

**Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD)
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India
Continuous Internal Assessment Test I – August, 2025
III SEMESTER**

**Class : II U.G
Major : Economics**

**Max.Marks : 60
Time : 2Hrs**

23BECC06 – Public Finance

Course outcome:

1. Understand the Meaning and importance of public finance.
2. Recognize the sources of public revenue and its allocation.
3. Comprehend the theories of public expenditure and its impact on various sectors.
4. Evaluate the pros and cons of public debt.
5. Review the budget and highlight its impact on the economy.

Part-A

Choose the Correct Answer

6 X 1 = 6

1. Who defined public finance as "Public finance is an investigation into the nature and principles of the state revenue and expenditure"? CO1K1
a) Prof. Hugh Dalton b) Findlay Shirras c) J. M. Keynes d) Adam Smith
2. Which of the following is a characteristic of merit goods? CO2K2
a) They are always provided free of charge by the government.
b) They have significant positive externalities.
c) They are never consumed in the free market.
d) Their consumption benefits only the individual consuming them
3. In India GST was introduced in the year CO3K1
a) 2016 b) 2017 c) 2018 d) 2019
4. Among the following Canons of taxation which one has been given by Adam Smith? CO2K1
a) Canon of uniformity b) Canon of productivity c) Canon of diversity d) Canon of equity
5. The first committee to design GST model was headed by CO3K1
a) Vijay Kelkar b) Asim Das Gupta c) Dr. Chidambaram d) None of the above
6.are non-excludable and non-rivalrous. CO1K2
a) Private goods b) Public goods c) Consumer goods d) Capital goods

Part – B

3 X 6 = 18

Answer the following

Answers should not exceed 400 words or two pages.

- 7.a. Explain the proportional, progressive and regressive taxes. CO2K1
or
- 7.b. Bring out the difference between tax revenue and non-tax revenue. CO2K3
- 8.a. Explain the nature and scope of public finance. CO1K2
or
- 8.b. What are the characteristics of a good tax system CO3K2
- 9.a. Explain the types of Ad Valorem taxes CO2K4
or
- 9.b. Discuss the factors that lead to Market failure. CO1K2

Part – C

3 X 12=36

Answer the following

Answer should not exceed 800 words or four pages

- 10.a. State the canons of Taxation. CO2K3
or
- 10.b. Explain the feature of public goods. How do they differ from private goods? CO1K3
- 11.a. Explain the classification of public revenue. CO2K3
or
- 11.b. Briefly explain the Dalton's principle of Maximum Social Advantage CO1K4
- 12.a. What is public revenue? Explain the various sources of public revenue. CO2K3
or
- 12.b. Examine any two theories of Taxation CO2K3

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