

1058  
B.A./B.Sc.(Hons.)-6<sup>th</sup> Semester  
Economics  
Paper-VI: Public Finance

Time allowed: 3 Hours

Max. Marks: 90

**NOTE:** Attempt five questions in all, including Question No. 1 which is compulsory & selecting one question from each Unit.

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I. Write short notes on any nine of the following in about 25-30 words each: -

- (a) Principle of public finance.
- (b) Law of maximum social advantage
- (c) Public expenditure and innovation
- (d) Cost of service principle of taxation
- (e) Difference between excise duty and sales tax.
- (f) Tax shifting
- (g) Type of debt
- (h) Burden of debt
- (i) Debt management
- (j) Unbalanced budget
- (k) Fiscal federation and vertical equity
- (l) Development finance

(9×2)

**UNIT – I**

- II. Explain main difference between a public good and a private good in terms of provision and pricing. (18)
- III. Write a detailed note on effects of public expenditure on social overhead capital and innovation. (18)

**UNIT – II**

- IV. Critically analyse ability to pay theory of taxation. (18)
- V. Elaborate on the features of taxation in a developing economy. (18)

**UNIT – III**

- VI. What do you understand by burden of public debt? Suggest measures to manage the public debt. (18)
- VII. Show role of budget in redistribution of income and wealth. (18)

**UNIT – IV**

- VIII. Write a detailed note on principles of Federal Finance. (18)
- IX. Explain the process of mobilization of financial resources for planned development. (18)

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