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

Fifth Semester

Economics — Main

PUBLIC FINANCE— I

(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. The subject matter of public finance is
 - (a) Public revenue
 - (b) Planning
 - (c) Execution of plans
 - (d) All the above

2. Modern state is a
- (a) Policeman state (b) Welfare state
- (c) Both (a) and (b) (d) None
3. Hicks classified public expenditure into _____ kinds.
- (a) Three (b) Four
- (c) Five (d) Two
4. Who has classified public expenditure on the basis revenue?
- (a) Cohn (b) Plehn
- (c) Nicholson (d) J.S. Mill
5. Which of the following is a non-tax revenue ?
- (a) Customs duty (b) Fines
- (c) Wealth tax (d) Income tax
6. Which tax brings more revenue to the Central Government?
- (a) Income tax (b) Service tax
- (c) Commodities tax (d) Corporation tax

7. Income tax is levied by
- (a) Central government
 - (b) State government
 - (c) Local bodies
 - (d) All
8. Which of the following is an indirect tax?
- (a) Income tax (b) Sales tax
 - (c) Wealth tax (d) None
9. The credit instrument used by the government to borrow from public is
- (a) Bonds
 - (b) Treasury bills
 - (c) Shares
 - (d) Both (a) and (b)
10. _____ debt is also known as dead-weight debt.
- (a) Productive (b) Unproductive
 - (c) Forced (d) Voluntary

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) What are the similarities between public finance and private finance?

Or

- (b) State the importance of public finance.

12. (a) Explain about development and non-development expenditures.

Or

- (b) What are the differences between public expenditure and private expenditure?

13. (a) Mention the features of a tax.

Or

- (b) What are the objectives of taxation?

14. (a) List out the merits of indirect tax.

Or

- (b) Give the arguments in favour of progressive taxation.

15. (a) Bring out the objectives of public debt.

Or

- (b) What are the internal sources of public debt?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) Examine the role of public finance in a developing economy.

Or

- (b) Describe the scope of public finance.

17. (a) Elucidate the reasons for an increase in public expenditure in India.

Or

- (b) Explain the effects of public expenditure.

18. (a) Describe the sources of non-tax revenue of the government.

Or

- (b) Examine the trends in revenue of central government of India.

19. (a) Explain the canons of taxation.

Or

(b) What is GST? Describe its nature and advantage.

20. (a) Classify public debt.

Or

(b) Describe the effects of public debt.
