

16U639

(Pages: 2)

Name:

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, APRIL 2019

(Regular/Supplementary/Improvement)

(CUCBCSS-UG)

CC15U ECO6 B13 - PUBLIC FINANCE

Economics – Core Course

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

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

1. The Diffusion theory of incidence was mainly propounded by
(a) Pigou (b) Dalton (c) Bastable (d) Canard
2. The chairman of the fourteenth finance commission.
(a) C Rangarajan (b) A M Khusro (c) Y V Reddy (d) Vijay Kelkar
3. Tax which is levied on the basis of the value of a commodity.
(a) Direct tax (b) Specific tax (c) Ad valorem (d) Single tax
4. The budgeting method in which the budget is divided into functions based on the major purpose of the government and then sub-divided into programmes and activities.
(a) performance budgeting (b) zero-base budgeting
(c) programme budgeting (d) flexible budgeting
5. The difference between fiscal deficit and interest payment during the year is called
(a) fiscal deficit (b) budget deficit (c) primary deficit (d) revenue deficit
6. Internal rate of return is the rate of discount that makes the discounted net present value equal to
(a) 2 (b) 1 (c) 0 (d) infinity
7. Unfunded debt is.
(a) perpetual debt (b) long-term debt (c) short-term debt (d) non-repayable
8. The equivalent of panchayat samitis in Kerala is the
(a) district panchayat (b) gram panchayat
(c) cantonment boards (d) block panchayat
9. In India the functional classification of budget started with the Union budget of
(a) 1967-68 (b) 1955-56 (c) 1960-61 (d) 1970-71
10. The sacrifice of economic welfare made by the tax-payer due to a tax is called
(a) indirect real burden (b) indirect money burden
(c) direct money burden (d) direct real burden
11. The author of the book “Principles of Public Finance”
(a) Marshall (b) Seligman (c) Findlay Shirras (d) Dalton

12. Penalties imposed by courts for the failure of individuals to appear in courts to complete contracts as stipulated is called

- (a) fines (c) forfeitures (d) fees

(12 x 1/2 = 6 Marks)

Part B

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

13. Sinking fund.
14. Canons of taxation.
15. Pump priming.
16. Mixed goods.
17. Taxable capacity.
18. Externalities.
19. Black money.
20. Federal Finance.
21. Special assessments.
22. Wiseman-Peacock hypothesis.
23. Sources of local finance.
24. Deficit financing.

(10 x 2 = 20 Marks)

Part C

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

25. Examine the effects of public expenditure.
26. Distinguish between proportional and progressive taxation.
27. Briefly explain zero-base budgeting.
28. Write a note on GST.
29. Explain contra-cyclical fiscal policy.
30. Distinguish between public finance and private finance.
31. Explain the ability-to-pay theory of taxation.
32. Explain the process of project evaluation.

(6 x 5 = 30 Marks)

Part D

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

33. Explain the Principle of Maximum Social Advantage.
34. Explain the importance of budget and the budgetary procedure in India.
35. What are the functions of the Finance Commission and discuss the shortcomings in India's centre-state financial relations.
36. Discuss the modern theory of incidence and the factors that determine the nature of tax shifting and incidence.

(2 x 12 = 24 Marks)
