**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**
**(For Candidates admitted during the academic year 2015 – 2016)**

**SUBJECT CODE: 15EC/PC/PE34**

**M.A. DEGREE EXAMINATION NOVEMBER 2016**
**BRANCH   III – ECONOMICS**
**THIRD SEMESTER**

COURSE      : CORE
PAPER       : PUBLIC ECONOMICS - I
TIME        : 3 HOURS                                              MAX.MARKS: 100

### SECTION – A

**I.  ANSWER ANY <u>FIVE</u> QUESTIONS.**                                 **(5X8=40)**

1. Discuss the Pareto`s criterion of social welfare.

2. Explain the social goods allocation through the budget.

3. State the reasons for market failure.

4. Illustrate and explain the majority voting and public goods. What is Voter Externality cost?

5. Describe the role of public sector in India.

6. What are the causes for tax evasion?

7. Explain Arrow's Impossibility Theorem.

### SECTION – B

**II. ANSWER ANY <u>THREE</u> QUESTIONS.**                                **(3X20=60)**

8. Examine the allocation and distribution functions.

9. Critically evaluate the theory of optimal distribution.

10. Describe the different methods of public sector pricing.

11. Bring out the different approaches of tax equity.

12. Explain the Erik Lindahl and Bowen`s model.

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