

C 21241

(Pages : 3)

Name.....

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2017

(CUCBCSS—UG)

Economics

ECO 6B 13—PUBLIC FINANCE

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. Sinking fund is a method of :

- (a) Shifting of tax. (b) Refunding.
(c) Redeeming public debt. (d) None of these.

2. Capital levy is :

- (a) Tax on commodity. (b) Tax on property.
(c) Tax on production. (d) Tax on consumption.

3. Budget where there is excess of expenditure over revenue is called :

- (a) Surplus. (b) Deficit.
(c) Balanced. (d) Zero based.

4. If the tax rate increases with the higher level of income is called :

- (a) Regressive tax. (b) Indirect tax.
(c) Progressive tax. (d) None of these.

5. Special assessment is form of :

- (a) Tax revenue. (b) Public debt.
(c) Non-tax revenue. (d) None of these.

6. Voluntary Disclosure scheme is related to :

- (a) Public debt. (b) Taxation.
(c) Black money. (d) Public expenditure.

Turn over

7. Estate duty is related to :
- (a) Wealthtax. (b) Property.
(c) Death duty. (d) Expenditure tax.
8. Who called maximum advantage as maximum aggregate welfare ?
- (a) Dalton. (b) Adam Smith.
(c) Pigou. (d) None of these.
9. Introduction of MODVAT is related to :
- (a) Local finance. (b) Federal finance.
(c) Long term fiscal policy. (d) None of these.
10. Tax is levied on income of corporations is called :
- (a) Income tax. (b) Capital gains tax.
(c) Corporate income tax. (d) None of these.
11. Tax on agriculture is related to :
- (a) Cost of service theory. (b) Principle of equity.
(c) Physiocratic theory. (d) None of these.
12. Functional finance is related to :
- (a) Adam Smith. (b) A.P. Lerner.
(c) Pigou. (d) Dalton.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Write a note on long term Fiscal Policy.
14. What are the objectives of deficit financing ?
15. Explain productive and unproductive expenditure.
16. What is displacement effect ?
17. What are the characteristics of a tax ?
18. What is an indirect tax ?

20. What is taxable capacity ?
21. Explain diffusion theory of incidence.
22. What are the advantages of an income tax ?
23. Explain refunding and repudiation.
24. Explain voluntary disclosure scheme.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 5 marks.

25. Explain canons of public expenditure.
26. Differentiate public finance and private finance.
27. Explain principles of taxation.
28. What are the sources of public revenue ?
29. Explain the principles of public debt management.
30. What are the merits and demerits of sales tax ?
31. What are the causes of black money ?
32. Explain the arguments in favour of progressive taxation.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain local finance in India. What are its functions and problems ?
34. What is meant by tax and what are the types of taxation.
35. What is finance commissions and examine the major recommendations and functions of finance commissions.
36. Explain the effects of public expenditure on the economy of India.

(2 × 12 = 24 marks)

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(Pages : 2)

Name.....

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH/APRIL 2016

(UG—CCSS)

Economics

EC 6B 12/DEC 6B 12—PUBLIC FINANCE

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A (Objective Type Questions)

Answer all four questions.

1. Cannon of diversity is given by :
 - (a) Dalton.
 - (b) Bastable.
 - (c) Adam Smith.
 - (d) Pigou.
2. Joint consumption is a characteristic of :
 - (a) Public goods.
 - (b) Mixed goods.
 - (c) Private goods.
 - (d) None of the above.
3. Redemption of public debt means :
 - (a) Refusal to repay the loan.
 - (b) Refusal to pay the interest.
 - (c) Repayment of public debt.
 - (d) Reducing the debt.
4. Which theory deals with the growth of public expenditure ?
 - (a) Say's Law.
 - (b) Wagner's Law.
 - (c) Musgrave's theory.
 - (d) Benefit theory.

(4 × ¼ = 1 weightage)

Fill in the blanks questions. Answer all *four* questions :

5. In India we have _____ taxation.
6. The burden of long-term debt falls on _____ generation.
7. Incidence of tax can be _____.
8. Zero base budgeting was first adopted by _____.

