

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

Sixth Semester

Economics — Core

PUBLIC FINANCE — II

(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 answers.

1. A good for which one person's consumption decreases the quantity available for others is
 - (a) Public goods
 - (b) Private goods
 - (c) Non-excludable good
 - (d) Non-rival good

5. The use of taxes and government spendings to affect the economy is to
 - (a) Monetary Policy
 - (b) Fiscal Policy
 - (c) Contractionary Policy
 - (d) Expansionary Policy
6. A plan to reduce aggregate demand and slow the economy is
 - (a) Contractionary Fiscal policy
 - (b) Expansionary Fiscal policy
 - (c) Expansionary Monetary policy
 - (d) Contractionary Monetary policy
7. Which of the following is not a function of Gram Panchayat?
 - (a) Establishment and Maintenance of local markets
 - (b) Transport facilities
 - (c) Prevention of contingency diseases
 - (d) Lightning of village streets
8. Federal Finance deals with
 - (a) The Finance of the Government of India
 - (b) The Finances of the Railway
 - (c) Centre-State financial relations
 - (d) Local bodies

2. The free-rider problem is caused by
 - (a) Goods or services that are excludable and cause envy for those who don't have them
 - (b) Public goods that people cannot be excluded from consuming even if they don't pay for them
 - (c) Goods or services that are rival and leave some people without them
 - (d) Private good or services that causes some people want to take them for free
3. Cash budget is based on
 - (a) Sales forecast
 - (b) Expenses Budget
 - (c) Capital expenditure budget
 - (d) All of the above
4. Zero budgeting involves
 - (a) Cost problems
 - (b) Time problems
 - (c) Ranking problems
 - (d) Expenses problems

9. The first finance commission of India was setup in the year

(a) 1956	(b) 1965
(c) 1951	(d) 1948
10. Which among the following has been constituted under Article 280 of the constitution?
 - (a) Finance Commission
 - (b) Attorney General of India
 - (c) Vigilance Commission
 - (d) National Commission

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Discuss the various types of goods
Or
(b) List out the characteristics of public goods.
12. (a) Define budget along with its the functional classification.
Or
(b) Critically analyze the current year's budget.

13. (a) Substantiate the role of fiscal policy in India.

Or

(b) Examine fiscal policy and its various objectives.

14. (a) Enumerate the problems faced by local bodies in India.

Or

(b) Elucidate the structure of local finance.

15. (a) Illustrate the functions of finance commission.

Or

(b) Give an overview of Finance Commission in India.

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 and private good with examples.

Or

(b) Interpret the failure of market economy.

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17. (a) Define government budget and explain its structure.

Or

(b) Elucidate the preparation and passing process of budget in India.

18. (a) Explain in detail the various instruments of fiscal policy.

Or

(b) Explain the meaning and objectives of fiscal policy.

19. (a) Differentiate between state finance and local finance.

Or

(b) Elaborate the sources of revenue of local bodies.

20. (a) Critically examine the major recommendations of 15th Finance Commission.

Or

(b) Explain the procedure and powers of the Finance.

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