

**CARMEL COLLEGE OF ARTS , SCIENCE & COMMERCE FOR WOMEN,
NUVEM GOA.**

SEMESTER END EXAMINATION , AUGUST 2020

Subject : ECONOMICS Semester: VI BA

Course name & Code : Public Finance- II , Honours-ECC108

Total Marks :30 Date : 05/08/20 Duration: 2 hrs Total No of pages: 01

Instructions: 1. All questions are compulsory.

2. Figures to the right indicate marks

Q1. Answer any five of the following : (2mks each)

- i. Explain the difference between taxes and fees with suitable examples.
- ii. Explain the concepts of - impact and incidence of a tax with the help of a suitable example.
- iii. Name and explain any two of direct taxes which are progressive in nature.
- iv. Distinguish between Excise duty and Custom duty .
- v. Explain any two reasons for the growth of public expenditure in India in recent times.
- vi. Explain the canon of sanction and canon of economy in public expenditure .
- vii. Distinguish between productive and unproductive public debt with suitable examples.
- viii. Explain the concept of “ burden of public debt ”.

Q2 Answer any four of the following. (5mks each)

- i. Explain the concept of “Ability to Pay” in theory of taxation. To what extent is “property” a satisfactory test of ability to pay ?
- ii. Diagrammatically, explain the relationship between tax rates and tax yields.
- iii. Explain the rationale and working of “Goods and Services Tax” .
- iv. Explain the significance of compensatory public spending as an anti-depressionary measure .
- v. Give your opinion in favour of surplus budget and terminable annuities as a method of public debt redemption .
- vi. What are the causes for the growth of public debt in recent times ?

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