E 6081

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017

Fourth Semester

Economics (Model I)

Core Course—PUBLIC ECONOMICS

(2013 Admission onwards)

Time : Three Hours

Maximum Marks : 80

Part A (Definition Type Questions)

Answer all the following questions in **one** *sentence each.*
Each question carries 1 mark.

Define the following :

1 Public finance.

2 Public good.

3 Indirect tax.

4 Public revenue.

5 Impact of tax.

6 Finance Commission.

7 Deficit budget.

8 Laffer Curve.

9 Vertical equity.

10 Fiscal policy.

(10 × 1 = 10)

Part B

Answer any **eight** *of the following questions in a paragraph each.*
(Not exceeding 100 words)
Each question carries 2 marks.

11 Nature of Public Economics.

12 Private Good.

13 Proportional Tax.

14 Deficit finance.

15 Progressive expenditure.

16 Redeemable and irredeemable debt.

17 Ability to pay theory.

18 Revenue and capital budget.

19 Expansionary fiscal policy.

20 Debt management.

21 State Finance Commission.

22 Federal finance.

23 Welfare state.

$(8 \times 2 = 16)$

Part C (Short Essays)

Answer any six of the following questions in one and a half pages each.
(Not exceeding 150 words).
Each question carries 4 marks.

24 Explain the limitations of fiscal policy.

25 Distinguish between public finance and private finance.

26 Discuss the canons of taxation.

27 Explain the factors affecting taxable capacity.

28 Explain the reasons behind the growth of public expenditure.

29 Discuss the important types of public debt.

30 Write a note on fiscal federalism in India.

31 What are the functions of Finance Commission ?

32 Explain the concept of market failure.

$(6 \times 4 = 24)$

Part D (Long Essays)

Answer any two of the following questions.
(Not exceeding four pages each)
Each question carries 15 marks.

33 What is market failure ? What is the role of the state in a market economy ?

34 Discuss the sources of Public Revenue.

35 Discuss the methods of redemption of public debt.

36 Explain the objectives of fiscal policy.

$(2 \times 15 = 30)$