B. A. DEGREE END SEMESTER EXAMINATION - MARCH 2019

SEMESTER – 4: ECONOMICS (CORE COURSE)

COURSE: **15U4CRECO6, PUBLIC ECONOMICS**

(Common for Regular 2017 admission and improvement 2016/ supplementary 2016/2015 admission)

Time: Three Hours   Max. Marks: 75

PART A
*Answer **all** questions in one or two sentences.*
*Each question carries **1** mark.*

1. Public expenditure
2. Canons of taxation
3. Taxable capacity
4. Shifting of tax
5. Sinking fund
6. Fiscal deficit
7. Finance commission
8. Fiscal federalism
9. Goods and Service Tax
10. Functional finance   (1 x 10 = 10)

PART B
*Answer **any eight** of the following in three or four sentences.*
*Each question carries **2** marks.*

11. What are the major fiscal functions of governments?
12. State the ability to pay principle of taxation
13. Distinguish between direct and indirect tax
14. Explain how externalities lead to market failure.
15. What are the canons of public expenditure?
16. List the characteristics of a good tax system.
17. What is meant by vertical and horizontal equity?
18. Distinguish between funded and unfunded debt
19. Write a note on Laffer curve.
20. Distinguish between public finance and private finance   (2 x 8 = 16)

PART C
*Answer **any five** of the following in not more than one page.*
*Each question carries **5** marks.*

21. Explain the characteristics of public goods.
22. State the principle of Maximum Social Advantage
23. Explain the merits of direct taxes

24. Explain the role of Local Self Government
25. Explain impact and incidence of taxation
26. Write a note on the principles of federalism
27. Which are the different means of public debt redemption?   (5 x 5 = 25)

PART D
*Answer **any two** of the following in not exceeding four pages.*
*Each question carries **12** marks.*

28. What are the major sources of revenue of modern governments?
29. Explain the major theories of taxation.
30. Discuss the role of fiscal policy in a developing economy.
31. Comment on the role and importance of Finance Commission in India   (12 x 2 = 24)

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