

(6 pages)

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B.A. (CBCS) DEGREE EXAMINATION, APRIL 2021.

Sixth Semester

Economics — Main

PUBLIC FINANCE — II

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Public goods are
 - (a) provided by Government
 - (b) jointly consumed
 - (c) equally available
 - (d) all of these

2. The term merit goods was first introduced by
- (a) Musgrave (b) Dalton
- (c) Findly shirrs (d) Adam Smith
3. If expenditure exceeds revenue, then the budget is called as _____ budget.
- (a) surplus (b) deficit
- (c) balanced (d) government
4. Who is called as the father of Zero Base Budget?
- (a) Keynes (b) Findley Shirrs
- (c) Peter Pyhrr (d) Goel
5. The policy of the Government with regard to it's revenue and expenditure is called _____.
- (a) monetary policy (b) fiscal policy
- (c) income policy (d) wage policy
6. Which of the following is an instrument of fiscal policy?
- (a) Bank rate (b) Interest rate
- (c) Taxation (d) Capital reserve

7. Panchayat Union is established at _____ level.
- (a) national (b) village
- (c) district (d) block
8. Local bodies impose tax on _____.
- (a) income (b) sales
- (c) wealth (d) house
9. Under which Article of the Constitution of India, the Finance Commission was established?
- (a) Article 280 (b) Article 260
- (c) Article 270 (d) Article 250
10. Who is the Chairman of 14th Finance Commission?
- (a) Y.V. Reddy (b) Vijay Kelkar
- (c) Bhargava (d) Santhanam

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b) in about 250 words.

11. (a) Differentiate merit goods and social goods.

Or

- (b) State the features of public goods.

12. (a) Narrate the objectives of budget.

Or

- (b) What are the limitations of Zero Based Budget?

13. (a) Bring out the limitations of fiscal policy.

Or

- (b) Write a note on functional finance.

14. (a) Explain the revenue sources of Village Panchayats.

Or

- (b) State the defects of Indian Local Finance.

15. (a) Write a note on Finance Commission.

Or

- (b) Why are Finance Commissions appointed?

PART C — ($5 \times 8 = 40$ marks)

Answer ALL questions, choosing either (a) or (b) in
about 600 words.

16. (a) Explain the short comings of market economy.

Or

- (b) Differentiate public goods and private goods.

17. (a) Explain the budgetary procedure followed in India.

Or

- (b) Analyse the importance of budget.

18. (a) Explain the objectives fiscal policy.

Or

- (b) Examine the tools of fiscal policy.

19. (a) Explain the differences between local finance and national finance.

Or

- (b) Discuss the main functions of local bodies.

20. (a) Elaborate the powers of Finance Commission.

Or

- (b) Elucidate the major recommendations of 13th Finance Commission.
