MA DEGREE EXAMINATION OCTOBER 2015

SEMESTER: 3   SUBJECT: ECONOMICS

COURSE: P3ECOT12- PUBLIC ECONOMICS

Time: 3 Hours   Max. Marks 75

PART - A

(Answer any **eight** questions of the following not exceeding half a page.
Each question carries 2 marks)

1. Optimal taxation
2. Service tax
3. Merit good
4. Corpus Fund
5. Voting by feet
6. Compensatory finance
7. Equity
8. Incidence of taxation
9. Forward shifting
10. Mixed good
11. Rent seeking
12. Problem of preference revelation

(2 x 8 = 16)

PART - B

(Answer any **seven** questions of the following not exceeding two pages.
Each carries 5 marks)

13. Explain why vertical summation of individual demand schedules is meaningless in the case of a private good.

14. Explain the concept of Ad Valorem tax

15. Describe Log rolling

16. Examine the objectives of Fiscal policy

17. Explain the Arrow's Impossibility Theorem

18. Explain Club goods

19. Distinguish between impact and incidence of taxation

20. How is dead weight loss measured?

21. Examine the measures adopted to combat black money

22.Why do markets fail?

(5 x 7 = 35)

PART - C
(Write an essay on any **two** of the following not exceeding four pages. Each carries 12 marks)

23. Explain Musgrave's theory of incidence of taxation. Is it a superior academic exercise?

24. Explain the problems of preference revelation and aggregation for allocating resources.

25. Comment on the changing role of government

26. Discuss the effectiveness of fiscal policy in India

(12 x 2 = 24)

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