

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted during the academic year 2015–16)

SUBJECT CODE: 15EC/PC/PE44

M. A. DEGREE EXAMINATION, APRIL 2019
BRANCH III – ECONOMICS
FOURTH SEMESTER

COURSE : CORE

PAPER : PUBLIC ECONOMICS - II

TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

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

(5 X 8 = 40)

1. Account for the effects of Public Debt in a growing economy.
2. Zero Base Budgeting – is it a panacea for all short-comings of traditional budgeting?
3. What should be a development-oriented fiscal policy?
4. Examine two principles of division of taxes between the central and state governments in a federation?
5. Explain the necessity of public debt in India.
6. Discuss the effect of public expenditure on production and employment.
7. State the following terms:
 - Conditional and unconditional grants
 - Loans
 - Grants in aid
 - Division of powers

SECTION – B

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

(3 x 20 = 60)

8. What do you know about the Public Debt's classification? What are the various methods of redemption of Public Debt?
9. a. State the expected benefits of Zero Based budgeting.
b. Give the points of difference between traditional budgeting and zero-base-budgeting.
10. Discuss the objectives of Fiscal Policy in a growing economy with reference to our country and express your opinion to what extent have they been achieved?
11. Discuss the different types of grants that are used as a method of transferring resources from the federal government to the states. Are general grants superior to selective grants?
12. 'Deficit Financing is a good servant but bad master.' Examine the statement.
