2025/FYUG/ODD/SEM/
ECODSC-202T/416

FYUG Odd Semester Exam., 2025

ECONOMICS

(3rd Semester)

Course No. : ECODSC-202T

(Public Finance)

Full Marks : 70
Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

UNIT—I

Answer any *two* of the following questions :

2×2=4

(a) Define public goods. Give one example of public goods.

(b) Distinguish between positive externality and negative externality.

(c) Mention two mechanisms for internalising negative externalities.

2. Answer any *one* of the following questions : 10

(a) Distinguish between public finance and private finance. Discuss the significance of public finance in modern economy. 4+6=10

(b) What is market failure? Discuss the main causes of market failure including externalities and public goods. 2+8=10

UNIT—II

3. Answer any *two* of the following questions : 2×2=4

(a) Distinguish between impact and incidence of a tax.

(b) State the benefit principle of taxation.

(c) Mention the canon of tax.

4. Answer any *one* of the following questions : 10

(a) What is direct tax? Discuss the merits and demerits of direct tax. 2+4+4=10

(b) Discuss critically the subjective approach to the ability to pay principle of taxation.

UNIT—III

5. Answer any *two* of the following questions : 2×2=4

(a) Mention the canons of public expenditures.

(b) Point out two differences between productive and non-productive public expenditures.

(c) What is capital expenditure? Give one example.

6. Answer any *one* of the following questions : 10

(a) Define public expenditure. Discuss briefly the classification of public expenditure. 2+8=10

(b) Discuss the objectives of public expenditure. Outline the reasons for the growth of public expenditure in Modern State. 4+6=10

UNIT—IV

7. Answer any *two* of the following questions : 2×2=4

(a) Mention two negative consequences of public debt.

(b) Point out two methods of redemption of public debt.

(c) Define real burden of a public debt.

8. Answer any *one* of the following questions : 10

(a) Define public debt. Discuss the role of public debt with special reference to developing countries.

(b) Discuss the sources of public debt. Make distinctions between internal public debt and external public debt. 6+4=10

UNIT—V

9. Answer any *two* of the following questions : 2×2=4

(a) What is fiscal deficit?

(b) Name two main components of the Government budget.

(c) Mention two functions of the Finance Commission.

10. Answer any *one* of the following questions : 10

(a) What are the primary objectives of Government budget? Discuss the role of Government budget in economic development. 3+7=10

(b) Evaluate the importance of the Finance Commission in maintaining fiscal discipline and addressing regional imbalances in India.

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