

M.A. DEGREE END SEMESTER EXAMINATION OCTOBER 2016**SEMESTER - 3: ECONOMICS****COURSE: P3ECOT12 - PUBLIC ECONOMICS**

Common for Regular (2015 Admission) & Supplementary / Improvement (2014 Admission)

Time: Three Hours

Max.Marks:75

PART A*(Answer **any Eight** questions of the following.**Each question carries 2 marks)*

1. Fiscal deficit.
2. Corporate tax.
3. Public good.
4. Free rider problem.
5. Tiebout Model.
6. Balanced Budget Multiplier.
7. Externality.
8. Incidence of taxation.
9. Merit goods.
10. Dead weight loss.
11. Cannon of economy.
12. Backward shifting.

 $(2 \times 8 = 16)$ **PART B***(Answer **any Seven** questions of the following. Each carries 5 marks)*

13. Why do markets Fail?
14. Describe the concept of externality? Why is it important in public goods?
15. What are the features of public goods.
16. Explain why vertical summation of individual demand schedules is meaningless in the case of a private good.
17. What is GST? What are its advantages and disadvantages?
18. Explain Samuelsson's model of optimal provision of public good
19. Explain the theory of Optimal taxation
20. How is dead weight loss measured?
21. What do you mean by rent seeking and DUP activities?
22. Discuss the concept of Log rolling.

 $(5 \times 7 = 35)$ **PART C***(Answer **any two** of the following not exceeding four pages. Each carries 12 marks)*

23. Discuss the major mechanism of aggregating public choice in a democracy
24. What are the objectives of fiscal policy? How far is it effective and valid in an under developed economy?

25. Describe the modern theory of incidence? How is it superior to the previous theories

26. What are the steps initiated by the Government to tackle the problem of Black money in India? (12 x 2 = 24)