

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600 086
(For Candidates admitted during the academic year 2023-2024 and thereafter)

M.A. DEGREE EXAMINATION NOVEMBER 2024
BRANCH III – ECONOMICS
THIRD SEMESTER

COURSE : CORE
PAPER : PUBLIC ECONOMICS
SUBJECT CODE: 23EC/PC/PE34
TIME : 3 HOURS

MAX.MARKS: 100

Q. No.	SECTION A PART - A (2 x 5 =10 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 150 WORDS EACH	CO	KL
1	What is Pareto Optimality and how is it related to Pareto efficiency?	1	K1
2	How do positive externalities lead to market failure?	1	K1
3	Classify the different types of taxes in India with the help of a flow chart	1	K1
	PART - B (2 x 5 = 10 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 150 WORDS		
4	Compare public goods and private goods.	2	K2
5	Bring out the role of public sector in India	2	K2
6	Explain how Condorcet Winner is determined?	2	K2
	SECTION B PART - A (2 x 8 =16 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 400 WORDS	CO	KL
7	Identify the basic concerns of a public household.	3	K3
8	Are the characteristics of the Lindahl equilibrium for cooperative supply of a pure public good Pareto optimal?	3	K3
9	Interpret the strengths and weaknesses of the ability to pay approach	3	K3
	PART - B (2 x 8 = 16 marks) ANSWER TWO OUT OF THREE QUESTIONS IN 400 WORDS		

10	Assess how Samuelson's model balances societal preferences with efficient resource allocation.	4	K4
11	Demonstrate how Pareto optimality applies to real world situations and describe the challenges in achieving Pareto efficiency in complex market environments.	4	K4
12	Explain the impact of tax incidence on factor markets.	4	K4
	SECTION C PART - A (2 x 12 = 24 marks) ANSWER TWO OUT OF FOUR IN 700 WORDS	CO	KL
13	Demonstrate the relationship between tax evasion and the Laffer Curve	5	K5
14	Evaluate the allocation of social goods through government budget with respect to equity, efficiency and the trade offs involved in public expenditure decisions.	5	K5
15	Critically evaluate Bowen's model.	5	K5
16	Rent seeking creates value in a market situation but destroys value in a political setting. Justify.	5	K5
	PART - B (2 x 12 = 24 marks) ANSWER TWO OUT OF FOUR IN 700 WORDS	CO	KL
17	Evaluate the effectiveness of the policy instruments in correcting externalities and suggest policy measures by which government can make its policy more efficient and effective.	5	K6
18	How do public utilities set prices for essential goods. In your opinion do regulatory bodies play an important role in public sector pricing?	5	K6
19	Discuss how the various theories of distributive justice address economic inequalities and promote social justice in contemporary societies.	5	K6
20	Examine the recent developments in India's tax structure and suggest policy measures to improve its effectiveness	5	K6
