

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Figures to the right indicate full marks.
 3. Draw neat diagrams wherever applicable.

- Q.1** Attempt any two of the following
- A. Discuss the scope and functions of public finance
 - B. Explain Dalton's version of the principle of maximum Social advantage
 - C. What is sound finance? Discuss its features
- Q.2** Attempt any two of the following
- A. Discuss the various sources of tax revenue
 - B. Outline the merits and demerits of direct taxes
 - C. Discuss the meaning of impact of incidence of taxation and bring out their differences
- Q.3** Attempt any two of the following
- A. Elaborate on the causes for the increase in public expenditure
 - B. Explain the important types of budgets
 - C. Critically examine FRBM Act, 2003.
- Q.4** Attempt any two of the following
- A. Explain the components of organized sector of Indian money market
 - B. What are the main features of Indian money market?
 - C. Explain the various capital market reforms introduced in India.
- Q.5**
- A. State with reasons, whether the following statements are true or false
 - i) Public finance is open to public security
 - ii) According to functional finance, the budget must act as an instrument of economic change
 - iii) Indirect taxes are convenient in nature
 - iv) In the backward shifting the producer shift the tax burden to the consumers
 - v) Revenue deficit is the excess of revenue receipts over the revenue expenditure
 - vi) In a federal system of government the power to govern is shared between central and state government
 - vii) The commercial bill market in India is underdeveloped
 - viii) SEBI is not responsible for capital market surveillance
 - B. Choose the correct option and rewrite the sentences (any seven)
 - i) The maximum welfare principle of budget determination is associated with _____
 - a) Hugh Dalton
 - b) Paul Samuelsson
 - c) Edwin Seligman
 - d) Richard Musgrave

- ii) According to say's law _____
- Budget deficits do not stimulate the economy
 - Supply creates its own demand
 - The government shall maintain a reasonable level of demand at all times
 - The capitalist system will collapse due to inherent crisis
- iii) Redistributive taxation aims at
- Reducing savings
 - Reducing consumptions
 - Balancing the budget
 - Controlling deficit
- iv) Which of the following will involve a quid-pro-quo?
- Prices of goods
 - Income tax
 - Excise duty
 - None of the above
- v) _____ is not a merit of indirect taxes
- Wide coverage
 - Progressive
 - Less resentment
 - Forced savings
- vi) In the case of perfectly inelastic demand, the money burden is _____
- Entirely on the seller
 - Fully borne by the buyer
 - Shifted partially to the buyers
 - None of the above
- vii) According to whom there is intensive as well as extensive increase in state activities
- Wagner
 - Peacock
 - Wiseman
 - Dalton
- viii) Public debt is an important source of income the government to cover which of the following?
- Fiscal deficit
 - Budgetary surplus
 - Trade deficit
 - None of these
- ix) Which of the following has laid down the principles governing fiscal federalism in India?
- Finance commission
 - Constitution of India
 - Ministry of finance
 - None of the above

- x) Which of the following measures absorb liquidity from the financial system?
- a) Repo
 - b) Reverse Repo
 - c) Marginal standing facility
 - d) Buying of securities under open market operation.
- xi) Which of the following do not constitute the structure of capital market in India?
- a) Gilt-edged market
 - b) Industrial securities market
 - c) RBI
 - d) Mutual funds
- xii) Mutual funds play an important role in Indian capital market as
- a) Speculator in stock market
 - b) Investment avenue for small investors
 - c) Promoter of large scale industries
 - d) Promoter of agriculture