(4 × ¼ = 1 weightage)

True or False questions. Answer all *four* questions :

9. Merit goods include private good as well as social good.
10. Annual budget of India is effective from June 1st to March 31st.
11. Sales tax is levied and collected by the local government.
12. The Principle of maximum social advantage was popularized by Wagner.

(4 × ¼ = 1 weightage)

Turn over

Part B (Short Answer Type Questions)

Answer all questions.

13. Define public finance.
14. Cannon of sanction.
15. Define escheats.
16. Define sinking fund.
17. Redemption of public debt.
18. Fiscal policy.
19. Deficit financing.
20. Impact of a tax.
21. Private goods.

(9 × 1 = 9 weightage)

Part C (Short Essay Type Questions)

Answer any five questions.

22. Zero based budgeting.
23. Reasons for the growth of public expenditure.
24. Effects of public expenditure.
25. Source of public revenue.
26. State the cannons of taxation.
27. Progressive and regressive taxation.
28. Differentiate public good and private good, examples.

(5 × 2 = 10 weightage)

Part D (Essay Type Questions)

Answer any two questions.

29. Explain the major taxes in India.
30. Principles of maximum social advantage.
31. Define Wagner's theory of public expenditure.

(2 × 4 = 8 weightage)

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(Pages : 3)

Name.....

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH/APRIL 2018

(CUCBCSS—UG)

Economics

ECO 6B 13—PUBLIC FINANCE

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ marks.

1. Excise duty was first levied in :
 - (a) 1884.
 - (b) 1854.
 - (c) 1984.
 - (d) 1864.
2. Entertainment tax is levied on :
 - (a) State govt.
 - (b) Central govt.
 - (c) Municipalities.
 - (d) Local govt.
3. The term Functional finance was given by :
 - (a) Dalton.
 - (b) Smith.
 - (c) A.P Lerner.
 - (d) Higgins.
4. Tax imposed on punishment for infringement of laws.
 - (a) Forfeitures.
 - (b) Escheat.
 - (c) Fines and Penalties.
 - (d) None of these.
5. Income received by government through administration is called :
 - (a) Tax revenue.
 - (b) Non tax revenue.
 - (c) Public revenue.
 - (d) Private revenue.
6. Canon of productivity introduced by :
 - (a) Charles F Bastable.
 - (b) Smith.
 - (c) Pigou.
 - (d) Seligman.

Turn over

7. A tax paid by a person on whom it is imposed is :
- (a) Direct tax. (b) Indirect tax.
(c) Progressive tax. (d) None of these.
8. Canon of equity was given by :
- (a) Adam smith. (b) Musgrave.
(c) Pigou. (d) Wagner.
9. Tax rate is mildly progressive up to a certain limit is called :
- (a) Degressive Taxes. (b) Progressive taxes.
(c) Proportional tax. (d) None of these.
10. Important policy decisions with regard to public debt.
- (a) Redemption of public debt. (b) Repudiation.
(c) Public debt management. (d) None of these.
11. Tax levied on income of corporations.
- (a) Income tax. (b) Corporate income tax.
(c) Capital gains tax. (d) None of these.
12. A tax which is levied on net wealth of an individual.
- (a) Capital gains tax. (b) wealth tax.
(c) Expenditure tax. (d) Property tax.

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Explain single point tax and multipoint tax.
14. What is tax avoidance ?
15. Explain progressive and proportional taxation.
16. What is public finance ?
17. What is public expenditure ?
18. What are the Adam smith canons of taxation ?

19. What is black money ?
20. Explain stamp duty and registration fees.
21. Explain expenditure tax.
22. Explain Canon of economy of public expenditure.
23. What are the similarities between public finance and private finance ?
24. What are the characteristics of a good tax system ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

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

25. Explain the causes of public debt.
26. Distinguish between balanced and unbalanced budget.
27. What are the merits and demerits of direct taxes ?
28. Explain Wiseman peacock hypothesis of public expenditure.
29. What are the recommendations of fourteenth finance commission ?
30. What are the sources of local finance ?
31. What are the features of India's public debt ?
32. Explain the characteristics of Zero Based Budgeting.

