

2071
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 public goods?
 - b) What is meant by market failures?
 - c) What is meant by progressive taxation?
 - d) What is meant by forward shifting of tax burden?
 - e) Give four examples of direct taxes.
 - f) Give two examples of indirect taxes.
 - g) Give two examples of revenue expenditure.
 - h) Define debt management.
 - i) What is the difference between budget deficit and fiscal deficit?
 - j) What is meant by free rider problem?
 - k) Define regressive expenditure.
 - l) What is meant by deficit finance? What is the main problem from deficit finance?

(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 ability to pay theory of taxation. (18)
- V. What are the factors determine taxable capacity? (18)

UNIT - III

- VI. Explain different method of debt redemption. (18)

P.T.O.

(2)

- VII. Explain the 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