

II. Fill in the Blanks :

5 Budget is an instrument of _____ policy.

6 If the rate of tax falls with an increase in income, it is called _____ Tax.

7 _____ is the final resting place of the burden of tax.

8 _____ is the exponent of the Law of Increasing State Activities.

III. Answer in a word/sentence :

9 Goods which have the features of non-rivalry and non-excludability.

10 The process by which the maturing bonds are replaced by new bonds.

11 The tax where the rate of tax increases with increase in income.

12 The loans raised by the government within the country or outside the country.

(12 x ¼ = 3 weightage)

Section B

*Answer all **nine** questions.*

Short answer type questions:

13 Define merit goods.

14 What is meant by non-tax revenues ?

15 What is Value Added Tax ?

16 What is meant by Sinking **Fund** ?

17 What do you understand by the term, 'impact of a tax' ?

18 What is meant by Fiscal Deficit ?

19 What do you mean by Deficit Financing ?

20 What is meant by Local Finance ?

21 What is Fiscal Federalism ?

(9 x I = 9 weightage)

Section C

*Answer any **five** out of seven.*

Short essay *or* paragraph questions:

22 Explain the scope of Public Finance.

23 Distinguish between Public Finance and Private Finance.

- 24 Explain the canons of Public Expenditure.
- 25 What are the sources of Non-Tax Revenues in India ?
- 26 Explain the methods of Debt. Redemption.
- 27 Briefly explain the Principle of Maximum Social Advantage.
- 28 Briefly explain the principles of Federal Finance.

(5 x 2 = 10 weightage)

Section D

*Answer any two from three.
Essay type questions.*

- 29 Trace the causes of enlarging public expenditure in modern times.
- 30 Distinguish between direct and indirect taxes and point out their merits and demerits.
- 31 Explain the major principles of taxation.

(2 x 4 = 8 weightage)