(6 × 5 = 30 marks)

Part D (Essay Questions)

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

33. What is public expenditure and what are the Effects of public expenditure on production and distribution.
34. Explain comparison of private debt and public debt and what are the causes of Public debt in India are.
35. Describe the principles of Federal finance and illustrate the central state relationship.
36. Explain the features and shortcomings of Indian tax system.

(2 × 12 = 24 marks)

C 60215

(Pages : 3)



SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2019

(CUCBCSS)

Economics

ECO 6B 13—PUBLIC FINANCE

Time : Three Hours

Maximum : 80 Marks

Section A

Answer all twelve questions.

Each question carries ½ mark.

1. Which of the following refers to the use of taxes and public expenditures to help dampen the swings associated with the business cycle ?
 - (a) Monetary policy.
 - (b) Balanced budget.
 - (c) Fiscal policy.
 - (d) None of these.
2. Which of the following states that those who are essentially equal should be taxed equally ?
 - (a) Ability-to-pay principle.
 - (b) Horizontal equity principle.
 - (c) Vertical equity principle.
 - (d) Benefit principle.
3. The marginal tax rate is :
 - (a) The extra tax that is paid per dollar of additional income.
 - (b) Total taxes divided by total income.
 - (c) Total income divided by total taxes.
 - (d) None of the above.
4. Ram makes Rs. 30,000 per year and pays Rs. 6,000 in income taxes. Raj makes Rs. 40,000 and pays Rs. 10,000 in income taxes. This is an example of :
 - (a) A Progressive Tax.
 - (b) A Proportional Tax.
 - (c) A Regressive Tax.
 - (d) A Degressive Tax.
5. Interest payments, subsidies and pensions in Budget are part of _____.
 - (a) Plan Expenditure.
 - (b) Non-plan Expenditure.
 - (c) Capital Expenditure.
 - (d) State Government Expenditure.

Turn over

6. The most important source of income for the Union Government is _____.
- (a) Customs Duty. (b) GST.
(c) Central Excise Duty. (d) VAT.
7. Select the odd one out :
- (a) Customs Duties. (b) Value added Tax.
(c) Excise Duties. (d) Income Tax.
8. The difference between total expenditure and total receipts is _____.
- (a) Fiscal Deficit. (b) Primary Deficit.
(c) Budget Deficit. (d) Revenue Deficit.
9. In India, deficit financing is used for raising resources for _____.
- (a) Economic Development. (b) Redemption of Public Debt.
(c) Adjusting BOP. (d) Reducing Foreign debt.
10. GST did away with _____.
- (a) VAT. (b) Sales Tax, Excise Duty.
(c) VAT and All Service Tax. (d) Service Tax, Excise Duty, VAT.
11. Who propounded the Canon of Certainty, Convenience and Economy ?
- (a) Adam Smith. (b) Marshall.
(c) Keynes. (d) Musgrave.
12. Which authority recommends the principles governing the distribution of grants-in-aid to states out of the Consolidated Fund of India ?
- (a) Planning Commission. (b) Finance Commission.
(c) NITI Aayog. (d) Central Government.

(12 × ½ = 6 marks)

Section B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

13. Public Revenue.
14. Budget.
15. Special Assessment.
16. Tax.
17. Progressive Tax.

18. Public Good.
19. Deficit Financing.
20. VAT.
21. Zero Base Budget.
22. Mixed Goods With Example.
23. Vertical Equity.
24. Revenue Deficit.

(10 × 2 = 20 marks)

Section C (Short Essays)

Answer any six questions.

Each question carries 5 marks.

25. Comment on the key recommendations of the 14th Finance Commission.
26. Enumerate the various methods of debt redemption ?
27. Describe the Peacock-Wiseman Hypothesis of Public expenditure.
28. Write down the three major fiscal functions of the government according to Prof. Musgrave.
29. Point down the difference between impact and incidence of a tax.
30. Briefly explain the idea behind performance budgeting.
31. Explain why Governments borrow funds even when they can raise revenue through taxation ?
32. What are the merits and demerits of proportional taxes ?

