

The Assam Royal Global University, Guwahati

Royal School of Humanities and Social Sciences

BA (H) Economics, Fourth Semester

Semester End Examination, July 2022

Course Title: Public Finance II

Subject Code: ECO182C401

Full Marks- 70

Time- 3 hours

Attempt all questions as per instructions given

The figures in the margin indicate full marks for the questions

Section – A

1. Answer all questions (Within 50 words) 2x8=16
- What is Canon of Diversity?
 - What is Cost-Benefit Analysis?
 - What is a Single and a Multiple Tax System?
 - What is Functional Finance?
 - Define a Shadow Price.
 - What is the role of Multiplier in the determination of Fiscal Policy?
 - What is a Finance Commission? How many Finance Commissions have we witnessed till date?
 - State two advantages of Public Utility Services.

Section – B

2. Answer any two from the following: 6x2=12
- Discuss the Net Present Value Criterion of Cost and Benefit Analysis.
 - What are the Direct and Indirect Benefits and Real Benefits of Cost and Benefit analysis? Explain them with appropriate examples.
 - Discuss some of the limitations of Cost and Benefit Analysis.
3. Answer any two from the following: 7x2=14
- What is a Good Budget? What are the techniques of Budgeting in Booms and Depression? 4+3
 - What is the mechanism of a Zero-Based Budget? How far is ZBB successful in India.
 - Distinguish between Performance and Program Budget. 4+3
4. Answer any two from the following: 7x2=14
- Describe the main objectives of Fiscal Policies for a Developed Country.
 - How is Pump-Priming beneficial to give a boost to the economy during a major slowdown?
 - With a proper diagram explain how Deficit Financing can fight depression in an Underdeveloped Economy.
5. Answer any two from the following: 7x2=14
- Explain the causes of Parallel Economy in India. How does it affect the moral fiber of the society? 4+3
 - What are Public Utility Services? What are its characteristics? 2+5
 - Write down the objectives and recommendations of the 14th Finance Commission of India.