

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2018  
(Fifth Semester)

Branch – ECONOMICS

FISCAL ECONOMICS

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 2 = 20)

- 1 The term Fiscal is derived from an Old \_\_\_\_\_ word.
- 2 Obtaining maximum satisfaction with minimum resources is the principle of \_\_\_\_\_.
- 3 A \_\_\_\_\_ is a payment for the service rendered by the state.
- 4 In the case of direct tax, the burden of tax \_\_\_\_\_ be shifted.
- 5 Consumption Expenditures are called as \_\_\_\_\_ Expenditures.
- 6 The Estimates Committee System was introduced in the year \_\_\_\_\_.
- 7 \_\_\_\_\_ Debts refers to loans floated within the country.
- 8 The \_\_\_\_\_ is a fiscal plan by which expenditure may be balanced against income.
- 9 According to \_\_\_\_\_ method, the principal tax is levied by the Central Government and the supplementary tax is levied by the State Government.
- 10 \_\_\_\_\_ was the chairman of the 13<sup>th</sup> Finance Commission.

SECTION - B (25 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 5 = 25)

- 11 a Explain the principle of maximum social advantage.  
OR  
b List the differences between Public Finance and Private Finance.
- 12 a State the canons of taxation.  
OR  
b Explain the effect of taxation on distribution.
- 13 a Write a short note on the effects of Public expenditure.  
OR  
b What are the functions of Public Accounts Committee?
- 14 a Redemption of Public Debt – Explain.  
OR  
b List the objectives of Fiscal Policy.
- 15 a Briefly explain the causes for imbalances in the allocation of financial resources.  
OR  
b What are the various resources of Local Governments?

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks (3 x 10 = 30)

- 16 Discuss the scope of Fiscal Economics.
- 17 Examine the merits and demerits of Indirect Taxes.
- 18 Discuss the various causes for the growth of Public Expenditure.
- 19 Explain the reasons for the growth of Public Debt in India.
- 20 Critically examine the recommendations of the 14<sup>th</sup> Finance Committee.