



Reg. No. :

K20P 1011

Name :

III Semester M.A. Degree (CBSS-Reg./Suppl./Imp.)

Examination, October 2020

(2014 Admission Onwards)

ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT ECONOMICS

ECO 3C10 : Public Economics – II

Time : 3 Hours

Max. Marks : 60

PART – A

Answer **all** questions. **Each** question carries $\frac{1}{2}$ mark.

1. When expenditure exceeds total tax revenue, it is called
 - a) Surplus budget
 - b) Balanced budget
 - c) Deficit budget
 - d) Revenue deficit
2. Which of the following is not a fiscal instrument ?
 - a) Open market operations
 - b) Public expenditure
 - c) Taxation
 - d) Public revenue
3. An increase in tax rate when tax base expands represents
 - a) Progressive taxation
 - b) Regressive taxation
 - c) Proportional taxation
 - d) None of these
4. Who is the exponent of the law of increasing state activities ?
 - a) Dalton
 - b) Wagner
 - c) Seligman
 - d) Musgrave
5. The Kelkar Proposals are concerned with
 - a) Recommendations for reforms in the power sector
 - b) Recommendations for tax reforms
 - c) Guidelines for the privatization of public sector undertakings
 - d) Recommendations for expenditure reforms



6. Value Added Tax is
- a) Direct tax
 - b) Indirect tax
 - c) Progressive tax
 - d) Regressive tax
7. The direct violation of Tax law is called
- a) Tax evasion
 - b) Tax avoidance
 - c) Tax rebate
 - d) Double taxation
8. The concept of functional finance was developed by
- a) J.M. Keynes
 - b) A.P. Lerner
 - c) Kaldor
 - d) Pigou

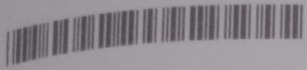
(8×1/2=4)

PART – B

Answer **any eight** questions. **Each** question carries **two** marks.

- 9. Tax buoyancy.
- 10. Modified Gadgil formula.
- 11. Public Finance.
- 12. Fiscal Federalism.
- 13. Principle of Maximum social advantage.
- 14. Impact and incidence of Taxation.
- 15. Public Expenditure.
- 16. Deficit Budget.
- 17. Federal Finance.
- 18. Tax Evasion.
- 19. VAT.

(8×2=)



PART – C

Answer **any four** questions. **Each** question carries **five** marks.

20. Write a short note on zero base budgeting.
21. Explain the inter-governmental transfers in India.
22. Briefly explain the sources of public revenue.
23. Briefly explain the FRBM Act.
24. Distinguish between public and private finance.
25. Explain the effects of public expenditure.

(4×5=20)

PART – D

Answer **any two** questions. **Each** question carries **ten** marks.

26. Explain the functions of the Finance Commission in India.
27. Critically examine Kelkar Committee reports.
28. Explain the Fiscal federalism in India.
29. Examine the problem of growing fiscal deficit in India.

(2×10=20)
