

2072

B.A./B.Sc. (Hons.) Sixth Semester
Economics

Paper – VI: Public Finance

Time allowed: 3 Hours

Max. Marks: 90

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

x-x-x

I. Attempt any nine of the following in about 25-30 words each:-

- a) What is meant by intergenerational distribution of debt burden?
- b) If there are market failures and government failure, what is the alternative model?
- c) Give two examples each for negative and positive externalities?
- d) What is meant by tax buoyancy?
- e) What are major non tax revenue sources to the government?
- f) If total receipts Rs 1000 crores, total expenditure Rs 800 crores, total borrowings Rs 200 crores, calculate fiscal deficit?
- g) What is the impact of huge deficit in revenue budget, on capital expenditure?
- h) Define debt sustainability?
- i) If both rate of profit and rate of interest are constant. What is the impact of increase in corporation tax on further investment?
- j) Suggest the type of tax and expenditure systems each to reduce income inequalities?
- k) What is meant by tied aid and untied aid?
- l) During in an inflationary period, what is the impact of increase in indirect taxes?

(9x2)

UNIT - I

- II. Critically explain the theory of social goods? (18)
- III. Explain the effects of public expenditure? (18)

UNIT - II

- IV. Explain the psychological approach of taxation. (18)
- V. What are the factors determine taxable capacity in an economy? (18)

P.T.O.

(2)

UNIT - III

- VI. Explain different method of debt redemption? (18)
- VII. Explain the distributive role of budget in a developing country? (18)

UNIT - IV

- VIII. Briefly explain the principles of federal finance? (18)
- IX. Explain the sources of mobilization financial resources for plans? (18)

x-x-x