

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

SUBJECT CODE: 15EC/MC/PF55

**B.A. DEGREE EXAMINATION NOVEMBER 2017
BRANCH IV – ECONOMICS
FIFTH SEMESTER**

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

MAX. MARKS: 100

SECTION – A

ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS

(10x2=20)

1. What are the divisions of subject matter of Public Finance?
2. What are club goods?
3. Write a short note on full cost pricing of public sector.
4. What is the primary focus of the theory of second best?
5. State the Colin Clark's critical limit hypothesis.
6. Write the classification of public expenditure on the basis of benefit criteria.
7. How does public expenditure affect the willingness to work, save and invest?
8. Briefly explain the concept of backward shifting of tax with an example.
9. What is taxable capacity?
10. What are the demerits of proportional tax?
11. Write a short note on Diffusion Theory of shifting.
12. What are excise duties?

SECTION – B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400 WORDS

(5x8=40)

13. Explain the nature and scope of Public Finance.
14. Distinguish between public goods and private goods. Explain the significance of public goods in an economy.
15. Explain the Peacock and Wiseman hypothesis regarding the growth of public expenditure.
16. Enumerate the various types of administrative revenue collected by the government.
17. Explain the effect of taxation on production.
18. Explain how the elasticity of supply affects tax shifting and incidence.
19. Evaluate sales tax in the Indian context. Has GST removes all the necessary evils of sales tax?
20. Explain the various Canons of Taxation.

SECTION – C

ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS

(2x20=40)

21. Explain in detail how Pareto optimality ensures social welfare in allocation of resources.
22. Elucidate the theory of maximum social advantage.
23. Enumerate the advantages and disadvantages of direct and indirect taxes.
24. Give a detailed account of the various Development and Non-development expenditure of Centre and State Governments.
