

C 25876

(Pages 3)

Name.....

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, MARCH 2012

(CCSS)

Core Course—Economics

$\frac{E\ 6\ B\ 12}{DEC\ 6\ B\ 12}$ —PUBLIC FINANCE

(Common for Foreign Trade and Development Economics)

Time : Three Hours

Maximum : 30 Weightage

Answer may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

I. A. Multiple Choice Questions.

1. A pure private good is :

- (a) Non-rival and non-excludable. (b) Non-rival and Excludable.
(c) Rival and Non-excludable. (d) Rival and Excludable.

2. If the amount of tax paid as a percentage of income diminishes as income increases, it is said to be :

- (a) Progressive Tax. (b) Proportional Tax.
(c) Regressive Tax. (d) Optimal Income Tax.

3. Budget Deficit is the difference between all revenue and expenditure of :

- (a) Revenue account only. (b) Capital account only.
(c) Both revenue and capital account. (d) None of the above.

4. The concept that suggests a highly progressive income tax rate structure is :

- (a) Equal Absolute Sacrifice. (b) Equal Proportional Sacrifice.
(c) Equal Marginal Sacrifice. (d) All the above.

I. B. Fill in the blanks :

5. Tax that is imposed on individuals independently of his income, wealth, occupation, age and other characteristics is _____.
6. A fraudulent or deceitful effort by a taxpayer to escape a legal tax obligation is called _____.
7. Gadgil formula is related to _____.
8. An excise duty is levied on _____.

Turn over

I. C. Answer in a word/sentence :

9. Merit good.
10. Special assessment.
11. Tax.
12. Impact of direct tax.

(12 × ¼ = 3 weightage)

Part B

*Short Answer Type questions.
Answer all **nine** questions.*

13. State Wagner's law.
14. Define proportional tax.
15. What is meant by canon of economy in taxation ?
16. What is laffer curve ?
17. What is meant by contra-cyclical fiscal policy ?
18. Write a note on functional finance.
19. Distinguish between social good and private good.
20. What is meant by 'fiscal leverage' ?
21. What is zero-budgeting ?

(9 × 1 = 9 weightage)

Part C

*Short Essay or Paragraph questions.
Answer any **five** questions from 7.*

22. Describe the principle of maximum social advantages.
23. What are the reasons of growing public expenditure in India ?
24. What are the classification of tax ?
25. Bring out the case for value added tax ?
26. What are the canons of public expenditure ?
27. What is meant by market failure ?
28. Critically evaluate the post liberalization tax reforms in India.

(5 × 2 = 10 weightage)

Part D

Essays questions. Answer any two questions from 3.

29. Explain ability to pay theory of taxation.
30. Discuss the theories of incidence and shifting.
31. What are the major problem of Indian fiscal federalism ? How are they solved ?

(2 × 4 = 8 weightage)