

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2011 – 2012& thereafter)**

**SUBJECT CODE: 11EC/MC/PF54**

**B.A. DEGREE EXAMINATION NOVEMBER 2014**  
**BRANCH IV – ECONOMICS**  
**FIFTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : PUBLIC FINANCE - I**  
**TIME : 3 HOURS**

**MAX.MARKS : 100**

**SECTION – A**

**I. All TEN questions to be answered in 50 words each. (10 X 2 = 20)**

1. Define Public Finance and Private Finance.
2. What is the difference between Private Goods and Public Goods?
3. Give the meaning of Public Revenue? Mention the different sources of Public Revenue?
4. What are the characteristics of a Tax?
5. Briefly explain the terms Purchase price and Grants.
6. Define Taxable capacity. How is it different from Relative Taxable capacity?
7. Bring out the difference between Public expenditure and Private expenditure?
8. What is an Earned and an Unearned income?
9. Define the concepts of VAT (Value Added Tax)
10. Give the meaning of Impact, Shifting and Incidence of a Tax?

**SECTION – B**

**II. Answer any FIVE questions in 300 words each. (5 X 8 = 40)**

11. Discuss briefly the scope of Public Finance?
12. Explain briefly the dis-similarities between Public Finance and Private Finance?
13. Explain the Wiseman-Peacock Hypothesis of the growth of Public expenditure.
14. Describe the merits and demerits of Direct Taxation.
15. What are the factors determining the Taxable Capacity of an individual?
16. Give the meaning of Cost-Benefit Analysis and discuss the need for it in the Public sector Investment evaluation?
17. Briefly describe the Concentration and Diffusion theory of Incidence of tax?

**SECTION –C**

**III. Answer any TWO questions in 1200 words each. (2 X 20 = 40)**

18. Explain the need and role of the Public Sector in India in today's context?
19. Describe the various factors that influence the Shifting the incidence of a tax.
20. Explain the Bowen and Lindahl's model of Benefit Principle in the taxation theory?
21. Examine the role of Public Finance in the popular LPG (Liberalization, Privatization and Globalization) model of Economic growth?

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