

Subject: Economics

Course No and Title: ECOC3422M/Public Economics

Time: 2.15 hours Max Marks:100 Min. Marks:40

Section A: Objective Type Questions

Q1. Choose the appropriate Answer: (8x1.5=12)

- i. Public economics is the subject which concerns itself with income and expenditure of
A Public Authorities B Private Sector
C Central Bank D None of the above
- ii. Public Economics is also known as
A Public Expenditure B Public Finance
C Public Revenue D Public Debt
- iii. Tax levied by Government is
A Optional Payment B Voluntary Payment
C Compulsory Payment D All of the above
- iv. Deadweight loss can be applied to any deficiency caused by
A Efficient use of resources B Inefficient use of resources
C Market Failure D Disequilibrium in demand and supply
- v. Public expenditure is incurred by public authority like
A Central government B State government
C Local government D All of the above
- vi. Practice in which governments spends more money than it receives as revenue is known as
A Government expenditure B Deficit financing
C Deficit budget D All of the above
- vii. VAT and GST are the types of
A Direct Tax B Indirect tax
C Minimum alternate tax D None of the above
- viii. When was the Fiscal Responsibility and Budget Management (FRBM) act passed in India
A 2003 B 2004
C 2014 D 2023

Section-B: Descriptive Type Questions (Short Type)

Q2: Answer all the Questions (8 x 4 =32)

- i. How can you define public Economics?
- ii. What do you mean by allocation function .
- iii. How is public budget defined?
- iv. In progressive taxation system what does principal of“ ability to pay” stand for?
- v. What is classification of public expenditure?
- vi. Define deficit financing
- vii. What is goods and services tax?
- viii. Define public debt in context of India

Section – C: Descriptive Type Questions (Medium Type)

Answer all the questions: (4 x 7=28)

Q 3. What are the fiscal instruments of distribution policy?

OR

Why there is need for stabilization policy for an acceptable rate of economic growth?

Q 4. Diagrammatically explain cost of deadweight loss to the society

OR

What does laffer Curve stands for in taxation.

Q 5. What is public expenditure? What are the benefits of public expenditure?

OR

Explain Wiseman – Peacock Hypothesis of public expenditure.

Q6. Evaluate the Indian tax system

OR

Explain the causes of growth of public debt in India.

Answer any two of the following: (2 x 14=28)

- Q 7.** What do you mean by social goods? How the provision of social goods is linked with market failure?
- Q8.** Discuss the structure and types of public budget? How significant it is for the economic planning?
- Q 9.** Discuss the sources and implications of deficit financing
- Q 10.** Bring out the major issues in centre and state financial relationship in India and role of financial commission in solving these issues.