

**FIFTH SEMESTER BA DEGREE EXAMINATION, NOVEMBER 2022**  
**(Regular/Improvement/Supplementary)**

**ECONOMICS**  
**GECO5B10T: FISCAL ECONOMICS**

**Time: 2 ½ Hours**

**Maximum Marks: 80**

**SECTION A: Answer the following questions. Each carries 2 marks.**  
**(Ceiling 25 Marks)**

1. Define merit good.
2. Distinguish between expenditure on revenue account and capital account.
3. Explain development and non-development expenditure.
4. What is concentration effect?
5. Distinguish between impact and incidence of taxation.
6. Explain 'Canon of Equality' of taxation.
7. What is corporate tax?
8. Write a note on 'diffusion theory' of incidence of taxation.
9. Explain redeemable and irredeemable debt.
10. Comment on zero-based budgeting.
11. What is fiscal policy?
12. Differentiate between progressive and regressive taxation.
13. Define Public goods.
14. What is federal finance?
15. Write a note on NITI Aayog.

**SECTION B: Answer the following questions. Each carries 5 marks.**  
**(Ceiling 35 Marks)**

16. Define Public Finance? Describe the importance of public finance in a developing nation.
17. What are the canons of public expenditure?
18. Discuss compensatory fiscal policy during depression and inflation.
19. Explain different principles of taxation.
20. What are the reasons behind the increasing public expenditure in India?
21. Explain different methods of debt redemption.
22. Discuss main functions of Finance Commission in India.
23. What are the principles of federal finance?

**SECTION C: Answer any two questions. Each carries 10 marks.**

24. Explain the principle of Maximum Social Advantage. Comment on its limitations.
25. Critically examine Wagner's Law of Increasing State Activities.
26. Discuss the effects of taxation on production, distribution, consumption and economic stability.
27. What are the objectives of fiscal policy? Discuss the role of deficit financing to encourage economic development.

**(2 × 10 = 20 Marks)**