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( July )

ECONOMICS

( Honours )

( **Public Economics** )

Marks : 75

Time : 3 hours

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

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Evaluate the role of public economic policy with reference to the macro-economic goals of allocation, distribution and stabilization in a developing economy. 5+5+5=15
2. Differentiate between public goods, private goods and merit goods. Discuss the methods of supply of pure public goods. Why does the market fail to provide satisfactorily the pure public goods? 6+6+3=15

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( Turn Over )

UNIT—II

3. How can you relate the taxable capacity and welfare cost of taxation? Explain briefly the various factors that affect the taxable capacity of a nation. 5+10=15
4. Discuss, in detail, the Goods and Services Tax (GST)—the provisions, the merits and criticisms. 5+5+5=15

UNIT—III

5. Critically explain Musgrave's Optimum Budget Theory. 15
6. Mention the various canons of public expenditure. Write a short essay on the growth and structure of public expenditure in India since 1991. 5+10=15

UNIT—IV

7. What are the different measurements of budget deficit? What are the implications of persistent budget deficit in a country? Suggest some concrete policy measures to address the issue of budgetary deficit in a country. 3+5+7=15

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( Continued )

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8. State the major recommendations of the 14th Finance Commission of India. Mention three main areas of discontent in the Centre-State financial relations in India. 12+3=15

UNIT—V

9. Discuss the various effects of public debt on an economy. 15
10. Give a comparative analysis of the economic and functional classification of budget. How does a public budget help the economy to achieve the desired goals? 12+3=15

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