

(6 pages)

Reg. No. :

Code No. : 10186 E Sub. Code : SMEC 62

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

Sixth Semester

Economics — Core

PUBLIC FINANCE — II

(For those who joined in July 2017 – 2019)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Private goods are characterized by
 - (a) Application of exclusion principle
 - (b) Rivalry in consumption
 - (c) Payment of prices
 - (d) All the above

2. Public Good are
 - (a) Excludable
 - (b) Non-excludable
 - (c) Marketable
 - (d) All of these
3. _____ presents the budget in the parliament.
 - (a) President
 - (b) Finance Minister
 - (c) Secretary
 - (d) Prime Minister
4. The process of budget making after re-evaluating every item of expenditure in every financial year is known as
 - (a) Performance Budgeting
 - (b) Deficit Budgeting
 - (c) Zero Based Budgeting
 - (d) Fresh Budgeting
5. Which of the following is a fiscal policy tool used to stimulate the economy?
 - (a) Higher interest rates
 - (b) Increased imports
 - (c) Reducing inefficient employment of resources
 - (d) Increased government purchases

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6. Which of the following agencies is responsible for formulating the Fiscal Policy in India?
 - (a) Securities and Exchange Board of India (SEBI)
 - (b) Reserve Bank of India (RBI)
 - (c) Ministry of Finance Government of India
 - (d) National Bank for Agricultural and Rural Development (NABARD)
7. Local government institutions
 - (a) can levy taxes with prior approval of the State government
 - (b) can levy all taxes
 - (c) propose taxes to the state governments
 - (d) can levy taxes
8. Which one of the following is incorrect in respect of local government in India?
 - (a) According to the Indian Constitution, local government is not an independent tier in the federal system
 - (b) 30% of the seats in local bodies are reserved for women
 - (c) Local government finances are to be provided by a Commission
 - (d) Elections to local bodies are to be determined by the Commission

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9. The Finance Commission in India is appointed by
 - (a) President
 - (b) Prime Minister
 - (c) Chief Minister
 - (d) Finance Minister
10. Which of the following is a Statutory Body?
 - (a) Finance Commission
 - (b) Planning Commission
 - (c) State Planning Board
 - (d) Local government

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Differentiate merit goods and public goods.
Or
(b) What are the Characteristics of Public Goods?
12. (a) Mention the Structure of Government Budget.
Or
(b) State the features of Zero-based budgeting.

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[P.T.O.]



13. (a) Bring out the concept of Fiscal Policy.
Or
(b) What are the modern concept of fiscal policy?
14. (a) Differentiate State Finance and local Finance.
Or
(b) State the characteristics of local finance.
15. (a) Mention the procedure and powers of the Finance Commission.

Or

- (b) Write a short note on Finance Commission.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Write an essay about Public Goods and Market Failure.
Or
(b) Write an essay about Private Goods.

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17. (a) Discuss the Functional Classification of budget.

Or

- (b) Describe the highlights of latest Union Budget 2022-23.

18. (a) Examine the various objectives of fiscal policy.

Or

- (b) Analyse the role of fiscal policy in a Developing Economy.

19. (a) Explain the sources of revenue for Local Government.

Or

- (b) Analyse the various problems of Local Bodies.

20. (a) Illustrate the Functions of Finance Commission.

Or

- (b) Analyse the major recommendations of the recent Finance commission.

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