

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2004 – 05 & thereafter)

SUBJECT CODE: EC/MC/FE54

B.A. DEGREE EXAMINATION NOVEMBER 2010
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. Distinguish between pure and impure public goods.
2. Distinguish between corporate and personal income tax. Comment on their current rate structure.
3. Explain administered price mechanism of Oil P.S.U.s.
4. Define the term tax.
5. Distinguish between permanent and temporary displacement effects.
6. Measure forward shifting and backward shifting when $ED > ES$ under the conditions of perfect competition.
7. Why do we need import duty?
8. What is non-development expenditure? Explain this concept with suitable examples.
9. Define the term pareto optimality.
10. Distinguish between tangible and intangible benefits and costs.

SECTION – B

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

11. Discuss the role of public finance in classical and Keynesian economic literature.
12. Compare private finance with public finance.
13. What are the steps to be considered in the selection of public sector projects?
14. Explain the ability to pay theory of taxation put forward by Erick Lindahl and H. Bowen.
15. Explain the canons of public expenditure.
16. What are the effects of taxation on production and distribution?
17. Explain the tax and non-tax sources of the government of Tamil Nadu.

SECTION – C

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

18. Assess the development of direct tax reforms in India since 1991.
19. Explain the term taxable capacity. Do we experience increasing level of taxable capacity in India in recent years? If so, substantiate your opinion.
20. Account for the growth of public expenditure in India in recent years.
21. Explain modern theory of shifting and incidence under perfect and imperfect competition.
