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Reg. No. :

Code No. : 20670 E Sub. Code : CMEC 52

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Fifth Semester

Economics — Core

PUBLIC FINANCE – I

(For those who joined in July 2021 and 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer.

1. Public finance studies the income and expenditure of
 - (a) Central government
 - (b) State government
 - (c) Local bodies
 - (d) All the above
2. How were the earlier states called?
 - (a) Welfare state
 - (b) Police state
 - (c) Communist state
 - (d) All the above

3. The canon that used for avoiding wastages in public expenditure is
 - (a) Canon of economy
 - (b) Canon of benefits
 - (c) Canon of surplus
 - (d) Canon of elasticity
4. Which one of the following is one of the reasons for increasing public expenditure
 - (a) prosperity
 - (b) deflation
 - (c) population growth
 - (d) all the above
5. Which one of the following is the characteristic of a tax
 - (a) compulsory contribution
 - (b) optional
 - (c) there is quid pro quo
 - (d) all the above
6. _____ is an example for direct tax
 - (a) sales tax
 - (b) service tax
 - (c) excise duty
 - (d) income tax

7. The Indian tax system is
- (a) proportional (b) progressive
(c) regressive (d) degressive
8. In the proportional tax system, whenever the income increases the rates of tax
- (a) remain constant
(b) increasing
(c) decreasing
(d) zero
9. Which is a long period debt?
- (a) funded debt (b) unfunded debt
(c) redeemable debt (d) irredeemable debt
10. Debt incurred on which one of the following is an example for productive debt?
- (a) war expenditure
(b) flood relief
(c) constructing a dam
(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) State the nature of public finance.
Or
(b) List out the limitations of the principle of maximum social advantage.
12. (a) What are the needs for public expenditure?
Or
(b) Explain the canons of public expenditure.
13. (a) Explain the effects of taxation on distribution.
Or
(b) What are the sources of non-tax revenue?
14. (a) What are the canons of taxation?
Or
(b) What are the advantages of indirect taxes?
15. (a) Why public debt is needed?
Or
(b) State the sources of public debt.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Differentiate public finance from private finance.

Or

- (b) Describe the scope of public finance.

17. (a) Discuss the causes for the growth of public expenditure in India.

Or

- (b) How Adam Smith classifies the public expenditure?

18. (a) Explain Adam's and Dalton's classification of public revenue.

Or

- (b) Describe the trends in public revenue in India.

19. (a) Examine the advantages and disadvantages of direct taxes.

Or

- (b) Explain the salient features of GST.

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20. (a) Describe the various types of public debt.

Or

- (b) Explain the methods of redemption of public debt.

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