

Date:07-03-2022

Registration number:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU-27**

**B.A. ECONOMICS - V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

**(Examination conducted in March 2022)**

**ECA/ECA DE 5418 - Public Economics**

Time- 2 ½ hrs Max Marks-70

This question paper contains **ONE** printed page and Three parts

**Part A**

**Answer any 10 of the following 3X10=30**

1. Explain three differences between a private good and a public good
2. State the allocation and distribution function of a government
3. What is horizontal fiscal imbalance? State any two factors responsible for fiscal imbalances.
4. What is incidence and shifting of taxes?
5. What is a surplus budget?
6. What is Zero Budget? Mention 2 features.
7. State Peacock-Wiseman hypothesis.
8. What are the causes of increase in public expenditure?
9. What are club goods?
10. What are the different types of grants-in-aid?
11. Differentiate between Revenue and Capital Expenditure with example.
12. What is a sinking fund?

**Part B**

**Answer any 2 of the following: 5X2=10**

1. Write a short note on VAT.
2. Explain how fiscal deficit is calculated and explain the implications of a fiscal deficit on the Indian economy.
3. Explain 5 canons of taxation as developed by Bastable.

**Part C**

**Answer any 2 of the following: 15X2=30**

1. Differentiate between direct and indirect taxes. What are the merits and limitations of indirect taxes.
2. What are market failures? Explain the various situations under which the market fails.
3. What do you mean by redemption of public debt? Explain the ways in which public debt can be redeemed.

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