

**SIXTH SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)
EXAMINATION, MARCH 2017**

(UG-CCSS)

Economics

EC 6B 12 – PUBLIC FINANCE

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Answers may be written either in English or in Malayalam.

I. Objective Type Questions. Answer all twelve questions :

(A) Choose the correct answer :

1. Finance Commission has to make recommendations on financial matters to :

- | | |
|-----------------------|---------------------|
| (a) Finance Minister. | (b) Prime Minister. |
| (c) President. | (d) Vice-President. |

2. Indirect taxes are generally :

- | | |
|--------------------|-----------------|
| (a) Progressive. | (b) Regressive. |
| (c) Proportionate. | (d) Constant. |

3. In India, income tax is imposed and collected by :

- | | |
|---------------------------------|-----------------------|
| (a) State Government. | (b) Union Government. |
| (c) Jointly by State and Union. | (d) Local Government. |

4. Primary deficit is :

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|--|
| (a) Fiscal deficit minus interest payments. |
| (b) Fiscal deficit plus interest payments. |
| (c) Revenue receipts minus revenue payments. |
| (d) Fiscal deficit minus tax receipts. |

(B) Fill in the blanks :

5. Impact and incidence are on the same person in the case _____ tax.
6. Estimated receipts are equal to estimated payments in the case of _____ budget.
7. Expenditure incurred to create assets and to improve the productivity of assets are called _____.
8. Profession tax is collected by _____.

Turn over

(C) State True or False :

9. Shifting is possible in the case of direct taxes.
10. Public goods exclude rich from consumption.
11. Taxation is a fiscal policy measure.
12. Chairman of the 14th Finance Commission is Y.V. Reddy.

(12 × ¼ = 3 weightage)

II. Short Answers Questions. Answer *all nine* questions :

13. What is local finance?
14. What do you mean by laissez-faire economy?
15. What are the canons of taxation?
16. What is public expenditure?
17. What is fiscal federalism?
18. What are the canons of budget?
19. FRBM Act.
20. Distinguish between Public Finance and Private finance.
21. What are the types of public debt?

(9 × 1 = 9 weightage)

III. Short essays. Answer any *five* of the following :

22. Explain, what is vertical and horizontal imbalance.
23. Briefly explain the division of tax powers and objectives of taxation in India.
24. Identify the reasons responsible for the growth of public debt in India.
25. Describe the role of public expenditure in less developed countries.
26. Explain the characteristics of Public goods.
27. Analyze the problem of growing fiscal deficit in India.
28. Explain the Wagner's hypothesis on Public Expenditure.

(5 × 2 = 10 weightage)

IV. Essays. Answer any *two* of the following :

29. Explain the major trends in public expenditure in India.
30. Critically explain the sources of resource mobilization in India.
31. Explain the theories of public expenditure growth.

(2 × 4 = 8 weightage)