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

(UG-CCSS)

**Economics** 

# EC 6B 12/DEC 6B 12—PUBLIC FINANCE

(2009—2012 Admissions)

Time: Three Hours

Maximum: 30 Weightage

Answers may be written either in English or in Malayalam.

# Section A

Answer all questions.

- I. Multiple Choice Questions:
  - 1 Public goods have the features of:
    - (a) Rivalry and Excludability.
    - (b) Publicness and Profitableness.
    - (c) Non-rivalry and non-excludability.
    - (d) None of these.
  - 2 The principle of Maximum Social Advantage is associated with:
    - (a) Dalton.

(b) Adam Smith.

(c) Keynes.

- (d) Seligman.
- 3 Impact of a tax means:
  - (a) Tax Evasion.
  - (b) Final resting place of the burden of tax.
  - (c) Initial resting place of the burden of tax.
  - (d) Tax avoidance.
- 4 Which is not the characteristic of a tax:
  - (a) Direct quid pro quo.
- (b) Compulsory payment.
- (c) Reciprocal benefits.
- (d) Punishment to tax evader.

### Fill in the blanks:

- 5 Fiscal policy is the income and expenditure policy of the ——.
- 6 ——— is the final resting place of the burden of tax.
- 7 ——— is the major source of public revenue.
- 8 If the expenditure of a budget are in excess of revenues, it is called ——— budget.

# Answer in a word/sentence:

9 Private finance.

10 Merit goods.

11 Progressive tax.

12 Value Added Tax.

 $(12 \times \frac{1}{4} = 3 \text{ weightage})$ 

#### Section B

(2009-2013 A. lankashna)

- II. Short Answer Questions. Answer all nine questions:
  - 13 Define Budget.
  - 14 What do you mean by revenue deficit?
  - 15 What is meant by public debt?
  - 16 What do you mean by deficit financing?
  - 17 Define Fiscal policy.
  - 18 What are fees?
  - 19 What do you mean by the term, Tax shifting?
  - 20 What is meant by Proportional Taxation?
  - 21 What do you mean by public revenue?

 $(9 \times 1 = 9 \text{ weightage})$ 

# Section C

- III. Short Essay or Paragraph Questions. Answer any five questions:
  - 22 What is the principle of Maximum Social Advantage?
  - 23 Explain Wagner's Hypothesis.
  - 24 Enumerate the sources of public revenue.
  - 25 Examine the Ability-to-Pay Principle of Taxation.
  - 26 Explain the functions of Finance Commission.
  - 27 Point out the merits of direct taxes.
  - 28 Enumerate the basic principles of federation.

 $(5 \times 2 = 10 \text{ weightage})$ 

# Section D

- IV. Essay Questions. Answer any two questions:
  - 29 Examine the different canons of taxation.
  - 30 What is meant by public debt and point out the important methods of redemption of public debt?
  - 31 Explain the significance of public expenditure and point out its effects on the economy.

 $(2 \times 4 = 8 \text{ weightage})$