

Maximum Marks:- 100

64000m - Business Economics

Duration:-3 Hours

Note:

- (1) Attempt all questions.
- (2) All questions carry equal marks.

Q 1. (A) Explain the following (Any 5)

10

1. Public debt (CO1,PO1,U,R)
2. Marginal social Sacrifice (CO3,CO4,PO4,U,R,AN)
3. Direct Tax (CO1,PO4,U,R,E)
4. Shifting of tax (CO2,PO3,U,R,APP)
5. Public Expenditure (CO1,PO4,AN,APP)
6. Productive Debt (CO1,PO4,AN,APP)
7. Fiscal Policy (CO4,PO3,AN,E)
8. Market Failure (CO4,PO4,U,R,AN)

(B) Multiple Choice Questions: (any 10)

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1. The term functional finance was introduced by..... (CO1,PO1,U,R)
a. J.M. Keynes b. Richard Musgrave c. Hugh Dalton d. A.P. Lerner
2. When the size of the budget is less than optimum, then
a. $M_{ss} < M_{SB}$ b. $M_{SS} > M_{SB}$ c. $M_{SS} = M_{SB}$ d. NMB is zero (CO2,PO3, AN,E,C)
3.is not a non-tax revenue.
a. Fees b. Penalties c. Custom duty d. Borrowings (CO1,PO4,AN,APP)
4. Steep tax rate will reduce the willingness to.....
a. Work b. invest c. only work d. work and invest (CO2,PO3,U,R,APP)
5.is not a characteristic of a tax.
a. Grant b. Quid pro quo c. Interest d. subsidy (CO1,PO4,AN,APP)
6. The law of increasing Public activity was developed by
a. Richard Musgrave b. Hugh Dalton c. Adolf Wagner d. Alan T. Peacock (CO1,PO1,U,R)
7. Public expenditure on education and health will have a effect on people's ability to work.
a. Positive b. negative c. no d. positive and negative (CO2,PO3, AN,E,C)
8. Burden of external debt affecting production and resource allocation is termed as
a. Real money b. indirect money c. direct money c. real and direct money
(CO3,CO4,PO4,U,R,AN)
9. Sound finance implies
a. Public budget b. capital and revenue budget c. balance budget d. capital budget
(CO1,PO4,AN,APP)
10. Public debt management does not refers to.....
a. Private investment b. Public investment c. foreign investment d. private and public investment (CO1,PO1,U,R)

11. Concentration effect refers to the increasing activities of
- Central government
 - State Government
 - only State government
 - both State and Central Government (CO2,PO3, AN,E,C)
12. The principle of Maximum Social Advantage have been suggested by
- Dalton
 - Adam smith
 - David Ricardo
 - John Staurt Mill (CO1,PO1,U,R)

Q 2. Answer the following (Any 2) 20

- What are the Scope of public finance (CO1,PO1,U,R)
- What are the causes of market failure (CO1,PO4,AN,APP)
- Explain the functions of public finance (CO1,PO1,U,R,E)

Q 3. Answer the following (Any 2) 20

- Explain the canon of taxation (CO2,PO3,U,R,APP)
- Analyse incidence of tax under monopoly (CO1,PO4,AN,APP)
- Explain economic effect of taxation (CO3,CO4,PO4,U,R,AN)

Q 4. Answer the following (Any 2) 20

- What are the causes of growth of public expenditure (CO1,PO1,U,R,E)
- What are the types of public expenditure (CO4,PO3,AN,E)
- What are the importance of public expenditure (CO1,PO1,U,R,E)

Q 5. Answer the following (Any 2) 20

- What are the objectives of fiscal policy? (CO4,PO3,AN,E)
- What is meant by functional finance? What are its features? (CO2,PO3,U,R,APP)
- Define fiscal federalism. What are the key issues under fiscal federalism? (CO4,PO3,AN,E)