

**SECOND SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, APRIL 2023**

(CBCSS)

Economics

ECO 2C 07—PUBLIC FINANCE : THEORY AND PRACTICE

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all questions.*

*Each bunch of five questions carries 1/5 weightage.*

1. Which is not included in the revenue receipts of the government :
 

A) Fines.	B) Fees.
C) Small savings.	D) Special assessments.
  
2. The value of balanced budget multiplier is :
 

A) Zero.	B) One.
C) Less than one.	D) Greater than one.
  
3. Peacock and Wiseman hypothesis on public expenditure consists of three concepts which are :
 

A) Subscription effect, tax effect, expenditure effect.
B) Tax effect, expenditure effect, consumption effect.
C) Displacement effect, concentration effect, inspection effect.
D) Consumption effect, labour effect, income effect.
  
4. VAT belongs to the family of :
 

A) Sales tax.	B) Income tax.
C) Corporate tax.	D) Pay roll tax.





**Part C (Short Answer Questions)**

*Answer any seven questions.  
Each question carries weightage of 2.*

24. Write a short note on FRBM Act.
25. Examine the concept of debt burden.
26. Critically evaluate the theory of inter-governmental transfer.
27. Explain fiscal decentralization.
28. Analyse intergenerational equity in debt.
29. What do you mean by sustainability of public debt.?
30. Discuss median voter theorem.
31. Distinguish between GST on VAT.
32. Analyse the theory of optimal taxation.
33. Compare fiscal and monetary policy.

(7 × 2 = 14 weightage)

**Part D (Essay Questions)**

*Answer any two questions.  
Each question carries 4 weightage.*

34. Analyse the trends in public expenditure in India.
35. Discuss the vertical and horizontal imbalance and how far the finance commission address this issue ?
36. Demonstrate the pure theory of public expenditure.
37. Explain the macro-economic impacts of deficit.

(2 × 4 = 8 weightage)