

Eco

[Time: 3 Hours]

[Total Marks: 100]

Note:

1. All questions are compulsory.
2. All questions carry equal marks.
3. Use of simple calculator is allowed.
4. Draw neat diagrams wherever necessary.

- Q.1 A. Explain the following concepts: (Any FIVE) 10
- | | |
|-----------------------------|------------------------------|
| i. Financial Administration | ii. Public goods |
| iii. Progressive tax rate | iv. Impact of tax |
| v. Revenue Expenditures | vi. Productive Debt |
| vii Unbalanced Budget | viii Fiscal Decentralization |
- b. Choose the right answer from the given options and rewrite the statements: 10
- i. The term functional finance was introduced by _____.
- | | |
|---------------------|----------------|
| a. J.M. Keynes | b. A.P. Lerner |
| c. Richard Musgrave | d. Hugh Dalton |
- ii. The difference between Marginal Social Sacrifice and Marginal Social Benefit measures _____.
- | | |
|---------------------------|------------------------------|
| a. Total Social Advantage | b. Average Social Benefit |
| c. Net Social Advantage | d. Marginal Social Advantage |
- iii. _____ advocates multi-tax system.
- | | |
|-------------------------|--------------------------|
| a. Canon of diversity | b. Canon of productivity |
| c. Canon of convenience | d. Canon of equity |
- iv. The burden of a _____ tax imposed on a monopolist may be shifted.
- | | |
|------------|-------------|
| a. Lumpsum | b. Specific |
| c. Profit | d. Export |
- v. During depression taxes are _____.
- | | |
|-------------------|------------------------------------|
| a. kept unchanged | b. raised |
| c. lowered | d. either raised or kept unchanged |
- vi. Government expenditure on interest payment is an example of _____.
- | | |
|---------------------------|-----------------------------|
| a. productive expenditure | b. capital expenditure |
| c. security expenditure | d. unproductive expenditure |
- vii. _____ programme aims at financial inclusion.
- | | |
|-----------------------------------|--------------------------|
| a. Pradhan Mantri Jan Dhan Yojana | b. Atal Pension Yojana |
| c. MNREGA | d. Public Provident Fund |

003

viii. _____ is the appropriate budget policy during recession.

- a. Surplus budget
- b. Deficit budget
- c. Balanced budget
- d. Neutral budget

ix. Primary deficit is obtained by deducting interest payment from _____.

- a. Budgetary deficit
- b. Revenue deficit
- c. Fiscal deficit
- d. Monetised deficit

x. Finance Commission is appointed every _____.

- a. Two years
- b. Seven years
- c. Ten years
- d. Five years

Q.2. Answer any TWO of the following: 20

- a. Explain the meaning and functions of Public Finance.
- b. Explain Dalton's Principle of Maximum Social Advantage with assumptions and diagrams.
- c. Discuss the role of government in correcting market failure and improving economic efficiency.

Q.3. Answer any TWO of the following: 20

- a. Explain the various sources of tax and non-tax revenue of the government.
- b. Explain with diagrams the process of shifting and incidence of tax with respect to different elasticities of supply.
- c. Analyze the economic effects of taxation on income and wealth, consumption, savings, investment and production.

Q.4. Answer any TWO of the following: 20

- a. Discuss the causes for the growth of public expenditure.
- b. Explain the canons of public expenditure.
- c. Explain the burden of internal and external public debt.

Q.5. Answer any TWO of the following: 20

- a. Explain the features of sound finance.
- b. Explain the constituents and limitations of Fiscal Policy.
- c. Discuss in brief the FRBM Act, 2003 and bring out its limitations.