

The Assam Royal Global University, Guwahati
Royal School of Humanities and Social Sciences

B.A. (H) - ECONOMICS

Third Semester

Semester End Examination, December, 2018

Public Finance

SUBJECT CODE: ECO182C301

Time: 3 Hours

Maximum Marks: 70

The figures in the right hand margin indicate marks.

Section-A

Q. 1 Answer the following (within 50 words):

2x8=16

- a. What are merit goods? Give suitable examples.
- b. What is Public Finance?
- c. What is a tax-revenue? Name some sources of tax-revenue.
- d. What is meant by shifting and incidence of taxation?
- e. Explain two effects of Public Expenditure on the distribution of income and wealth.
- f. What is meant by Taxable Capacity?
- g. What is a Sinking Fund?
- h. What is Pump-Priming?

Section-B

Q. 2 Answer any two from the following:

6x2=12

- a. Distinguish between Public and Private Finance.
- b. Discuss the Principles of Maximum Social Advantage in public finance.
- c. Throw some light on the nature and scope of Public Finance.

Q. 3 Answer any two from the following:

7x2=14

- a. Point out and explain the major sources of non-tax revenue in India.
- b. Discuss the important characteristics of a good tax system.

c. Which tax is more superior – Direct or Indirect? Justify your answer.

Q. 4 Answer any two from the following:

7x2=14

- a. Explain the Wagner's law of Increasing State Activity.
- b. What are the effect of public expenditure on production and economic growth?
- c. Give a critical analysis of Accountability of Public Expenditure in India.

Q. 5 Answer any two from the following:

7x2=14

- a. What are the reasons for a growing trend in public debt in the recent times?
- b. 'An external debt is said to impose both money and real burden on the society'. Is the statement true? Justify.
- c. Discuss the different methods of Redemption of Public Debt.

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