

**Avinashilingam Institute for Home Science and Higher Education for Women  
(Deemed to be U university) Coimbatore – 641043**

**Master's Degree Examination November 2018  
Semester – III**

**Class : II PG  
Major : Economics**

**Time : 3 hours  
Max. marks : 60**

**17MECC13 Public Finance  
Part A**

**Choose the correct answer 10 X 1/2 =5**

1. Education is an example of:  
a) Public good      b) Merit good      c) Club good      d) Social good
2. Public Goods are:  
a) Excludable      b) Non-excludable      c) Marketable      d) All of these
3. Direct taxes are:  
a) Proportional      b) Regressive      c) Digressive      d) Progressive
4. Formation of -----is the actual method of debt redemption:  
a) Sinking fund      b) Capital levy      c) Conversion      d) Repudiation
5. A budget where there is excess of expenditure over revenue is called:  
a) Surplus      b) Deficit      c) Balanced      d) Zero-based
6. Pump Priming is related with:  
a) Monetary policy      b) Income policy      c) Price policy      d) Fiscal policy
7. The financial year in India starts from:  
a) 1st January      b) 31st March      c) 1st April      d) 1st July
8. Who is the chairman of the latest Finance Commission?  
a) Chadha      b) K.C. Neogi      c) Santhanam      d) N. K. Singh
9. GST was implemented in the year  
a) 2016      b) 2017      c) 2018      d) 2019
10. Black money is otherwise called as \_\_\_\_\_ money  
a) accounted      b) unaccounted      c) countable      d) uncountable

**Part B**

**5 X 4 = 20**

**Answer ALL Questions**

**Answer should not exceed 200 words or one page**

11a. Distinguish between private goods and public goods.

(Or)

11b. What are the characteristic features of merit goods?

12a. What are the causes of public expenditure?

(Or)

12b. Explain the importance of public debt in an economy

13a. What are the merits of zero based budgeting?

(Or)

13b. What are the various instruments of fiscal policy?

14a. Explain the principles of Federal Finance

(Or)

14b. What are the various sources of finance for local governments?

15a. What are the different measures to control tax evasion?

(Or)

15b. What are the features of GST?

**Part C**

**5 X 7 = 35**

**Answer ALL Questions**

**Answer should not exceed 600 words or three pages**

16 a. Examine the voluntary exchange theory of public goods

(Or)

16 b. Explain the changing perspective of the role of government

17 a. Explain briefly and critically examine Wagner's hypothesis

(Or)

17 b. Bring out Peacock and Wiseman analysis on public expenditure

18 a. Examine the impact of budget on the Indian economy

(Or)

18 b. Explain in detail the various monetary instruments used by RBI

19 a. Discuss the major sources of revenue of centre and state

(Or)

19 b. List out the recommendations of 14<sup>th</sup> Finance Commission

20 a. Analyse the major sources of taxes in India

(Or)

20 b. Examine the recommendations of Tax Reform Committee