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(CBCS)

(5th Semester)

ECONOMICS

SIXTH PAPER

(Public Finance)

Full Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

(SECTION : A—OBJECTIVE)

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. "Public finance is concerned with the income and expenditure of public authorities and with the adjustment of one to the other." This statement is given by

- (a) Hugh Dalton ()
- (b) Bastable ()
- (c) Findlay Shirras ()
- (d) Cohn and Phleh ()

2. Private goods are

- (a) acceptable ()
- (b) exceptional ()
- (c) excludable ()
- (d) exotic ()

- 3.** During inflation, public expenditure should be
- (a) increased ()
 - (b) reduced ()
 - (c) diverted towards social welfare ()
 - (d) remain constant ()
- 4.** The largest item of public expenditure in India is
- (a) interest payment ()
 - (b) defence expenditure ()
 - (c) subsidy ()
 - (d) expenditure on public administration ()
- 5.** Which one of the following taxes is being levied by State Government only?
- (a) Corporation tax ()
 - (b) Income tax ()
 - (c) Wealth tax ()
 - (d) Entertainment tax ()
- 6.** Which one of the following is the largest source of revenue for the Government of India?
- (a) The Central Goods and Services Tax (CGST) ()
 - (b) The State Goods and Services Tax (SGST) ()
 - (c) The Union Territory Goods and Services Tax (UTGST) ()
 - (d) The Integrated Goods and Services Tax (IGST) ()
- 7.** The burden of a long-term debt is on
- (a) present generation ()
 - (b) past generation ()
 - (c) future generation ()
 - (d) None of the above ()
- 8.** The debt which the government promises to pay-off at a specified date is called
- (a) irredeemable debt ()
 - (b) funded debt ()
 - (c) redeemable debt ()
 - (d) unfunded debt ()

9. The 15th Finance Commission has recommended that the States be given ____ percent of the divisible pool of the Centre during the period 2021–2022 to 2025–2026.
- (a) 32 ()
(b) 36 ()
(c) 42 ()
(d) 44 ()
10. Money Bill is contained in which of the following Articles of the Indian Constitution?
- (a) 110 ()
(b) 112 ()
(c) 212 ()
(d) 225 ()

(SECTION : B—SHORT ANSWER)

(Marks : 15)

Write short notes on the following :

3×5=15

UNIT—I

1. Public goods

OR

2. Private finance

UNIT—II

3. Effects of public expenditure on consumption

OR

4. Canon of public expenditure

UNIT—III

5. Impact and incidence of taxation

OR

6. Taxable capacity

UNIT—IV

7. Sinking fund

OR

8. Internal and external debts

UNIT—V

9. Primary deficit

OR

10. Zero-based budgeting

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer the following :

10×5=50

UNIT—I

1. State and explain the principle of maximum social advantage. 10

OR

2. What is market failure? Discuss the measures that can be adopted by the government to correct market failure. 2+8=10

UNIT—II

3. Explain recent trends in public expenditure in India. Briefly discuss the causes of growth of public expenditure in developing countries. 5+5=10

OR

4. Explain the various classifications of public expenditure. 10

UNIT—III

5. Discuss the characteristics of a good tax system. 10

OR

6. Discuss the major trends in tax revenue of the Central and the State Governments in India. 10

UNIT—IV

7. Discuss the different sources of public borrowings in India. 10

OR

8. Critically examine the various methods of debt redemption. 10

UNIT—V

9. Discuss the various components of a budget. 10

OR

10. Discuss the process of preparation and passing of budget in India. 10
