

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2019  
(Fifth Semester)

Branch - **ECONOMICS**

**FISCAL ECONOMICS**

Time : Three Hours

Maximum : 75 Marks

**SECTION-A (20 Marks!)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 2 = 20)

Define following

- 1 Public finance.
- 2 Social cost.
- 3 GST.
- 4 Direct tax.
- 5 Non-Developmental Expenditure.
- 6 Productive Expenditure.
- 7 Redeemable debt.
- 8 Internal debt.
- 9 Federal finance.
- 10 Tax sharing.

**SECTION - B (25 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Describe the scope of fiscal economics.  
OR  
b Point out the instruments of public finance.
- 12 a Describe the canons of taxation.  
OR  
b Point out the meaning and features of value added tax(VAT).
- 13 a Mention Dalton's classification of public expenditure.  
OR  
b List out the principles of financial administration.
- 14 a Outline the budgetary procedure briefly.  
OR  
b Point out the objectives of Fiscal policy.
- 15 a Discuss the recommendations of the thirteenth financial commission.  
OR  
b What is the basis for allocation of financial resources to the states?

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Explain the principle of maximum social advantage.
- 17 Describe the effects of taxation.
- 18 Outline the causes for growth of public expenditure in India.
- 19 Write a note on redemption of public debt.
- 20 Explain the principles of local finance.