



**TDC (CBCS) Even Semester Exam.,
September—2021**

ECONOMICS

(6th Semester)

Course No. : ECODSC-601
(Public Finance)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

the figures in the margin indicate full marks for the questions

Answer any twenty from the following questions.
1x20=20

Who is the author of the book "Principles of Public Finance" published in 1922?

Mention one scope of public finance.

What is the meaning of 'Public' in 'Public Finance'?
'Public finance is blend of both positive and normative science' -Is the statement correct?

"Public Economics is that branch of applied economics which deals with the economic activities of the state." Who stated the statement?

State one dis-similarity between public and private finance.

The importance of public finance has enhanced considerably as a result of paradigm shift from 'police state' to '_____ state'. Fill in the blanks.

3. Public Finance is the study of the role of government in economy- true or false.

Turn Over



9. Mention one important characteristic of tax.
10. Write two sources of public revenue.
11. Name one non-tax revenue of the central government.
12. Mention one receipt of the government on capital account.
13. A progressive tax falls heavily upon the rich, poor/ salaried people/ wage earners. Select correct one.
14. Write one canon of public expenditure.
15. Give one reason for the growth of public expenditure after 2nd world war.
16. What is plan expenditure of the government?
17. What is the principle of taxation?
18. Write the concept of equality in taxation.
19. Name the economist who first laid down the principle of minimum sacrifice.
20. What is the nature of tax sacrifice under the concept of equal absolute sacrifice?
21. In case of equal marginal sacrifice. What is the burden of tax on lower income group?
22. Upon which group of people a progressive tax falls heavily?
23. When the rate of tax decreases as the tax base increases, the taxes are called _____ taxes. Fill in the blank.
24. Give an example of indirect tax.
25. Name the debt which is paid without any legal enforcement.
26. Write one reason for incurring public debt.
27. Name one internal and one external sources of Public debt.

What is redeemable debt?

The burden of long term debt is on: (i) Present generation: (ii) Next generation: (iii) both present and next generation; (iv) None of these. - Select the correct one.

What is direct real burden of public debt?

Name one method of repaying public debt.

What is debt trap?

Write the French word where from the 'Budget' has been derived?

Cite one purpose of the budget.

What is Fiscal deficit?

Give an example of non-plan expenditure.

Which ministry is responsible for the preparation of annual budget in India?

What is the tenure of the 15th Finance Commission?

Who appoints the Finance Commission in India?

Mention one effect of public expenditure.

Answer any five questions

2x5=10

1. Mention two similarities between public and Private Finance

2. Mention two objectives of fiscal operations of the state.

3. Distinguish between Public and Private expenditure.

4. Distinguish price and fees

5. Distinguish between direct tax and indirect tax.

6. Write two limitations of ability to pay theory of taxation.

7. Distinguish between gross debt and net debt



8. Give two simulations between public and private debt
9. Distinguish between revenue budget and capital budget.
10. Write two functions of Finance Commission of India

III. Answer any five questions

5x8=40

1. What is Public Finance? Discuss the nature and scope of Public Finance. 2+6=8
2. Write a short note on the role of Public Finance in a developing country. 8
3. Define public expenditure. Why is the public expenditure growing in modern times? 3+5=8
4. Explain the impact, incidence and shifting of taxation. Discuss two factors affecting the shifting of a tax. 5+3=8
5. Discuss the concept of 'ability to pay' in the theory of taxation. To what extent the 'income' is a satisfactory test of ability to pay? 2+6=8
6. Define direct and indirect taxes. Write two merits and two demerits of direct and indirect taxes. 3+5=8
7. What is public debt? Explain two methods of debt redemption. 2+6=8
8. Why public debt is necessary? Write a note on the role of public debt in develop country. 2+6=8
9. Write a short note on Union Budget 2021-22. What is the unique nature of this budget? 7+1=8
10. What is the Finance Commission? What are the recommendations of the 15th finance Commission? 2+6=8
