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(Pages : 2)

Name...

Reg. No......................................

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH/APRIL 2016

(UG—CCSS)

Economics

EC 6B 12/DEC 6B 12—PUBLIC FINANCE

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A (Objective Type Questions)

Answer all **four** *questions.*

1. Cannon of diversity is given by :

    (a) Dalton.
    (c) Adam Smith.
    (b) Bastable.
    (d) Pigou.

2. Joint consumption is a characteristic of :

    (a) Public goods.
    (c) Private goods.
    (b) Mixed goods.
    (d) None of the above.

3. Redemption of public debt means :

    (a) Refusal to repay the loan.
    (c) Repayment of public debt.
    (b) Refusal to pay the interest.
    (d) Reducing the debt.

4. Which theory deals with the growth of public expenditure ?

    (a) Say's Law.
    (c) Musgave's theory.
    (b) Wagner's Law.
    (d) Benefit theory.

(4 × ¼ = 1 weightage)

Fill in the blanks questions. Answer all *four* questions :

5. In India we have ————— taxation.

6. The burden of long-term debt falls on ————— generation.

7. Incidence of tax can be —————.

8. Zero base budgeting was first adopted by —————.

(4 × ¼ = 1 weightage)

True *or* False questions. Answer all *four* questions :

9. Merit goods include private good as well as social good.

10. Annual budget of India is effective from June 1st to March 31st.

11. Sales tax is levied and collected by the local government.

12. The Principle of maximum social advantage was popularized by Wagner.

(4 × ¼ = 1 weightage)

Turn over

Part B (Short Answer Type Questions)

Answer **all** *questions.*

13. Define public finance.
14. Cannon of sanction.
15. Define escheats.
16. Define sinking fund.
17. Redemption of public debt.
18. Fiscal policy.
19. Deficit financing.
20. Impact of a tax.
21. Private goods.

(9 × 1 = 9 weightage)

Part C (Short Essay Type Questions)

Answer any **five** *questions.*

22. Zero based budgeting.
23. Reasons for the growth of public expenditure.
24. Effects of public expenditure.
25. Source of public revenue.
26. State the cannons of taxation.
27. Progressive and regressive taxation.
28. Differentiate public good and private good, examples.

(5 × 2 = 10 weightage)

Part D (Essay Type Questions)

Answer any **two** *questions.*

29. Explain the major taxes in India.
30. Principles of maximum social advantage.
31. Define Wagner's theory of public expenditure.

(2 × 4 = 8 weightage)