

V/ECO (vi)

2013

(5th Semester)

ECONOMICS

SIXTH PAPER

(Public Finance)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks
for the questions

Answer **all** questions

UNIT—I

1. Discuss the nature and scope of public finance. 10

Or

Explain the principle of maximum social advantage.

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(Turn Over)

(2)

UNIT—II

2. State the canons and principles of public expenditure. 10

Or

What factors are responsible for the growth of public expenditure in recent years?

UNIT—III

3. What are the characteristics of a good tax system? 10

Define tax. Distinguish among impact, shifting and incidence of taxes.

UNIT—IV

4. What is public debt? What are the different types of public debt? 3+7=10

Or

Explain the various methods adopted for redemption of public debt. 10

(3)

UNIT—V

5. Define budget. Explain the economic and functional classifications of budget. 10

Or

How is a budget prepared and passed in India?

2013

(5th Semester)

ECONOMICS

SIXTH PAPER

(**Public Finance**)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

Answer **all** questions

SECTION—A

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Which is the main point on the basis of which public finance can be distinguished from private finance?

(a) Price policy ()

(b) Borrowing ()

(c) Secrecy ()

2. The main difference between public and private finance is

- (a) balance of income-expenditure ()
- (b) coercive to raise income ()
- (c) dissaving ()

3. There are several chances of market failures in laissez-faire capitalism; and to improve the efficiency of market and as its corrective measure

- (a) government intervention is advocated ()
- (b) private intervention is advocated ()
- (c) monopoly power is advocated ()

4. Increase in public expenditure provides

- (a) economic stability ()
- (b) economic instability ()
- (c) economic degradation ()

(3)

5. Public expenditure is not merely a financial mechanism but a means securing

(a) capital objectives ()

(b) social objectives ()

(c) socialism ()

6. Which one of the following is the objective of public debt?

(a) Development finance ()

(b) To overcome depression ()

(c) All of the above ()

7. A tax levied at 10% on the first Rs 10,000 of income, 15% on the next Rs 20,000 and 17% on the next Rs 30,000, would be

(a) progressive tax ()

(b) regressive tax ()

(c) proportional tax ()

8. Which one of the following is a characteristic of a tax?

(a) Optional ()

(b) Compulsory ()

(c) Forced ()

9. Which one of the following is the meaning of taxable capacity?

(a) Maximum limit/capacity to which the government can tax the people ()

(b) Minimum limit/capacity to which the government can tax the people ()

(c) Moderate limit/capacity to which the government can tax the people ()

10. The principle of sound finance in which small and balanced budget was advocated by

(a) J. M. Keynes ()

(b) A. P. Lerner ()

(c) Classical economists ()

(5)

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Distinction between private goods and public goods

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2. Objectives of public expenditure

(Mark: 15)

Write short notes on the following:

1. Distinction between private goods and public goods

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(7)

3. Tax revenue and non-tax revenue

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(8)

4. Sources of public debt

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(9)

5. Finance Commission of India

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