

FIFTH SEMESTER BA DEGREE EXAMINATION, NOVEMBER 2024
(Regular/Improvement/Supplementary)

ECONOMICS
GECO5B10T: FISCAL ECONOMICS

Time: 2 ½ Hours

Maximum: 80 Marks

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

1. Differentiate between public goods and private goods.
2. Define marginal social cost.
3. List out Adam Smith's canons of taxation.
4. Define cost benefit analysis.
5. Differentiate between impact and incidence of taxation.
6. Define black money.
7. List out the components of capital account of a budget.
8. List out the important non tax revenues to a government.
9. Define corporate tax.
10. What is shifting of tax?
11. What is contra cyclical fiscal policy?
12. Define tax multiplier.
13. What is primary deficit?
14. What do you mean by performance budgeting?
15. List out the sources of revenue to a local government.

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

16. Enumerate the principle of maximum social advantage.
17. Discuss the relevance of public finance in the present day world.
18. Explain the reasons for the growth of public expenditure.
19. Elucidate Wiseman-peacock hypothesis of public expenditure.
20. Describe the effect of public expenditure on production and distribution.
21. Explain the merits and demerits of progressive and regressive taxation.
22. Discuss the methods of redemption of public debt.
23. Explain the importance of deficit financing in a pro welfare economy.

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

24. Explain the Wagner's hypothesis of increasing state activities.
25. Discuss the theories of incidence of taxation.
26. Define fiscal policy. Discuss the objectives and methods of fiscal policy.
27. What are the principles of federal finance? Explain the role of finance commission in strengthening the fiscal federalism in India.

(2 x 10 = 20 Marks)