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

Sixth Semester

Economics – Main

PUBLIC FINANCE – II

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Public goods are provided only by _____.
 - (a) the government
 - (b) the private
 - (c) the institutions
 - (d) the foreign countries

2. The term merit goods was first introduced by _____.
- (a) Keynes (b) Musgrave
(c) Dalton (d) Wagner
3. The word budget is derived from _____ word.
- (a) the German (b) the English
(c) the French (d) the Latin
4. In which year, zero Base Budget approach was adopted in India?
- (a) 1987 (b) 1990
(c) 1995 (d) 2000
5. The main objective of fiscal policy is
- (a) full employment
(b) taxation
(c) public debt
(d) public expenditures
6. The concept of functional finance was introduced by
- (a) Wagner (b) Lerner
(c) Hicks (d) Tyagi

7. The financial administration of local bodies is called as
- (a) Local Finance
 - (b) Public Finance
 - (c) Private Finance
 - (d) Federal Finance
8. Local bodies can impose tax on _____.
- (a) house (b) wealth
 - (c) income (d) sales
9. The Finance Commission Act was passed on _____.
- (a) 1950 (b) 1951
 - (c) 1955 (d) 1960
10. Who is the Chairman of 14th Finance Commission?
- (a) Vijay L. Kelkar
 - (b) Y.V. Reddy
 - (c) K.K. Sinha
 - (d) Raguram Rajan

PART B — (5 × 5 = 25 marks)

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

Answer should not exceed 250 words.

11. (a) Write a note on public goods.

Or

- (b) Explain the characteristics of private goods.

12. (a) What are the features of a good budget?

Or

- (b) Explain the limitations of Zero Based Budget

13. (a) Narrate the policy instruments of fiscal policy.

Or

- (b) What are the limitations of fiscal policy?

14. (a) Explain the revenue sources of Village Panchayat.

Or

- (b) State the main functions of local bodies.

15. (a) Write a note on Finance Commission.

Or

(b) Bring out the main functions of Finance Commission.

PART C — (5 × 8 = 40 marks)

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

Answer should not exceed 600 words.

16. (a) Outline the defects of market economy.

Or

(b) Differentiate public goods and social goods.

17. (a) Explain the importance of Budget.

Or

(b) Describe the structure of the government's budget.

18. (a) Examine the main objectives of fiscal policy.

Or

(b) Explain the importance of fiscal policy in a developing economy.

19. (a) Point out the defects of local finance.

Or

(b) Suggest various measures to solve the problems of local finance.

20. (a) Why are Finance Commissions appointed?

Or

(b) What are the major recommendations of 14th Finance Commission?
