K23P 1312

Reg.	No. :	*************	 *****
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III Semester M.A. Degree (C.B.S.S. – Reg./Supple./Imp.) Examination, October 2023 (2020 Admission Onwards) ECONOMICS/APPLIED ECONOMICS/DEVELOPMENT ECONOMICS ECO3C10 : Public Economics – II

Time : 3 Hours

Max. Marks: 60

PART - A

Objective type questions. Answer all questions.

- 1. Which of the following is not a source of government revenue ?
 - a) Taxes
 - c) Grants and aids d) Privatization
- 2. Which type of tax is based on a persons income ?
 - a) Value-Added Tax (VAT)
 - c) Sales tax

b) Excise taxd) Income tax

b) Borrowing

- 3. What is the main purpose of fiscal policy ?
 - a) To control inflation
 - b) To regulate interest rates
 - c) To stabilize the economy
 - d) To promote international trade
- 4. Which of the following is a union tax ?
 - a) Corporation tax
 - c) Capitation taxes

- b) Taxes on agricultural income
- d) Land revenues
- 5. The tax levied by the union government on income of individuals is known as
 - a) Personal income tax

b) Interest tax

c) Wealth tax

d) Corporation tax

P.T.O.

K23P 1312 -2-6. The difference between revenue expenditure and revenue receipts is a) Revenue deficit b) Fiscal deficit c) Budget deficit d) Primary deficit 7. Which tax better conforms to the principle of equality in taxation ? a) Progressive tax b) Regressive tax c) Proportional tax d) Fixed tax 8. Which one is not a principle of taxation? a) Principle of equality b) Principle of certainty c) Principle of morality d) Principle of diversity $(8 \times \frac{1}{2} = 4)$ PART-B

Short answer questions. Answer any 8 questions. Answer should not exceed 1½ pages each.

- 9. What is public economics ?
- 10. What are public goods ?
- 11. What is the difference between a progressive tax and a regressive tax ?
- 12. Define taxation.

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- 13. What is a tax credit ?
- 14. What are the main sources of public expenditure ?
- 15. What is fiscal federalism ?
- 16. Define cannon of equity of taxation.
- 17. Describe black money.
- 18. What is a zero-based budget ?
- 19. Define vertical imbalances.

(8×2=16)

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PART – C

-3-

Short essay. Answer any 4 questions. Answer should not exceed 21/2 pages each.

20. How does taxation affect the economy ?

21. What are the main types of taxes ?

22. How is public expenditure typically categorized ?

23. What is the purpose of a balanced budget in the public sector ?

24. Write a note on FRBM Act,

25. Examine the role of public expenditure in UDCs.

 $(4 \times 5 = 20)$

PART - D

Long essay. Answer any two questions. Answer should not exceed 6 pages each.

26. Examine the role of government in a national economy.

27. Discuss the contribution of various committees on taxation in India.

28. Compare and contrast classical and modern theories of budget.

29. Comment on the central-state financial relations in India. (2×10=20)