

Reg. No. :

Code No. : 30403 E Sub. Code : AMEC 52

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2023

Fifth Semester

Economics — Core

PUBLIC FINANCE — I

(For those who joined in July 2020 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Public finance is also called as _____
 - (a) Fiscal economics
 - (b) Fiscal policy
 - (c) Monetary policy
 - (d) None of these

2. Scope of public finance includes
 - (a) Public revenue
 - (b) Public debt
 - (c) Public expenditure
 - (d) All of these

3. The expenditure of the state is called
 (a) Public expenditure
 (b) Public revenue
 (c) Public debt
 (d) Indirect taxes
4. Direct taxes have the element of
 (a) Evasion (b) Convenient
 (c) Progressive (d) Economy
5. In proportional tax system, the rates of tax remain
 (a) constant (b) increasing
 (c) decreasing (d) zero
6. Which of the following is not a commodity tax?
 (a) Excise duty (b) Customs duty
 (c) Corporation tax (d) Octroi
7. Public goods are non-rival if
 (a) Some people cannot be prevented from consuming it
 (b) Consumption by one person reduces consumption of other individuals
 (c) Some people are excluded from consuming it
 (d) All of them can consume it
8. In the following which is the characteristic of a tax
 (a) Compulsory (b) Optional
 (c) Forced (d) Nationality
9. Public Debt refers to borrowing by _____
 (a) Individual (b) Government
 (c) Private (d) None of these

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10. Repudiation of debt means
 (a) redemption (b) refusal to repay
 (c) repayment (d) borrowing

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).
 Each answer should not exceed 250 words.

11. (a) Bring out the nature of public finance.
 Or
 (b) What is meant by public finance?
12. (a) Briefly explain the need for public expenditure.
 Or
 (b) What are the reasons for the growth of public expenditure in India?
13. (a) Bring out the sources of public revenue in India.
 Or
 (b) What are the commercial revenue for the government?
14. (a) What is meant by progressive and proportional taxes?
 Or
 (b) What are the characteristic of a good tax?
15. (a) What are the sources of public debt?
 Or
 (b) Bring out the classification of public debt.

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PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).
Each answer should not exceed 600 words.

16. (a) Distinguish between public goods and private goods.

Or

- (b) Discuss the role of public finance in India.

17. (a) Explain the principles of public expenditure.

Or

- (b) Describe the causes of public expenditure.

18. (a) Explain the Taylor's classification of public revenue.

Or

- (b) Examine the economic classification of public revenue.

19. (a) Discuss the classification of Taxation in India.

Or

- (b) Write a short summary on GST reforms in India.

20. (a) Analyze the methods of redemption of public debt.

Or

- (b) Explain the need for public debt in India.