



AN – 36

B.A. (Semester – VI) Examination, April/May 2017
ECONOMICS (Paper – X)
Public Finance – II

Duration : 2 Hours

Max. Marks : 80

- Instructions:**
- i) **All** questions are **compulsory**, however **internal** choice is available.
 - ii) Answer sub-questions in Question 1 and Question 2 in **not** more than **100** words **each**.
 - iii) Answer Question 3 to Question 6 **each not** in more than **400** words.
 - iv) Figures to the **right** indicate **maximum** marks to the question/ sub-question.
 - v) Paper carries **maximum** of **80** marks.

1. Answer **any four** of the following. (4×4=16)

- i) Explain the concept of pump priming.
- ii) State and explain any two canons of public expenditure.
- iii) Explain the functional classification of public expenditure.
- iv) What are the various sources of non-tax revenue ? Explain any two.
- v) What are the drawbacks of indirect taxes ?
- vi) Explain the concept of the 'impact and incidence' of a tax.

2. Answer **any four** of the following. (4×4=16)

- i) Distinguish between internal and external debt.
- ii) Explain any four methods of debt redemption.
- iii) What is capital gains tax ?
- iv) Give two reasons in support of Value Added Tax (VAT).
- v) What is customs duty ?
- vi) State drawbacks of proportional system of taxation (any 2).



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3. A) Account for the reasons for the rising public expenditure in recent times. 12
OR
B) Examine the effect of public expenditure on production. 12
4. A) Explain the relationship between tax rates and tax yields with the help of the haffer curve. 12
OR
B) Evaluate the progressive system of taxation with the help of an example. 12
5. A) Elaborate on the rationale for service tax in India. 12
OR
B) Examine the effects of taxation on distribution and efficiency. 12
6. A) Outline the trends of public debt in India since 1991. 12
OR
B) Write a note on the burden of debt. 12