

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086
(For candidates admitted from the academic year 2023 – 2024 & thereafter)

B. A. DEGREE EXAMINATION, APRIL 2026
BRANCH IV - ECONOMICS
FOURTH SEMESTER

COURSE : MAJOR CORE
PAPER : PUBLIC FINANCE
SUBJECT CODE: 23EC/MC/PF44
TIME : 3 HOURS

MAX. MARKS: 100

Q. No.	SECTION A	CO	KL
	Part A (10 x 2 = 20)		
	ANSWER ALL QUESTIONS IN 50 WORDS EACH		
1	Define Public Finance.	1	K1
2	State the meaning of externalities.	1	K1
3	List any four sources of revenue for the Central Government.	1	K1
4	Define the term 'Tax Incidence'.	1	K1
5	State the Wagner's theory of public expenditure.	1	K1
6	Recall the concept of 'Displacement Effect' from the Wiseman-Peacock hypothesis.	1	K1
7	Define Public Debt.	1	K1
8	What is debt redemption?	1	K1
9	What is a Public Budget?	1	K1
10	State the meaning of deficit financing.	1	K1
	Part B (10 x 2 = 20)		
	ANSWER ANY TEN OUT OF TWELVE QUESTION IN 50 WORDS EACH		K2
11	Describe the scope of Public Finance.	2	K2
12	What are the characteristics of a public good?	2	K2
13	Distinguish between direct and indirect taxes.	2	K2
14	What is meant by the 'Ability to Pay' principle of taxation?	2	K2
15	Illustrate the concept of tax shifting.	2	K2
16	Summarize the classification of Public Expenditure.	2	K2
17	Describe the primary objectives of the Principle of Maximum Social Advantage.	2	K2
18	Describe the classification of public debt in India.	2	K2
19	Outline the various methods of public debt management.	2	K2
20	Which are the agencies involved in the budgetary process in India.	2	K2
21	What is Fiscal Policy?	2	K2
22	How does public debt affect the distribution of income in an economy?	2	K2

Q. No.	SECTION B Part A (4x5 = 20) ANSWER ANY FOUR OUT OF SIX QUESTIONS IN 250 WORDS EACH	CO	KL K3
23	Write a note on the performance of public sector in India.	3	K3
24	Demonstrate how the Benefit Principle is applied in the mobilisation of public revenue.	3	K3
25	Explain how a tax on a commodity is shifted forward or backward.	3	K3
26	Apply the principle of Maximum Social Advantage to determine the optimal level of public expenditure and taxation.	3	K3
27	Illustrate the management and redemption of public debt using recent trends in the Indian context.	3	K3
28	Analyse the factors responsible for persistent increase in public expenditure according to Wagner.	3	K3
	Part – B (4x5 = 20) ANSWER ANY FOUR OUT OF SIX QUESTIONS IN 250 WORDS EACH		K4
29	Analyse the differences between the Classical and Keynesian views on the scope of Public Finance.	4	K4
30	Discuss the characteristics of a good tax system.	4	K4
31	Peacock-wiseman hypothesis suggests that crises lead to permanent increases in government spending - Analyse.	4	K4
32	Assess the reasons for the growth of public debt in India during the recent years.	4	K4
33	Examine the process involved in the preparation and implementation of Budget in India.	4	K4
34	Assess Colin Clark's Critical-Limit Hypothesis in the context of modern economic systems.	4	K4
Q. No.	SECTION C (2x 10 =20) ANSWER ANY TWO OUT OF FOUR QUESTIONS IN ABOUT 600 WORDS EACH.	CO	KL K5
35	Evaluate the necessity of government intervention in the Indian public sector to rectify market failures and mitigate negative externalities.	5	K5
36	Critically appraise the effectiveness of the Indian taxation system based on the canons of taxation and its impact on revenue mobilisation.	5	K5
37	Compare and contrast Lindahl's Voluntary Exchange Model with Bowen's model of public expenditure.	5	K5
38	Evaluate the effectiveness of fiscal policy tools in achieving economic stability and growth in India.	5	K5