

(6 pages)

Reg. No. :

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

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Sixth Semester

Economics — Core

PUBLIC FINANCE — II

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. 'National defense' is an example of
(a) public goods (b) private goods
(c) social goods (d) merit goods
2. Which among the following can not be satisfied through the mechanism of the market?
(a) private wants (b) firm wants
(c) group wants (d) social wants

3. Who is known as the Father of zero-base budget?
(a) Hilton young (b) Peter A. Phyrre
(c) Thatcher (d) Reagan
4. Budget is the main instrument of
(a) Fiscal policy
(b) Monetary policy
(c) Economic policy
(d) Export policy
5. Which is the main objective of fiscal policy in developing countries?
(a) controlling inflation
(b) price stability
(c) full employment
(d) equitable distributor
6. Which deficit is more in India?
(a) Revenue deficit
(b) Budgetary deficit
(c) Fiscal deficit
(d) Primary deficit

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7. Which of the following is related to local finance?
(a) income tax
(b) agricultural income
(c) water tax
(d) export duty
8. Which one of the following is a source of revenue of a municipal committee?
(a) Income tax (b) Octroi duty
(c) Excise duty (d) Foreign assistance
9. The 15th finance commission is headed by
(a) N.K.P. Salve (b) Reddy
(c) Santhanam (d) N.K. Singh
10. The finance commission is constituted by the
(a) Prime Minister
(b) President
(c) Finance Minister
(d) Speaker

PART B — (5 × 5 = 25 marks)

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

11. (a) Define public goods and specify its features.
Or
(b) Write a note on pure and partial public goods.
12. (a) What are the features of zero base budgeting?
Or
(b) Brief the structure of government of budget.
13. (a) Define fiscal policy and indicate its instruments.
Or
(b) Write a note on modern fiscal policy.
14. (a) Define local finance and specify its structure.
Or
(b) Narrate the problems of local bodies in India.

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15. (a) What are the functions of finance commission?

Or

(b) Narrate the problems of federal finance.

PART C — (5 × 8 = 40 marks)

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

16. (a) Account the reasons for the failure of market economy.

Or

(b) Distinguish between public goods and private goods.

17. (a) Explain the classification of budget.

Or

(b) Analyse the central governments current year budget.

18. (a) Narrate the objectives of fiscal policy.

Or

(b) Examine the role of fiscal policy in a developing country like India.

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

Or

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

20. (a) Explain the procedure and powers of the finance commission.

Or

(b) Discuss the major recommendations of the 15th finance commission.

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