

(6 pages)

Reg. No. :

Code No. : 30371 E Sub. Code : CMEC 52

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

Fifth Semester

Economics – Core

PUBLIC FINANCE – I

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

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Public finance deals with :
 - (a) Income of households
 - (b) Expenditure of firms
 - (c) Revenue and expenditure of government
 - (d) International trade
2. Private finance differs from public finance mainly in :
 - (a) Secrecy and publicity
 - (b) Profit motive
 - (c) Taxation
 - (d) Borrowing

3. Public expenditure refers to :
 - (a) Government spending
 - (b) Household spending
 - (c) Corporate spending
 - (d) None
4. Which of the following is a canon of public expenditure?
 - (a) Economy
 - (b) Uncertainty
 - (c) Luxury
 - (d) Waste
5. Non-tax revenue includes :
 - (a) Income tax
 - (b) Customs duty
 - (c) Fees and fines
 - (d) Excise duty
6. The main objective of public revenue is:
 - (a) Government welfare
 - (b) Private profit
 - (c) Speculation
 - (d) None

7. An indirect tax is :

- (a) Customs duty
- (b) Income tax
- (c) Wealth tax
- (d) Property tax

8. GST means :

- (a) Goods and Service Tax
- (b) Government Sales Tax
- (c) General Service Tax
- (d) Gross Sales Tax

9. Public debt is classified into:

- (a) Productive and unproductive
- (b) Fixed and variable
- (c) Good and bad
- (d) None

10. Redemption of public debt means :

- (a) Repayment of loan
- (b) Fresh borrowing
- (c) Increasing deficit
- (d) Printing of notes

PART B — (5 × 5 = 25 marks)

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

11. (a) Differentiate between Public Finance and Private Finance.

Or

(b) State the fundamental principles of Public Finance.

12. (a) Explain the need and importance of Public Expenditure.

Or

(b) Explain causes of Public Expenditure.

13. (a) State sources of Public Revenue.

Or

(b) Explain the classification of Public Revenue.

14. (a) Explain the canons of Taxation.

Or

(b) Describe the characteristics of a good tax system.

15. (a) Discuss the need for Public Debt in India.

Or

(b) Explain the meaning and importance of Public Debt.

PART C — (5 × 8 = 40 marks)

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

16. (a) Explain the nature and scope of Public Finance.

Or

(b) Discuss the role of Public Finance in a developing country like India.

17. (a) Discuss the classification of Public Expenditure.

Or

(b) Explain the reasons for the growth of Public Expenditure in India.

18. (a) Discuss the principles of Public Revenue.

Or

(b) Explain the recent trends in Indian Public Revenue.

19. (a) Explain the different types of taxes: Progressive, Proportional, Regressive, and Degressive.

Or

(b) Discuss the classification of taxes into Direct and Indirect.

20. (a) Discuss the sources of Public Debt

Or

(b) Describe the methods of redemption of Public Debt.