

QP Code: D141489		Total Pages: 2	Name:
			Register No.
SECOND SEMESTER (CUFYUGP) DEGREE EXAMINATION, APRIL 2026			
ECONOMICS			
ECO2MN101 :FISCAL POLICY AND STABILISATION			
2024 Admission onwards			
Maximum Time :2 Hours			Maximum Marks :70
Section A			
All Questions can be answered. Each Question carries 3 marks(Ceiling : 24 Marks)			
1	Define functional finance.		
2	What do you mean by fiscal federalism?		
3	What are the instruments of fiscal policy?		
4	Define MPC. Bring out relationship between MPC and balanced budget multiplier.		
5	Point out three advantages and disadvantages of a federal form of government.		
6	What are the revenue sources of Centre and State governments in India?		
7	How does fiscal policy encourage investment?		
8	Point out major recommendations of 15 th Finance Commission.		
9	What do you mean by deficit without spending?		
10	Define multiplier.		
Section B			
All Questions can be answered. Each Question carries 6 marks(Ceiling : 36 Marks)			
11	Describe the functioning of built-in stabilizers.		
12	Establish interdependence between fiscal policy and economic growth.		
13	Define fiscal deficit. Examine the advantages of deficit financing.		
14	Prepare a note on balanced budget multiplier.		
15	Describe vertical and horizontal fiscal imbalances. Give examples		
16	Explain the meaning and usefulness of anti-inflationary fiscal policy.		
17	What are the powers and functions of Finance Commission?		
18	Point out the objectives of fiscal policy. How does fiscal policy help in attaining full employment?		

Section C	
Answer any ONE .Each Question carries 10 marks(1x10=10 Marks)	
19	Examine the provisions and criteria for allocation of revenue resources between Centre and States.
20	Define compensatory fiscal policy. Examine the effectiveness of compensatory fiscal policy.

QP Code: D 122766		Total Pages:1	Name:
			Register No.
SECOND SEMESTER (CUFYUGP) DEGREE EXAMINATION APRIL 2025			
(ECONOMICS)			
ECO2MN101: FISCAL POLICY AND STABILISATION			
2024 Admission onwards			
Maximum Time :2 Hours			Maximum Marks :70
Section A			
All Questions can be answered. Each Question carries 3 marks(Ceiling : 24 Marks)			
1	What do you mean by functional finance?		
2	Differentiate between expansionary and contractionary fiscal policy.		
3	What are the instruments of fiscal policy?		
4	Point out any three advantages of a federal form of government.		
5	Bring out the relationship between MPC and balanced budget multiplier.		
6	Define multiplier. Differentiate between expenditure multiplier and tax multiplier.		
7	Distinguish between vertical and horizontal fiscal imbalances.		
8	Define deficit spending. Point out two advantages of deficit spending.		
9	<i>Fiscal federalism contributes to regional economic development. Do you agree?</i>		
10	How fiscal policy can be used to influence the level of savings in an economy?		
Section B			
All Questions can be answered. Each Question carries 6 marks(Ceiling : 36 Marks)			
11	Critically evaluate the effectiveness of compensatory fiscal policy in practice.		
12	Explain the mechanics of the balanced budget multiplier with the help of a numerical example.		
13	What are the major recommendations of 15 th Finance Commission?		
14	Explain the concept of 'crowding out' and its relevance to anti-inflationary fiscal policy.		
15	What are the sources of revenue of Centre and State governments in India?		
16	Define fiscal policy. Discuss the role of fiscal policy in attaining full employment.		
17	Discuss the powers and functions of Finance Commission.		
602709	What are some potential limitations of using fiscal policy to promote economic growth?		

Section C	
Answer any ONE .Each Question carries 10 marks(1x10=10 Marks)	
19	What do you mean by fiscal federalism? Discuss the criteria for sharing resources between the Centre and States. Highlight issues related with resource sharing between the Centre and States in India.
20	Define built-in stabilizers. Evaluate the importance and working of built-in stabilizers in the context of overall economic management.