

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)  
MA DEGREE EXAMINATION DECEMBER 2022  
(Third Semester)

Branch – ECONOMICS

PUBLIC ECONOMICS

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. The concept of externality was first developed by economist  
(i) Pareto (ii) Richard Lipsey  
(iii) Kelvin Lancaster (iv) Arthur Pigou
2. Which of the following is a measure of fiscal policy?  
(i) Public expenditure (ii) Cash reserve ratio  
(iii) S.L.R. (iv) Bank rate
3. Goods and service tax introduced in India in the year  
(i) July 2000 (ii) July 2017  
(iii) July 2018 (iv) July 2015
4. When expenditure exceeds total tax revenue, it is called:  
(i) Surplus budget (ii) Balanced budget  
(iii) Deficit budget (iv) None of these
5. The First Finance Commission was appointed in the year:  
(i) 1952 (ii) 1950 (iii) 1951 (iv) 1949

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

6. a. Differentiate between private goods and public goods.  
OR  
b. Demonstrate the concept of externality in economics.
7. a. What do understand by Peacock Wiseman hypothesis of public expenditure.  
OR  
b. Explain the Colin Clark's hypothesis of public expenditure.
8. a. Describe the various sources of public revenue.  
OR  
b. Explain the concepts impact, incidence and shifting of a tax and factors influencing the shift.
9. a. Mention the various classification of public debt. July 2018.  
OR  
b. Outline the objectives of fiscal policy.
10. a. List out various components of fiscal federalism.  
OR  
b. Discuss the role and functions of local government India.

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**SECTION -C (30 Marks)**

Answer ALL questions  
ALL questions carry EQUAL Marks (5 x 6 = 30)

11. a. Elucidate the Pareto optimality condition of social welfare.  
OR  
b. Justify the implications of theory of second best in welfare economics.
12. a. Critically examine Wagner's law of increasing state activities.  
OR  
b. Analyze critically the social cost-benefit analysis.
13. a. Enumerate the effects of taxation on production and distribution.  
OR  
b. Evaluate the salient features and benefits of goods and service tax in India.
14. a. Exhibit the various methods of debt redemption.  
OR  
b. Discuss the role of fiscal policy to stabilize the economy.
15. a. Review the vertical and horizontal imbalance in fiscal federalism in India.  
OR  
b. Appraise the centre-state financial relations in India.

Z-Z-Z

END