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Reg. No. : .....

Code No. : 10305 E Sub. Code : CMEC 52

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2025.

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 questions.

Choose the correct answer :

1. Scope of Public Finance includes
  - (a) Public revenue
  - (b) Public debt
  - (c) Public expenditure
  - (d) All the above

2. Who is known as the Father of Public Finance?
  - (a) Dalton
  - (b) Pigou
  - (c) Smith
  - (d) Musgrave
3. Which one is the example for productive expenditure?
  - (a) Education
  - (b) Health
  - (c) Communication
  - (d) All the above
4. Public expenditure is benefit for the
  - (a) Entire society
  - (b) Particular group
  - (c) Both (a) and (b)
  - (d) None
5. Which is the main objective of taxation?
  - (a) Increase the consumption
  - (b) Increase the production
  - (c) Raising public revenue
  - (d) Reducing the capital formation
6. Which one of the following is the classification of Public revenue made by Adam Smith?
  - (a) Direct revenue
  - (b) Derivative revenue
  - (c) Anticipatory revenue
  - (d) All

7. The goods and Service Tax was launched in India in the year
- (a) 2016                      (b) 2017  
(c) 2018                      (d) 2020
8. In Canon of taxation, the canon of equality was given by
- (a) Adam Smith              (b) Hicks  
(c) Bastable                  (d) Hadley
9. The debt which the Government promises to pay off at a specified date are called
- (a) Irredeemable debt  
(b) Voluntary debt  
(c) Redeemable debt  
(d) Compulsory
10. The method of raising public debt is
- (a) Borrowing from central bank  
(b) Borrowing from individuals  
(c) Borrowing from commercial bank  
(d) All the above

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the nature of Public Finance.  
Or  
(b) Write any four differences between Public Finance and Private Finance.
12. (a) How does Hick's classifies the public expenditure?  
Or  
(b) What are the canons of public expenditure
13. (a) Explain Dalton's classification of public revenue.  
Or  
(b) Write a note on the benefit theory.
14. (a) Give the advantages of direct taxes.  
Or  
(b) What is progressive taxation? What are its merits.

15. (a) Explain :  
(i) Productive debt  
(ii) Unproductive debt  
Or  
(b) State the causes for raising public debt.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Critically evaluate the principle of maximum social advantage.  
Or  
(b) Examine the role of public finance in a developing country.
17. (a) Describe the causes for enormous growth of public expenditure in India.  
Or  
(b) Explain Adam Smith's classification of public expenditure.
18. (a) Describe the effects of taxation on production.  
Or  
(b) Explain the sources of public revenue.

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19. (a) Explain the canons of taxation.

Or

- (b) What is proportional taxation? Describe its merits and limitations.

20. (a) Elucidate the various sources of public debt.

Or

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

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