

Reg. No

Name

20P3016

M. A. DEGREE END SEMESTER EXAMINATION - OCT/NOV 2020: JAN 2021

SEMESTER 3 : ECONOMICS

COURSE : 16P3ECOT12 : PUBLIC ECONOMICS I

(For Regular - 2019 Admission and Supplementary - 2016/2017/2018 Admissions)

Time : Three Hours

Max. Marks: 75

PART A

Answer any 8 (2 marks each)

1. Budget
2. Causes of market failure
3. Dominant assurance contracts
4. Differentiate between pure public goods and impure public goods
5. Compensatory finance
6. Advalorem duty
7. Real burden
8. Tax-GDP ratio
9. Functional finance
10. Interest groups.
11. Representative democracy
12. Need for efficient allocation of resources

(2 x 8 = 16)

PART B

Answer any 7 (5 marks each)

13. Evaluate the Pareto optimality theory
14. Explain the government failure in the development process in a mixed economy
15. Explain the efficiency conditions for public goods
16. What are externalities? How do they influence the pricing of public goods?
17. What is shifting of a Tax ? Explain how elasticity of demand affect the incidence of a tax
18. Compare the automatic and discretionary stabilisation measures
19. Analyse the modern theory of incidence of taxation
20. Explain the role of fiscal policy in alleviation of poverty.
21. Explain the Politico- Economic interactions in a society
22. Define the term bureaucracy. What is the role of bureaucracy in a society?

(5 x 7 = 35)

PART C

Answer any 2 (12 marks each)

23. Explain in detail the changing perspectives in the role of government
24. How does the existence of public goods leads to market failure and free rider problem?
25. Outline briefly the major tax reform measures recommend by the TRC for reforming direct taxes in India
26. What according to Prof. Arrow, are the five principles which should act as the pillars on which a good social welfare function is built? Is it possible to satisfy all these principles simultaneously? Validate your answer

(12 x 2 = 24)