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B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2020.

Sixth Semester

Economics – Main

PUBLIC FINANCE

(For those who joined in July 2016 only)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Now a days how the state is called?
(a) welfare state (b) police state
(c) communist state (d) none of the above

2. Who defined public finance as “the subject which is concerned with income and expenditure of public authorities and with the adjustment of one to the other”?
(a) Pigou (b) Dalton
(c) Marshall (d) Bastable

3. Which one of the following is the effect of public expenditure?
- (a) Community development
 - (b) Community riots
 - (c) Economic inequality
 - (d) All the above
4. Public expenditure refers
- (a) expenditures of the state government
 - (b) expenditure of the central government
 - (c) expenditure of the local government
 - (d) all the above
5. Which one of the following is an example of indirect tax?
- (a) wealth tax (b) income tax
 - (c) sales tax (d) professional tax
6. Who bears the burden of a direct tax?
- (a) rich people
 - (b) poor people
 - (c) on whom it is imposed
 - (d) none of the above

7. Which is a long period debt?
- (a) unfunded debt
 - (b) funded debt
 - (c) redeemable debt
 - (d) irredeemable debt
8. Which debt is undertaken for creating permanent assets?
- (a) productive debt
 - (b) compulsory debt
 - (c) funded debt
 - (d) unproductive debt
9. The characteristic feature of a budget
- (a) universability
 - (b) comprehensiveness
 - (c) specification
 - (d) all of these
10. The budget which is suitable for depression is
- (a) balanced budget (b) deficit budget
 - (c) Surplus budget (d) all the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) What is meant by private goods?

Or

(b) List out the similarities between public finance and private finance.

12. (a) Write a note on development and non-development expenditure.

Or

(b) State the effects of public expenditure on national income distribution.

13. (a) What are the criteria needed for a good tax system?

Or

(b) What are the merits of indirect tax?

14. (a) Explain about capital levy method of debt redemption.

Or

(b) Write a note on 'sinking fund'.

15. (a) Mention the methods of centre-state financial transfer.

Or

- (b) What are the objectives of performance budget?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Describe the principle of maximum social advantage.

Or

- (b) Examine the scope of public finance.

17. (a) Analyse the causes for the growth of public expenditure.

Or

- (b) Describe the methods of controlling public expenditure.

18. (a) Explain the objectives of taxation.

Or

- (b) Describe the factors determining taxable capacity.

19. (a) Explain the objectives of public debt.

Or

(b) Discuss the effects of public debt.

20. (a) Explain the budgetary procedure followed in India.

Or

(b) Describe the recommendations of Eleventh Finance Commission.