(6 × 5 = 30 marks)

Section D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain Principle of Maximum Social Advantage using a diagram.
34. Describe in detail the Ability to Pay theory of taxation.
35. What are the causes of growth of public expenditure in India? Explain.
36. Explain the concept of Cost Benefit analysis with suitable examples.

(2 × 12 = 24 marks)

SIXTH SEMESTER B.A./B.Sc. DEGREE EXAMINATION, MARCH 2020

(CUCBCSS—UG)

Economics

ECO 6B 13—PUBLIC FINANCE

Time : Three Hours

Maximum : 80 Marks

Part A (Objective Type Questions)*Write all the twelve questions.**Each question carries ½ mark.*

1. Primary deficit is :

- (a) Fiscal deficit + interest payment.
- (b) Fiscal deficit - interest payment.
- (c) Fiscal deficit + revenue deficit.
- (d) Fiscal deficit - Revenue deficit.

2. Who suggested that an expenditure tax in India as an alternative to income tax :

- (a) Musgrave.
- (b) Galbraith.
- (c) Dalton.
- (d) Kaldor.

3. Which of the following is a fiscal measure :

- (a) CRR.
- (b) Interest rate.
- (c) Reverse Repo rate.
- (d) Investment subsidies.

4. Receipts from disinvestment of PSU's :

- (a) Revenue receipts.
- (b) Capital receipts.
- (c) Public debt.
- (d) Non-tax receipts.

5. A good or a service that is characterized by non-excludability and non-rivalry in consumption is :

- (a) Merit good.
- (b) Public good.
- (c) Private good.
- (d) Club good.

Turn over

6. Income tax is imposed and collected by :
- (a) State Government.
 - (b) Union Government.
 - (c) Jointly State and Union Government.
 - (d) Local Government.
7. Finance Commission has to make recommendations on financial matters to :
- (a) Finance Minister.
 - (b) Prime Minister.
 - (c) President.
 - (d) Vice-President.
8. Indirect taxes are generally :
- (a) Progressive.
 - (b) Regressive.
 - (c) Proportionate.
 - (d) Constant.
9. Principle of income tax is based on :
- (a) Natural Justice.
 - (b) Benefit.
 - (c) Propriety.
 - (d) Ability to pay.
10. Which of the following is NOT a recognized GST rate ?
- (a) 8 per cent.
 - (b) 12 per cent.
 - (c) 18 per cent.
 - (d) 28 per cent.
11. If a tax on all incomes is levied at the same rate, it is called :
- (a) Proportional tax.
 - (b) Progressive tax.
 - (c) Regressive tax.
 - (d) None of the above.
12. Find the odd one :
- (a) Income tax.
 - (b) Security Transaction tax.
 - (c) Corporate Income tax.
 - (d) Profession tax.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

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

13. What are the Canons of taxation ?
14. What is balanced budget ?
15. What do you mean by fiscal policy ?
16. What is fiscal federalism ?
17. Write a note laissez-faire economy.
18. What do you mean by black money ?
19. Write a note on local finance.
20. Explain the components of non-tax revenue.
21. What is Vertical imbalance ?
22. What is Goods and Service Tax (GST) ?
23. What is Cost-Benefit Analysis (CBA) ?
24. What are the types of public debt ?

(10 × 2 = 20 marks)

Part C (Short Essay Type Questions)

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

25. Analyze the causes and consequences of black money.
26. Distinguish between Public Finance and Private Finance.
27. What are the problems of growing fiscal deficit in India ?
28. Explain the ability to pay principle of taxation.
29. Explain Wagner's hypothesis on Public Expenditure with the help of diagram.
30. What are the economic effects of public expenditure ?
31. What are the objectives and measures of fiscal policy ?
32. What are the principles of public expenditure ?

(6 × 5 = 30 marks)

Turn over

Part D (Essay Type Questions)

Answer any two questions.

Each question carries 12 marks.

33. Briefly explain the major trends in public expenditure in India.
34. State the importance of public debt in the economic development of India. Identify the reasons responsible for the growth of public debt in India.
35. Explain the major taxes of the Government of India ? Explain the impact, incidence and shifting of tax burden.
36. Explain the need for strengthening fiscal federalism in India.

