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Name:

Reg. No:

SECOND SEMESTER M.A. DEGREE EXAMINATION, APRIL 2023

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19P ECO2 C07 - PUBLIC FINANCE: THEORY AND PRACTICE

(Economics)

(2019 Admission onwards)

Time: 3 Hours

Maximum: 30 Weightage

Part A

Answer *all* questions. Each question carries 1/5 weightage.

1. Rivalry and excludability are the characteristics of goods.
(a) Public goods (b) Private goods (c) Inferior goods (d) Giffen goods
2. The provision of public goods requires
(a) competition among firms in the market (b) lobbying
(c) trade protection (d) none of the above.
3. When consumption of a good is non-rival and non-excludable, the good is a:
(a) public good (b) mixed good (c) private good (d) service
4. Expenditure tax was introduced in India as per the recommendation of:
(a) Nehru (b) Kaldor (c) K N Raj (d) John Mathai
5. Shifting of tax depends on:
(a) Elasticity (b) Quality (c) Quantity (d) Durability
6. When $E_s > E_d$, more incidence is on:
(a) Buyers (b) Sellers (c) Government (d) None of these
7. Government expenditure is an instrument of:
(a) Monetary policy (b) Fiscal Policy (c) Trade Policy (d) Financial Policy
8. Deficit financing leads to:
(a) Rise in prices (b) Fall in prices (c) Control on prices (d) None of the above
9. Interest payments are a part of:
(a) Development Expenditure (b) Non-Development Expenditure
(c) Capital Expenditure (d) All of the above
10. The term fiscal federalism was introduced by:
(a) Dalton (b) Seligman (c) Musgrave (d) None of the above
11. Treating of equals equally leads to:
(a) Sectoral Equity (b) Vertical Equity (c) Horizontal Equity (d) General Equity

(1)

Turn Over

12. FRBM Act ensures

- (a) Fiscal Stability (b) Financial Stability
(c) Devolution (d) Horizontal Stability

13. The VAT was first introduced in the year:

- (a) 2003 (b) 2004 (c) 2005 (d) 2006

14. The main source of revenue of federal government is:

- (a) Property taxes (b) Token taxes (c) Customs duties (d) GST

15. Which tax cannot be shifted to others?

- (a) Excise duty (b) GST (c) Income tax (d) Customs duty

(15 × 1/5 = 3 Weightage)

Part B (Very Short Answer Questions)

Answer any *five* questions. Each question carries 1 weightage.

16. What are the features of public good?

17. What are merit goods?

18. State and explain optimum tax.

19. Write a note on Zero based budgeting.

20. Discuss the inter-generational equity in relation to debt burden.

21. Explain Fiscal decentralization?

22. What is a VAT in Federal set up?

23. Explain the issues related to Centrally Sponsored Schemes.

(5 × 1 = 5 Weightage)

Part C (Short Answer Questions)

Answer any *seven* questions. Each question carries 2 weightage.

24. Explain externality with examples

25. Explain the difference between impact and incidence of tax.

26. Discuss the Modern theory of tax incidence.

27. Explain Balanced Budget Multiplier.

28. Explain pricing of public utilities?

29. Explain Public choice theory

30. Explain macroeconomic impact of deficit.

31. Explain fiscal decentralisation.

32. State and explain FRBM Act in the light of enlarging fiscal deficit.

33. Critically evaluate latest union budget.

(7 × 2 = 14 Weightage)

Part D (Essay questions)

Answer any *two* questions. Each question carries 4 weightage.

34. Explain the partial and general equilibrium analysis of tax.

35. Explain Pure theory of public expenditure.

36. There are vertical and horizontal imbalances in inter-governmental transfers in India. Discuss.

37. Explain the trend and source of revenue in union, states and local bodies.

(2 × 4 = 8 Weightage)
