

4/H-16 (iv) (Syllabus-2015)

2017

(April)

ECONOMICS

(Honours)

(Public Economics)

(Paper—IV)

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer **five** questions, taking at least **one** from each Unit

UNIT—I

1. Distinguish between public goods and private goods. Explain the problem of free riding with respect to public goods. 5+10=15
2. Explain the principle of maximum social advantage. What are its limitations? 10+5=15

(2)

UNIT—II

3. Briefly explain the canons of public expenditure. Discuss the Wiseman-Peacock hypothesis. 5+10=15
4. What is taxable capacity? Explain the important factors influencing taxable capacity. 5+10=15

UNIT—III

5. Elaborate the objectives of fiscal policy. In this context, discuss the interdependence between fiscal and monetary policies. 6+9=15
6. What is Finance Commission and what are its functions? State the major recommendations of the 14th Finance Commission. 5+10=15

UNIT—IV

7. Differentiate between productive debt and unproductive debt. Discuss the various methods of debt redemption. 5+10=15
8. What is 'budget'? What are the salient features of economic and functional classification of a budget in the Indian context? 2+13=15

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UNIT—I

1. What are public goods? Explain the efficiency conditions needed for production of pure public goods. 3+12=15
2. What do you mean by negative externality? To what extent, Pigovian taxes can be used to internalise a negative externality? 5+10=15

UNIT—II

3. Critically examine the ability to pay approach in taxation. 15
4. Discuss the effects of public expenditure on economic growth. 15

UNIT—III

5. Define fiscal policy. How fiscal policy achieves the macroeconomic objective of price level stability and full employment? 3+12=15
6. Define budgetary deficit. Discuss its implication for the economic development of a country like India. 3+12=15

UNIT—IV

7. What do you mean by public debt? Discuss the effect of public debt on production and distribution. 3+12=15
8. What are the different types of budgets? Explain the process of preparation and passing of the union budget in India. 5+10=15
