

2022

Economics

[HONOURS]

(CBCS)

(B.Sc. Fifth Semester End Examination-2022)

PAPER-CC12

[Public economics]

Full Marks: 60

Time: 03 Hrs

The figures in the right hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

Illustrate the answers wherever necessary

Group-A

1. Answer any ten questions of the following: 10x2= 20

- a) What is optimum budget? What are the different parts of budget?
- b) Define fiscal deficit.
- c) What is the full form of GST? In which year was GST implemented in Indian economy?
- d) Distinguish between tax and fee.
- e) Define progressive tax structure.
- f) Define direct tax with two examples
- g) Mention two causes of market failure.
- h) What do you mean by 'tragedy of commons'?

(2)

- i) Differentiate between merit good and public good.
- j) What is free rider problem?
- k) Give examples of positive and negative externalities in consumption.
- l) What do you mean by Horizontal equity?
- m) Distinguish between direct tax and indirect tax.
- n) Write down the two sources of internal-debt of the government.
- o) Give two two examples of non-plan revenue expenditure of government.

Group-B

2. Answer any four questions of the following: **4x5 = 20**

- a) Explain the Laffer curve.
- b) What are the differences between 'Tax Elasticity' and 'Tax Buoyancy'?
- c) Explain the different sources of government revenue of India.
- d) What are the merits and demerits of Benefit principle of taxation?
- e) Derive the balanced budget multiplier.
- f) What type of fiscal policy would you suggest to control inflationary situation?
- g) Do you think that market mechanics is suited for the provision of public goods? Explain your choice.

(3)

Group-C

3. Answer any two questions: **2x10 = 20**

- a) Derive an optimum solution for the allocation of resources between private goods and public goods in terms of Samuelson's model. **10**
- h) Do you think that an indirect tax necessarily imposes an excess burden as compared to a direct tax? Give reasons for your answer. **10**
- i) Critically discuss the solution proposed by Lindhal regarding the optimal provision of public good. **10**
- j) a) What are the major differences between plan & non plan expenditure?
b) Explain the canon of Taxation by 'Adam Smith' and modern Economist' **2+4+4**
