tal number of printed pages = 7

63/1(SEM-5) DSE1 ECOHE5016

2024

ECONOMICS

Paper : ECOHE5016

(Public Finance)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

The figures in the margin indicate full marks for the questions.

1. Choose the correct answers ***(any six)*** : 1×6=6

(a) Revenue receipts include-

(i) grants.

(ii) tax and non tax revenues.

(iii) subsidies.

(iv) Interest payment.

Contd.

(b) Which of the following taxes is not a direct tax?

- (i) Wealth tax.
- (ii) Income tax.
- (iii) Expenditure tax.
- (iv) Customes duty.

(c) Maximum social advantage is achived when-

- (i) MSS>MSB
- (ii) MSB=negative
- (iii) MSB=zero
- (iv) MSS=MSB

(d) Indirect taxes are

- (i) Evadable
- (ii) Avoidable
- (iii) Unavoidable
- (iv) None of the above

(e) According to ......," Public Finance is concerned with income and expenditure of public anthorities and with the adjustment of one to the other"

- (i) Huge Dalton
- (ii) Musgrave
- (iii) Adam Smith
- (iv) Samuelson

(f) Externality is

- (i) Always negative
- (ii) Always positive
- (iii) Can be positive or negative
- (iv) Neither positive or negative

(g) The Coase Theorem is dealt with

- (i) propery rights
- (ii) global warming
- (iii) private goods
- (iv) None of the above

(h) ......are non-excludable and non rivalrous.

- (i) Private goods
- (ii) Consumar goods
- (iii) Capital goods
- (iv) Public goods

(i) A good taxation system should be used to -

(i) finance public service

(ii) follow higher taxation

(iii) no taxation

(iv) finance private service

(j) Impact of tax is the ....of tax

(i) final burden

(ii) initial burden

(iii) official effect

(iv) unofficial effect

2. Answers the following questions: ***(any five)*** 2×5=10

(a) Write any two characteristics of a good tax system.

(b) What is the deficit financing?

(c) Write two merits of direct tax.

(d) What do you mean by incidence of a tax?

(e) What is meant by Coase theorem?

(f) Deline merit goods with an example.

(g) Whaat is compensatory budget?

3. Answers the following questions: ***(any six)*** 5×6=30

(a) Distinguish between direct tax and indirect tax.

(b) Distinguish between public finance and private finance.

(c) Explain the role of public debt in a developing country like India.

(d) What do you understand by the externalities? How the externalities affect allocation of resources and production of public goods.

(e) Discuss the main fiscal functions.

(f) Explain the components of a government budget.

(h) Explain the cannon of taxation given by Adam Smith.

(i) Distinguish between internal and external public debt.

(j) Distinguish between tax buoyancy and tax elastiaity.

4. Answers the following questions: ***(any two)*** $10\times2=20$

   (a) What is public finance? Explain the nature and scope of public finance. $2+8=10$

   (b) Write a short note on property right. Distinguish between progressive and proportional taxation. $5+5=10$

   (c) Discuss the forward and backword shifting of a tax. Explain how burden of a tax. $4+6=10$

   (d) Discuss the objective of fiscal policy. Explain the ability to pay principle of taxation. $5+5=10$

5. Answers the following questions: ***(any one)*** 14

   (a) What is federal finance? Explain the various principles of federal finance. $3+11$

   (b) What do you understand by the private goods and public goods ? Explain the problem of free rider in the context of public goods. $6+8$

   (c) Explain critically the principle of Maximum social advantage. Bring out the various factors responsible for groth public debt. $7+7=14$
