

[Time: Three Hours]

[Marks:100]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. All questions carry equal marks.
 3. Use of simple calculator is allowed.
 4. Draw neat diagrams wherever necessary.

Q. 1 A) Explain the following concepts: (any five)

(10)

- i) Distribution function
- ii) Economic efficiency
- iii) Tax base
- iv) Progressive tax rate
- v) Redeemable debt
- vi) Fiscal solvency
- vii) Unbalanced budget
- viii) Fiscal deficit

B) Choose the right answer from the given options and rewrite the statements:

(10)

- i) Public finance is a _____
a) social science b) fiscal science c) political science d) none of these
- ii) Production possibility curve is illustrated to explain _____
a) economic efficiency b) government role c) government policy d) all of these
- iii) Tax is a _____
a) compulsory payment b) optional payment c) political phenomenon d) all of these
- iv) Special assessment also means _____
a) tax revenue b) betterment levy c) VAT d) fines
- v) If the tax rate declines with an increase in tax base it is called _____
a) proportional tax rate b) regressive tax rate c) progressive tax rate d) degressive tax rate
- vi) Government expenditure on interest payment is an example of _____
a) productive expenditure b) capital expenditure c) unproductive expenditure d) security expenditure
- vii) The "Law of increasing state expenditure" was put forward by _____
a) Hugh Dalton b) Adolph Wagner c) Jack Wiseman d) Alan Peacock
- viii) Social security schemes cover _____
a) pension and health insurance b) disability benefits c) medical benefits d) all of these
- ix) Primary deficit is fiscal deficit less _____
a) interest payments b) interest receipts c) debt repayment d) none of these
- x) The 14th finance commission was set up under the chairmanship of _____
a) Pranab Mukherjee b) Rajiv Kumar c) Arvind Panagariya d) Dr. Y.V.Reddy

Q. 2 Answer any Two of the following:

(20)

- a) Discuss the meaning and scope of public finance.
- b) Explain Dalton's Principle of Maximum Social Advantage.
- c) Examine the features of public goods and state the role of the government in providing them.

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Q. 3 Answer any Two of the following:

- a) Explain the various canons of taxation.
- b) Examine the process of shifting and incidence of tax with respect to elasticities of demand and supply.
- c) Analyse the economic effects of taxation.

(20)

Q. 4 Answer any Two of the following:

- a) Explain the classification of public expenditure.
- b) Trace the causes of growth in public expenditure.
- c) Examine the burden of public debt.

(20)

Q. 5 Answer any Two of the following:

- a) Examine the features of functional finance.
- b) Explain the different types of budget.
- c) Outline the key issues in fiscal federalism and decentralization.

(20)
