

B A DEGREE END SEMESTER EXAMINATION - JULY 2021**SEMESTER 4 : ECONOMICS****COURSE : 19U4CRECO6 : PUBLIC ECONOMICS***(For Regular - 2019 Admission)*

Time : Three Hours

Max. Marks: 75

PART A**Answer All (1 mark each)**

1. What are public bads?
2. Define public finance
3. What is the cost of service principle of taxation?
4. What is equal absolute sacrifice?
5. What is balanced budget incidence?
6. What is performance budgetting?
7. What is meant by canon of sanction?
8. What is Wagner's Law?
9. What is capital levy?
10. What is fiscal federalism?

(1 x 10 = 10)**PART B****Answer any 8 (2 marks each)**

11. What is meant by allocation function?
12. What are the factors determining income distribution in a market economy
13. What is exclusion principle?
14. Distinguish between tax and price
15. Distinguish between canons of economy and elasticity
16. Why tax revenue is zero at zero and hundred percent rates of taxation?
17. What is critical limit theory?
18. Does public debt impose a burden upon future generations?
19. Identify the problems of repudiation
20. What is meant by grants-in-aid?

(2 x 8 = 16)**PART C****Answer any 5 (5 marks each)**

21. Suggest measures to solve the problem of externalities
22. When the government imposes a tax of 150 rupees on a commodity, if demand elasticity is '1' and supply elasticities is '2' calculate the tax burden on seller and buyer?
23. What are the advantages and disadvantages of proportional taxation
24. "Internal debt do not impose any burden on the society" Do you agree
25. Examine the reasons for growth of public debt in India
26. Evaluate the role of state finance commissions
27. Discuss the division of functions between centre and states in India

(5 x 5 = 25)

PART D

Answer any 2 (12 marks each)

28. Analyse the fiscal functions of the public household
29. Analyse the main factors influencing incidence of taxation
30. Evaluate the different methods of debt redemption
31. Explain the role of finance commissions in Indian federalism.

(12 x 2 = 24)