

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600 086
(For Candidates admitted during the academic year 2019 – 2020 and thereafter)

B.A. DEGREE EXAMINATION NOVEMBER 2024
BRANCH IV – ECONOMICS
FIFTH SEMESTER

COURSE : MAJOR – CORE
PAPER : PUBLIC FINANCE
SUBJECT CODE: 19EC/MC/PF54
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

ANSWER ANY TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS
(10x2=20)

1. What is Public Finance?
2. What are Club Goods? Give examples.
3. Define Pareto Optimality.
4. Why is the theory of second best important in economic policy?
5. What is marginal cost pricing in the context of the public sector?
6. State the Principles of Public Expenditure.
7. What is the Wagner's Law of the growth of public expenditure?
8. What are the major factors influencing the growth of public expenditure in India?
9. How is the Principle of Maximum Social Advantage applied in Public Finance?
10. Define Taxable Capacity.
11. What is tax shifting? How does it occur?
12. List any two ways by which the Goods and Services Tax (GST) has impacted the Indian tax system?

SECTION – B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400
WORDS: (5x8=40)

13. How does the Keynesian theory expand the scope of public finance?
14. Compare the merits and demerits of private and public goods.
15. How does Pareto Optimality apply to public goods?
16. How does the prevalence of market failure justify government intervention?
17. What are the major challenges faced by the Indian Public Sector today?
18. What are Collin Clark's views on the growth of public expenditure?
19. What is the Benefit Principle of taxation, and how does it differ from the Cost of Service Theory?
20. How do taxes on goods and services affect consumers and producers differently?

SECTION – C

ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1000
WORDS: (2x20=40)

21. Discuss the main theoretical arguments for the existence of public sector.
22. Explain the role of public sector in social welfare and development in India.
23. How does the Wiseman-Peacock Hypothesis explain the persistence of high levels of public expenditure?
24. Analyse the merits and demerits of different types of direct and indirect taxes in India.