(2 × 12 = 24 marks)

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(Pages : 4)

Name.....

Reg. No.....

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
MARCH 2021

Economics

ECO 6B 13—PUBLIC FINANCE

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Type Questions)

Answer all questions.

Each question carries 1 mark.

1. Zero base budgeting was adopted in India in :
 - a) 1957-58.
 - b) 1967-68.
 - c) 1977-78.
 - d) 1987-88.
2. The total amount of current year borrowings and other liabilities is exactly equal to :
 - a) Total outstanding debt.
 - b) Total amount of external debt.
 - c) Fiscal deficit.
 - d) Revenue deficit.
3. The constitutional body to design the rate of GST for different commodities is :
 - a) The Ministry of Finance.
 - b) GST Council.
 - c) Prime Minister's Economic Advisory Council.
 - d) NITI Aayog.
4. Which of the following is a non-debt capital receipt ?
 - a) Receipts of profits of PSUs.
 - b) Non-tax receipts.
 - c) Disinvestment receipts.
 - d) Securities Transaction Tax (STT).
5. High rate of GST may lead to a/an :
 - a) Incentive to consumers.
 - b) Incentive to producers.
 - c) Incentive to investors and producers.
 - d) Disincentive to investors.

Turn over

6. Increased fiscal deficit may NOT lead to :
- a) Increase in domestic interest rate.
 - b) Fall in domestic private investment.
 - c) Increased public investment.
 - d) Rise in total borrowing.
7. Principle of income tax is based on :
- a) Natural Justice.
 - b) Benefit.
 - c) Propriety.
 - d) Ability to pay.
8. Non-rivalry and non-excludability is the feature of :
- a) Private goods.
 - b) Merit goods.
 - c) Public goods.
 - d) Both public goods and merit goods.
9. Indirect taxes are generally :
- a) Progressive.
 - b) Regressive.
 - c) Proportionate.
 - d) Constant.
10. Receipts from disinvestment of PSU's :
- a) Revenue receipts.
 - b) Capital receipts.
 - c) Public debt.
 - d) Non-tax receipts.
11. Which of the following is not a fiscal measure ?
- a) Interest rate.
 - b) Public expenditure.
 - c) Tax subsidies.
 - d) Investment subsidies.
12. Who suggested that an expenditure tax in India as an alternative to income tax ?
- a) Musgrave.
 - b) Galbraith.
 - c) Dalton.
 - d) Katdor.

(12 × 1 = 12 marks)

Section B (Very Short Answer Type Questions)

Answer at least six questions.

Each question carries 3 marks.

All questions can be attended.

Overall Ceiling 18.

13. Define Corporation tax.
14. Write a note on Fiscal federalism.

15. What do you mean by canon of elasticity ?
16. Briefly explain VAT.
17. What is capital expenditure ?
18. What do you mean by fiscal policy ?
19. What is Zero base budgeting ?
20. What is Cost-Benefit Analysis (CBA) ?
21. Write the difference between Public Finance and Private Finance.
22. What do you mean by Black money ?
23. What is the importance of local finance ?
24. What are the instruments of Fiscal Policy ?

(6 × 3 = 18 marks)

Section C (Short Essay Type Questions)

Answer at least four questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 24.

25. Why should we increase capital expenditure ?
26. Explain the ability to pay principle of taxation.
27. What are the problems of growing fiscal deficit in India ?
28. State your arguments for and against progressive taxation.
29. Explain the methods for reducing public debt.
30. Explain the components of non-tax revenue.
31. Analyze the causes and consequences of black money.
32. Briefly explain the major trends in public expenditure in India.

(4 × 6 = 24 marks)

Turn over

Section D (Essay Type Questions)

Answer any two questions.

Each question carries 13 marks.

33. Explain briefly the merits and demerits of GST system in India.
34. Explain the need for strengthening fiscal federalism in India.
35. Explain Wagner and Peacock-Wiseman hypothesis on Public Expenditure with the help of diagrams.
36. Describe the scope and changing dimensions of public economics.

