

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 x ¼ = 3 weightage)

Section B

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 x 1 =

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 x 2 = 10 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 x 4 = 8 weightage)