No. of Printed Pages—2

85B (PFP)

[18–HRGPKAC–M3S]

MA 3rd Semester Exam., 2018

ECONOMICS

[MEC (S3) 10]

(Public Finance and Policy)

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each within *50* words) : 2×5=10

(a) Why does market failure occur?

(b) Name the different types of externalities.

(c) Define Economic Rate of Return (ERR).

(d) Distinguish between impact and incidence of taxes.

(e) What are the major objectives of fiscal policy?

(f) Differentiate between plan and non-plan expenditure.

2. Answer any *three* from the following questions (each within *150* words) : 4×3=12

(a) Distinguish between fiscal deficit and primary deficit.

(b) Discuss why should a government impose direct taxes.

(c) Write a short note on club goods.

(d) State the usefulness of fiscal policy.

(Turn Over)

3. Answer any *three* from the following questions (each within *250* words) : 6×3=18

(a) State the Coase theorem. What are the criticisms levelled against this theorem? 2+4=6

(b) Critically evaluate the role of public expenditure in economic growth of a country.

(c) Distinguish between tax revenue and non-tax revenue. Name their different sources. 3+3=6

(d) Briefly discuss the canons of taxation.

4. Answer any *four* from the following questions (each within *500* words) : 10×4=40

(a) Discuss the concept of public debt redemption.

(b) What is an excise subsidy? Discuss the distributive effect of a subsidy. 2+8=10

(c) Critically examine Lindahl's Voluntary Exchange Theory.

(d) What is meant by logrolling? Briefly discuss the types and role of logrolling. 2+4+4=10

(e) Discuss the differences between public and private finances.

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