) Social good	d) Club good	
3.	Voluntary Disclosure	Scheme is related to			
	a) Taxation	b) Black money	c) Public debt	d) Public expenditure	
4.	Escheat means a form	n of			
	a) Debt repayment	b) Public borrowing	c) Non-tax revenue	d) Tax revenue	
5.	Who is the chairman	of the 15 th Finance Cor	mmission?		
	a) N K Singh	b) Venugopal Reddy	c) C Rangarajan	d) Vijay Kelkar	
6.	. If a tax is levied on the weight of the commodity, it is known as				
	a) Advalorem	b) Specific	c) Direct	d) Compound	
7.	7. The difference between total expenditure and total receipts except loans and other				
	liabilities is called				
	a) Fiscal deficit	b) Budget deficit	c) Primary deficit	d) Revenue deficit	
8.	8. The entire tax burden will be upon the seller if the demand for the commodity is				
	a) Perfectly inelastic	b) Elastic	b) Perfectly elastic	d) Inelastic	
9. Entertainment tax is levied by					
	a) Local govt.	b) State govt.	c) Municipalities	d) Central govt.	
10. All expenditures of the Government of India are incurred from					
	a) National Savings Fund		b) Consolidated Fund of India		
	c) Public Account of India		d) Contingency Fund		
11. Deficit financing leads to					
	a) Rise in prices	b) Fall in prices	c) Price stability	d) None of these	

- 12. The authority that make recommendations regarding the distribution of grants-in-aid to the states
 - a) NITI Aayog

b) Planning Commission

c) Finance Commission

d) Central Government

 $(12 \times \frac{1}{2} = 6 \text{ Marks})$

Part B

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

13. Taxable capacity. 19. GST.

14. Finance Commission. 20. Special assessment.

15. Impact and Incidence of a tax. 21. Characteristics of a good tax system.

16. Canons of Public expenditure. 22. Vertical Fiscal Imbalance.

17. Sinking fund. 23. Budgetary Deficit.

18. Fiscal federalism. 24. Black money.

 $(10 \times 2 = 20 \text{ Marks})$

Part C (Short Essay Questions)

Answer any six questions. Each question carries 5 marks.

- 25. Explain the procedure of budgeting.
- 26. Explain Peacock and Wiseman Hypothesis.
- 27. Distinguish between public good and private good.
- 28. Distinguish between proportional and progressive taxation.
- 29. Describe Cost Benefit Analysis.
- 30. Explain Zero Based Budgeting.
- 31. Merits and Demerits of indirect taxes.
- 32. Describe the important instruments of fiscal policy.

 $(6 \times 5 = 30 \text{ Marks})$

Part D (Essay Questions)

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

- 33. Critically examine the Principle of Maximum Social Advantage.
- 34. Explain the major principles of taxation.
- 35. Explain the reasons for the growth of public expenditure in India.
- 36. Explain local finance in India. What are its functions and problems?

 $(2 \times 12 = 24 \text{ Marks})$