(2 × 13 = 26 marks)

C 20328

(Pages : 3)

Name.....

Reg. No.....

SIXTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, MARCH 2022

Economics

ECO 6B 13—PUBLIC FINANCE

(2014 to 2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Section A*Answer all twelve questions.**Each question carries ½ mark.*

1. A free rider is _____.
 - (a) A person who gets to enjoy a public good without having to pay for it.
 - (b) A person who is eligible for free rides on public transportation.
 - (c) A person eligible for transfer Payments.
 - (d) A Taxpayer.
2. Which of the following consists of the total or accumulated borrowings by the Government ?

(a) Budget surplus.	(b) Government debt.
(c) Balanced budget.	(d) Budget deficit.
3. Government's share of public expenditure has _____ since 1947 in India.

(a) Decreased.	(b) Increased.
(c) Stayed The Same.	(d) Equaled zero.
4. Which of the following holds that individuals should be taxed in proportion to the benefit they receive from government programs ?

(a) Ability-to-pay principle.	(b) Horizontal equity principle.
(c) Vertical equity principle.	(d) Benefit principle.
5. When a good is excludable, it means _____ ?
 - (a) The good is consumed exclusively by the private sector.
 - (b) The government is excluded from providing that good.
 - (c) Non-payers can be excluded from receiving the benefits.
 - (d) Certain suppliers can be excluded from providing that good.

Turn over

6. Dev makes Rs. 30,000 per year and pays Rs. 6,000 in income taxes. Raj makes Rs. 40,000 and pays Rs. 7,000 in income taxes. This is an example of :
- (a) A Progressive Tax. (b) A Proportional Tax.
(c) A Regressive Tax. (d) A Degressive Tax.
7. Which of the following describes the situation where revenues and expenditures are equal during a given period ?
- (a) Budget Surplus. (b) Balanced Budget.
(c) Budget Deficit. (d) Budgetary Deficit.
8. Taxation is a tool of _____.
- (a) Fiscal Policy. (b) Monetary Policy.
(c) Income Policy. (d) Supply-side Policy.
9. Who defined Public Finance as a dull, unimaginative, extremely limited and almost irrelevant discipline ?
- (a) J.M. Buchanan. (b) H. Dalton.
(c) R.A. Musgrave. (d) E. Lindhal.
10. Public goods are characterized by :
- (a) Absence of Free Riders. (b) Non-rivalry.
(c) Excludability. (d) All of the above.
11. Consider the following statements and identify the right ones :
- 1) The 14th Finance Commission is headed by C. Rangarajan.
2) Recommendations of the Commission will come into effect from April 1, 2015.
- (a) 1) only. (b) 2) only.
(c) Both. (d) None.
12. Indian Income tax is an example of _____.
- (a) A Progressive Tax. (b) A Proportional Tax.
(c) A Regressive Tax. (d) A Degressive Tax.

(12 × ½ = 6 marks)

Section B (Very Short Answer Type Questions)

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

13. Public Finance.
14. Tax Evasion.

15. External Debt.
16. Horizontal Equity.
17. Shifting Of Taxation.
18. Any Four Major Taxes Imposed By Local Self-Governments in India.
19. Fiscal Policy.
20. Private Goods with example.
21. Federal Finance.
22. Deficit Financing.
23. Performance budgeting.
24. Primary deficit.

(10 × 2 = 20 marks)

Section C (Short Essay Questions)

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

25. What are the merits and demerits of direct taxes ?
26. Detail Wagner's Law of Increasing Public Expenditure.
27. What are the canons of taxation ?
28. What does the Principle of Maximum Social Advantage deal with ?
29. What is the difference between progressive and proportional taxation ?
30. Distinguish between public finance and private finance.
31. Briefly explain the different types of public debt.
32. Differentiate between public and private goods.

(6 × 5 = 30 marks)

Section D (Essay Questions)

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

33. Explain in detail the key recommendations of the 14th Finance Commission.
34. Discuss the objectives and role of fiscal policy in developing countries.
35. Discuss the major sources of revenue of the governments.
36. Discuss the effect of public expenditure based on Central transfers in India in the context of changing Centre-State financial relations.

