

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86**  
**(For candidates admitted from the academic year 2004 – 05 & thereafter)**

**SUBJECT CODE: EC/PC/PE44**

**M. A. DEGREE EXAMINATION, APRIL 2009**  
**BRANCH III – ECONOMICS**  
**FOURTH SEMESTER**

**COURSE : MAJOR - CORE**  
**PAPER : PUBLIC ECONOMICS**  
**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWERS NOT TO EXCEED 300 WORDS.**

**(5 X 8 = 40)**

1. Bring out the difference between public goods and private goods.
2. Examine the factors determining the taxable capacity of an individual.
3. What do you understand by compensatory fiscal policy? How does it operate?
4. What are the different sources of government borrowing?
5. Briefly explain the different pricing methods followed in public enterprises?
6. Discuss the different methods followed in the management of public debt.
7. Explain the principles on the basis of which the financial resources are divided in a Federal set up.

**SECTION – B**

**ANSWER ANY THREE QUESTIONS. EACH ANSWERS NOT TO EXCEED 1200 WORDS.**

**(3 X 20 = 60)**

8. What are the reasons for the growth of public expenditure today. Suggest ways to control it.
9. Bring out the effectiveness of Monetary and Fiscal policy with the help of IS-LM model.
10. Examine the Arrow's Impossibility Theorem and its application to public choice.
11. Examine the various factors that influence the shifting and incidence of a tax.
12. Write an essay discussing the three popular concept of modern times namely the Liberalization, Privatization and Globalization.

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