

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BA DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)

Branch – ECONOMICS
FISCAL ECONOMICS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	The principle of Maximum Social Advantage was propounded by a) Adam Smith b) Dalton c) Keynes d) Marshall	K1	CO1
	2	Public Finance differs from Private Finance mainly in its a) Profit motive b) Social welfare motive c) Source of funds d) Accounting system	K2	CO1
2	3	GST in India is a form of a) Direct Tax b) Non-Tax Revenue c) Indirect Tax d) Income Tax	K1	CO2
	4	Which is NOT a canon of taxation? a) Canon of Equity b) Canon of Certainty c) Canon of Convenience d) Canon of Labour	K2	CO2
3	5	The Estimates Committee in India examines a) Public debt b) Proposed expenditure c) Tax incidence d) Finance Commission	K1	CO3
	6	Which is a cause for the growth of public expenditure? a) Population decline b) Increased government activities c) Reduced welfare spending d) Decrease in national income	K2	CO3
4	7	Redemption of public debt means a) Increasing public debt b) Borrowing more from public c) Repayment of borrowed funds d) Writing off bad debts	K1	CO4
	8	The term "Fiscal Policy" refers to a) Government's trade policy b) Government's taxation and expenditure policy c) Monetary policy of the central bank d) Public sector employment policy	K2	CO4
5	9	Which body recommends the sharing of taxes between the Centre and States? a) Planning Commission b) NITI Aayog c) Finance Commission d) Reserve Bank of India	K1	CO5
	10	Imbalance in allocation of financial resources between Centre and States is called a) Fiscal Equalization b) Vertical Imbalance c) Horizontal Growth d) Tax Burden	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Apply the principle of maximum social advantage as propounded by Dalton.	K3	CO1
	(OR)			
	11.b.	Compare public finance and private finance.		
2	12.a.	Identify the characteristics of a good tax.	K3	CO2
	(OR)			
	12.b.	Distinguish between direct and indirect taxes with examples.		
3	13.a.	Examine the canons of public expenditure.	K4	CO3
	(OR)			
	13.b.	Analyse the main causes for the growth of public expenditure in India?		
4	14.a.	Define public debt and mention its main sources.	K4	CO4
	(OR)			
	14.b.	Examine the steps involved in preparation and passing of the Union Budget in India.		
5	15.a.	Explain the principles of federal finance?	K5	CO5
	(OR)			
	15.b.	Asses the report of the three latest finance commission in india.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Examine the importance of Fiscal economics.	K4	CO1
2	17	Analyse the main sources of public revenue?	K4	CO2
3	18	Explain main reasons for the growth of public expenditure in India.	K5	CO3
4	19	Explain the different types of public debt?	K5	CO4
5	20	Discuss the functions of finance commission.	K6	CO5

Z-Z-Z END