

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 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. In the Budget the most expensive head under public revenue is
a) Defense b) Interest Payment c) Subsidies d) Social services
2. Progressive Public expenditure is
a) Expenditure on capital goods b) Repayment of public goods
c) Expenditure that benefits rich d) Expenditure that benefits poor
3. Methods of payment of public debt is
a) Conversion b) Sinking Fund c) Funded Debt d) All the above
4. Redemption of Public debt means.
a) Repayment of public debt b) Refusal to pay debt
c) Redefining of public debt d) Linking debt with inflation
5. The external borrowings of the government of India includes borrowing from
a) Foreign Government b) International Organization
c) Market borrowing d) ALL of These
6. Budget is the main instrument of
a) Fiscal Policy b) Monetary policy c) Economic policy d) Export policy
7. In the federal finance subsidy means.
a) Development grant b) Unconditional grant
c) Stipulated grant d) Welfare grant
8. The First Finance Commission was appointed under the chairmanship of
a) K.C.Neogy b) A.K.Chanda c) K.Santhanam d) P.V.Rajamannar
9. Federal Finance deals with
a) State Finance b) Finances of railways
c) Local bodies d) Centre and state financial relations
10. Local bodies can impose tax on
a) Income b) Sales c) House d) Wealth

SECTION - B (25 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 5 = 25)

11. a) Write the scope of public Economics.
OR
b) Explain Musgrave's view on principle of maximum social advantage.
12. a) Point out the objectives of Taxation.
OR
b) Write a note on GST in India.

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13. a) Explain effect of public expenditure on production.
OR
b) Describe the manner of control of public expenditure in India.
14. a) outline the need for reform in budgeting reform.
OR
b) Mention the objectives of Fiscal policy.
15. a) State the role of finance commissions in India.
OR
b) Trace the causes for federal imbalance.

SECTION -C (40 Marks)

Answer ALL questions

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

16. a) Describe the instruments of public Finance.
OR
b) Public finance must be based on principle of Maximum social advantage-Discuss.
17. a) Examine the effects of Taxation.
OR
b) Discuss the impact of GST in the growth of Indian Economy.
18. a) Trace the effects of Public expenditure on employment.
OR
b) Mention the various classifications of public expenditure.
19. a) Point out the procedures followed in the preparation of Budget
OR
b) Find the ways to redemption of public debt.
20. a) Examine the principles of Federal finance.
OR
b) Discuss the powers revenue sources of local bodies in India.

Z-Z-Z

END