

2020
ECONOMICS
(HONOURS)
(PUBLIC ECONOMICS)

Paper - VIII

Marks: 75

Time: 3 hours

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

Answer any **five** questions

1. Explain the nature and scope of Public Economics. Discuss its relevance to a developing economy like India. (8+7=15)
 2. Distinguish between the basic characteristics of private goods and public goods. What is the difference between social goods and merit goods? (8+7=15)
 3. Define market failures. Explain the role played by the government in correcting market failures. (5+ 10 =15)
 4. Explain Adam Smith's canons of taxation. What additions have been made to these canons. (8+7=15)
 5. Explain the concept of taxable capacity. Discuss the factors that determine the taxable capacity of a country. (5+10=15)
 6. What is Goods and service Tax? Give its advantages and disadvantages. (5+10=15)
 7. Explain the effects of public expenditure on production, distribution and employment. (5+5+5=15)
 8. Discuss Bowen's model of public expenditure. (15)
 9. 'The best system of Public Finance is that which secures the maximum social advantage.'
Discuss the statement. (15)
 10. Discuss the objectives of Fiscal Policy in a growing economy with reference to our country. To what extent have they been achieved? (10+ 5 =15)
 11. What are the objectives of the Central Finance Commission? State the major recommendations of the latest finance commission in India. (5+10=15)
 12. Define budgetary deficits. Discuss its implications for the economic development in a developing economy like India. (3+12=15)
 13. What are the sources of public borrowings? Discuss the problems of borrowings faced by governments of developing countries? (8+7=15)
 14. Differentiate between productive debt and unproductive debt. Discuss the various methods of debt redemption (5+10=15)
 15. What is a budget? Describe the salient features of economic and functional classifications of a budget in the Indian context. (2+13=15)
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