

**B. A. DEGREE END SEMESTER EXAMINATION MARCH – 2020****SEMESTER – 4: ECONOMICS (CORE COURSE)****COURSE: 15U4CRECO6, PUBLIC ECONOMICS**

*(For Regular - 2018 Admission and Supplementary / Improvement 2017, 2016, 2015 Admissions)*

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. Merit goods
3. Capital levy
4. Fiscal policy
5. Grants-in-aid
6. Non-tax revenue
7. State Finance commission
8. Budget
9. Goods and Services Tax
10. Fiscal Federalism

(1 x 10 = 10)

**PART B**

Answer **any eight** of the following in three or four sentences.

*Each question carries 2 marks.*

11. Distinguish between public finance and private finance
12. What is meant by Taxable capacity?
13. What are the features of public goods?
14. Explain how externalities lead to market failure.
15. What does Laffer curve imply?
16. List the canons of public expenditure.
17. What is meant by vertical and horizontal equity?
18. Distinguish between internal and external debt.
19. What is meant shifting of tax?
20. Distinguish between direct and indirect tax.

(2 x 8 = 16)

**PART C**

Answer **any five** of the following in not more than one page.

Each question carries **5** marks.

21. Distinguish between progressive and proportional tax system.
22. What are the reasons for the growth of public expenditure?
23. Explain the various tools of fiscal policy
24. What are the major state taxes in India?
25. Which are the characteristics of a good tax system?
26. Explain the Burden of Public Debt.
27. Which are the different sources of non-tax revenue? (5 x 5 = 25)

**PART D**

Answer **any two** of the following in not exceeding four pages.

Each question carries **12** marks.

28. Explain the significance of the principle of Maximum Social Advantage.
29. Explain Fiscal Federalism. What are the major issues in centre- state financial relations?
30. Explain major theories of taxation.
31. Discuss the causes of public debt. What are the major methods of public debt redemption? (12 x 2 = 24)

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