

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2004 – 2005 & thereafter)**  
**SUBJECT CODE: EC/MC/FE54**

**B.A. DEGREE EXAMINATION NOVEMBER 2007**  
**BRANCH IV – ECONOMICS**  
**FIFTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : FISCAL ECONOMICS - I**  
**TIME : 3 HOURS** **MAX.MARKS : 100**

**SECTION – A**

**ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:**  
**(10 X 3 = 30)**

1. What is Fiscal Economics?
2. What is a Grant?
3. Differentiate between a Merit and Non-Merit good.
4. Give the meaning of taxable capacity.
5. Define a public sector. How is it different from a private sector?
6. What are Optional and obligatory expenditures?
7. Define a Mixed Economy?
8. Give the meaning of an effective incidence of a tax?
9. What is an Escheat?
10. What is the meaning of Unearned Income?

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS:**  
**(5 X 6 = 30)**

11. Briefly explain the difference between the classical and the Keynesian view regarding the scope of Public finance
12. What are the factors affecting incidence of a tax?
13. Explain briefly the effects of public expenditure on distribution and stabilization in the economy?
14. What are the various defects of Indian Tax structure?
15. Explain the different sources of Public Revenue?
16. Bring out the drawbacks of Public Sector units.
17. What are the factors that determine the taxable capacity of an individual?

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS: (2 X 20 = 40)**

18. Critically evaluate the Indian Tax reforms with reference to Raja chelliah's Committee Report?
19. Explain the Ability to pay principle of public expenditure with the help of figures?
20. Bring out the important role of public sector in a Mixed Economy like India?
21. Examine the incidence of taxes under different market conditions?

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