

Time- 2 1/2 hrs

Max Marks-70

This paper contains one printed page and three parts

PART A

I Answer any 10 of the following:

3X10=30

- 1) Describe three important aims of public economics.
- 2) Discuss two distinct characteristics of Pure Public goods.
- 3) Explain why externality (positive or negative) leads to market failure.
- 4) Discuss the difference between Direct and Indirect taxes.
- 5) Mention any three taxes that are imposed by Union (Central) Government.
- 6) Discuss how GST aims to avoid 'double taxation'.
- 7) Explain the concept of Primary deficit in the union budget.
- 8) Mention three effects responsible for increasing public expenditure as explained in Peacock- Wiseman hypothesis.
- 9) Explain the difference between Revenue and Capital expenditure in the Union budget.
- 10) Discuss three major functions of Finance Commission in India.
- 11) Discuss the concept of Tax Incidence.
- 12) Discuss three main features of a Progressive Taxation system.

PART B

II Answer any 2 of the following:

5X2=10

- 13) Explain with suitable illustrations the canons of public expenditure.
- 14) Describe Wagner's Law of Increasing State activities.
- 15) Discuss some of the important arguments in favour of balance budgeting.

PART C

III Answer any 2 of the following:

15X2=30

- 16) With suitable illustrations, discuss some of the major burden of public debt.
- 17) In the context of 'fiscal federalism', critically evaluate performance of finance commission in India.
- 18) Describe in detail how is the union budget prepared and presented in the parliament. Discuss how the various income expenditure as well deficits in the govt. budget are presented under different categories.