(2 × 12 = 24 marks)

C 40282

(Pages : 3)

Name.....

Reg. No.....

SIXTH SEMESTER U.G. DEGREE EXAMINATION, MARCH 2023

(CUCBCSS-UG)

Economics

ECO 6B 13—PUBLIC FINANCE

(2017—2018 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A (Objective Type Questions)*Answer all questions.**Each question carries ½ mark.*

1. The 14th Finance Commission was headed by :
 - (a) C. Rangarajan.
 - (b) Y.V. Reddy.
 - (c) K.C. Pant.
 - (d) N.K. Singh.
2. ——— is not the characteristic feature of a tax.
 - (a) No quid pro quo.
 - (b) Compulsory payment.
 - (c) Non-compulsory payment.
 - (d) Punishment to tax evader.
3. Special assessment means :
 - (a) General tax on all people.
 - (b) Gift tax.
 - (c) A tax for specific benefit conferred.
 - (d) None of these.
4. Maximum Welfare Principle of Budget determination is associated with :
 - (a) Adam Smith.
 - (b) Edwin Seligman.
 - (c) Hugh Dalton.
 - (d) Richard Musgrave.
5. Deficit financing includes :
 - (a) Borrowing from the Central Bank.
 - (b) Issues of new currency by the Government.
 - (c) Withdrawal of past accumulated cash balance by the government.
 - (d) All the above.

Turn over

6. The Zero-based budgeting was first adopted in :
- (a) India. (b) France.
(c) Germany. (d) USA.
7. The difference between revenue expenditure and revenue receipts is called :
- (a) Revenue deficit. (b) Fiscal deficit.
(c) Budget deficit. (d) Primary deficit.
8. Unfunded debts are also known as :
- (a) Funded debts. (b) Floating debts.
(c) Irredeemable debts. (d) None.
9. Asok Mehta Committee of 1978 is related to :
- (a) Centre-state financial relations.
(b) Problem of central loans to states.
(c) Panchayati Raj institutions.
(d) Fiscal responsibility of centre and state.
10. Maximum Social Advantage is achieved when :
- (a) Marginal Social Sacrifice = Marginal Social Benefit.
(b) Total Social Sacrifice = Total Social Benefit.
(c) Average Social Sacrifice = Average Social Benefit.
(d) Net Social Sacrifice = Net Social Benefit.
11. If the price of a commodity does not rise on account of taxation, the incidence of tax is wholly on the :
- (a) Seller. (b) Producer.
(c) Buyer. (d) Both seller and producer.
12. The Canons of public expenditure laid down by Prof. Findlay Shirras include :
- (a) Canon of Benefit. (b) Canon of Economy.
(c) Canon of Sanction. (d) All the above.

(12 × ½ = 6 marks)

Part B

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

13. What is local finance ?
14. Define primary deficit.

15. What is meant by direct tax ?
16. What is zero base budgeting ?
17. Define taxable capacity.
18. What are merit goods ?
19. Identify the items in capital expenditure.
20. What is performance budgeting ?
21. Prepare a note on GST.
22. What is meant by cost-benefit analysis ?
23. What are the characteristics of public goods ?
24. Distinguish between public finance and private finance.

(10 × 2 = 20 marks)

Part C

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

25. Explain the meaning and principles of public debt management.
26. Differentiate between Private goods, Social goods and Public goods.
27. Explain the meaning and significance of deficit financing.
28. What are the canons of public expenditure ?
29. Discuss the problem of growing Fiscal deficit in India.
30. Examine the nature and scope of public finance.
31. Discuss the objectives and instruments of Fiscal policy.
32. Evaluate the recommendations of 15th Finance Commission.

(6 × 5 = 30 marks)

Part D

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

33. What are the major taxes of the Government of India ? Discuss the impact, incidence and shifting of tax burden.
34. Critically examine the role of Finance Commission in ensuring smooth Centre-State Financial relations.
35. Explain Wagner's hypothesis on public expenditure.
36. Explain the meaning and types of public debt. What are the reasons for increasing public debt in India

(2 × 12 = 24 marks)