

3 (Sem-5) ECO M 1

2 0 1 5

ECONOMICS

(Major)

Paper : 5.1

(Elements of Public Finance)

Full Marks : 60

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer the following questions : 1×7=7
- (a) Define public goods.
 - (b) Give one example of non-tax revenue.
 - (c) What do you mean by capital receipts?
 - (d) Mention one important source of revenue receipt.
 - (e) Name one method of redemption of public debt.
 - (f) State Wagner's law.
 - (g) Mention one source of internal debt.

2. Answer the following questions : $2 \times 4 = 8$

(a) Distinguish between private finance and public finance.

(b) Explain two causes of growth in public expenditure in modern time.

(c) What is meant by sinking fund?

(d) What are the essential characteristics of a tax?

3. Answer any *three* from the following questions : $5 \times 3 = 15$

(a) Explain the effects of public expenditure on economic stability of a country.

(b) Discuss the relevance of public finance in modern-day context.

(c) Briefly discuss the important sources of public borrowing.

(d) Explain briefly the advantages and disadvantages of indirect tax.

(e) Explain briefly the role of public debt in a developing country.

4. Answer any *three* from the following questions : 10×3=30

- (a) Critically analyze the principle of maximum social advantage. 10
- (b) Analyze the characteristics of a good tax system. 10
- (c) Write a note on the sources and classification of public revenue. 10
- (d) Bring out the various cannons of public expenditure with suitable explanation. 10
- (e) Discuss the role of public expenditure with special reference to developing countries. 10
- (f) What is meant by debt trap? Distinguish between money burden and real burden as far as public debt is concerned. Critically analyze the burden of public debt. 2+3+5=10
