

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2022
(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 x 1 = 10)

1. The main feature of public finance is _____.
 - (i) Expenditure for direct benefit
 - (ii) Balance in demand and supply
 - (iii) Mobilization of resources according to expenditure
 - (iv) Expenditure in accordance with income
2. Social advantage is maximum when
 - (i) Total social benefits are equal to total social sacrifice
 - (ii) Marginal social benefits are equal to marginal social sacrifice
 - (iii) Total social benefits are equal to marginal social sacrifice
 - (iv) Marginal social benefit minus marginal social sacrifice
3. Under which type of tax the rate goes on increasing with the increasing in income?
 - (i) Progressive
 - (ii) Regressive
 - (iii) Proportional
 - (iv) Direct
4. Taxation will have favourable effect on _____.
 - (i) Increase in employment
 - (ii) Ability to work and save
 - (iii) Desire to work and save
 - (iv) Reducing inequality in distribution
5. Who classified public expenditure on the basis of functions?
 - (i) Dalton
 - (ii) Adam Smith
 - (iii) J.S. Mill
 - (iv) Marshall
6. The controlling authority of Government expenditure is:
 - (i) Finance Commission
 - (ii) RBI
 - (iii) Planning Commission
 - (iv) Ministry of Finance
7. Which of the following factors contribute to public debt of a country?
 - (i) Inefficiencies of public organisations and corruption
 - (ii) Urge for economic growth
 - (iii) To undertake public welfare
 - (iv) All of these
8. Gender budgeting started in India with the Union budget of:
 - (i) 1991-92
 - (ii) 2001-02
 - (iii) 2005-06
 - (iv) 2010-11
9. Agricultural income tax is a source of revenue to
 - (i) State Government
 - (ii) Central Government
 - (iii) Local Administration
 - (iv) Centre and State Governments
10. In the following which one is the Federal State?
 - (i) Japan
 - (ii) France
 - (iii) Germany
 - (iv) India

Cont...

SECTION - B (25 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 5 = 25)

- 11 a) Explain the Scope of Public Finance.
OR
b) Bring out the Economic tests of maximum social advantage.
- 12 a) Organize the Source of Public Revenue.
OR
b) Outline the Canons of taxation.
- 13 a) State the Canons of Public Expenditure.
OR
b) Compare the Developmental and Non-Developmental Expenditures.
- 14 a) Describe the Objectives of Public Debt.
OR
b) Summarise the Objectives of Fiscal Policy.
- 15 a) Explain the causes of imbalance in the allocation of financial resources between the centre and states.
OR
b) Sketch the Report of the three latest finance commissions of India.

SECTION -C (40 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks (5 x 8 = 40)

- 16 a) Examine the Importance of Public Finance.
OR
b) Distinguish between the Public Finance and Private Finance.
- 17 a) Analyse the Characteristics of a good tax system.
OR
b) Discuss the economic effects of taxation.
- 18 a) Highlight the Causes for the growth of Public Expenditure.
OR
b) Categorize the economic effects of Public Expenditure.
- 19 a) Elucidate the Methods of Redemption of Public Debt.
OR
b) Discuss the Classification of Budget.
- 20 a) Trace the Principles of Federal Finance.
OR
b) Analyse the Local governmental powers, resources and administration.