22ECU514N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 2026
(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	Which is NOT an instrument of public finance? a) Taxation b) Public Expenditure c) Investment in shares d) Public Debt	K1	CO1
	2	According to Dalton, the test of maximum social advantage is attained when. a) Marginal Social Sacrifice is equal to Marginal Social Benefit b) Total Sacrifice is equal to Total Benefit c) Average Sacrifice is less than Average Benefit d) Marginal Cost is zero	K2	CO1
2	3	Excise duty is a a) Direct tax b) Indirect tax c) Service tax d) Income tax	K1	CO2
	4	Which of the following is a direct tax? a) GST b) Excise duty c) Income tax d) Customs duty	K2	CO2
3	5	Canons of public expenditure are related to a) Tax collection b) Government Spending c) Public borrowing d) Budget deficit	K1	CO3
	6	Among the following, which cause leads to growth in public expenditure in India? a) Increasing population b) Decreasing income c) Rise in exports d) Low interest rates	K2	CO3
4	7	Which of the following is a source of public debt? a) Printing currency b) Issuing government bonds c) Collecting tolls d) Reducing taxes	K1	CO4
	8	If India wants to improve fiscal health, which budgetary reform should be prioritized? a) Delay budget presentation b) Enhance budget transparency and accuracy c) Increase hidden expenditure d) Reduce resource allocation to sectors	K2	CO4
5	9	Which body recommends the principles for sharing tax revenue between Centre and States in India? a) NITI Ayog b) Planning Commission c) Finance Commission d) Reserve Bank of India	K1	CO5
	10	The Finance Commission of India is constituted under which Article of the Constitution? a) Article 370 b) Article 280 c) Article 368 d) Article 352	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.	Define fiscal economics and explain its scope.	K1	CO1
		(OR)		
	11.b.	Compare public finance and private finance.	K2	
2	12.a.	What are the characteristics of a good tax.	K1	CO2
		(OR)		
	12.b.	Classify the types of taxes and explain with examples.	K2	
3	13.a.	Classify the canons of public expenditure.	K4	CO3
		(OR)		
	13.b.	Examine the effects of public expenditure on the economy.		
4	14.a.	Apply the preparation of the budget in India.	K3	CO4
		(OR)		
	14.b.	List out the objectives of fiscal policy.	K4	
5	15.a.	Analyze the causes of imbalance in the allocation of financial resources in India.	K4	CO5
		(OR)		
	15.b.	Evaluate the report of the three latest finance commission.		

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	Summarize the importance of fiscal economics.	K2	CO1
2	17	Explain the features and performance of GST.	K2	CO2
3	18	Identify the causes for growth of public expenditure.	K3	CO3
4	19	Analyze the methods of Fiscal policy.	K4	CO4
5	20	Explain the role of central and State FRBMs.	K5	CO5

Z-Z-Z END