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B.A. (Semester V)
EXAMINATION NOVEMBER 2022
Economics
Public Finance I

[Duration : 2 Hours]

[Mix Marks : 80]

- Instructions:**
1. All Questions are compulsory.
 2. Answer sub-questions in Question no.1 to Question no. 2 in not more than 100 each.
 3. Answer Question no. 3 to Question no. 6 in not more than 400 words each.
 4. Figures to the right indicate maximum marks to the questions.
 5. Draw diagrams wherever necessary.

- Q. 1** Answer **any four** of the following: (16 marks)
- a. What are Public Goods?
 - b. Explain the conflicting objectives of full employment and price stability.
 - c. What is functional finance?
 - d. How can non-rival consumption be a cause of market failure?
 - e. Highlight the normative aspects of public finance.
 - f. Comment on Supply side fiscal policy.
- Q. 2** Answer **any four** of the following: (16 marks)
- a. What are the limitations of Zero based budgeting?
 - b. What are the implications of a deficit budget on the economy?
 - c. What are the advantages of Performance Budgeting?
 - d. What are the functions performed by the panchayat?
 - e. Explain the concept of balanced budget.
 - f. How does a municipality finance its activities?
- Q. 3** A. Explain the Principle of Maximum Social Advantage. (12 marks)
OR
B. How does public finance differ from private finance? (12 marks)
- Q. 4** A. Explain any two discretionary fiscal policy stabilizers. (12 marks)
OR
B. Critically evaluate incremental budgeting technique. (12 marks)
- Q. 5** A. Write a note on Fiscal imbalance in India. (12 marks)
OR
B. Discuss the Tax reforms in India. (12 marks)
- Q. 6** A. Evaluate the division of powers and division of resources under the Constitution of India. (12 marks)
OR
B. What are the functions of State Finance Commission? (12 marks)