

Time : Three Hours

Maximum :

Part A

*Answer all questions.
Each question carries 1 mark.*

1. Non-rival in consumption is a characteristic of :
 - (a) Private Goods.
 - (b) Public Goods.
 - (c) Merit Goods.
 - (d) None of the above.
2. The study of behaviour of individual decision-making units :
 - (a) Partial equilibrium.
 - (b) Partial disequilibrium.
 - (c) General equilibrium.
 - (d) None of the above.
3. Divergence between Private gains and Social gains :
 - (a) Consumer surplus.
 - (b) Producer surplus.
 - (c) Externalities.
 - (d) None of the above.
4. Pigouvian tax fall under :
 - (a) Ability to pay theory.
 - (b) Benefit theory.
 - (c) Cost of service theory.
 - (d) None of the above.
5. Free rider problem arises in :
 - (a) Merit goods.
 - (b) Private goods.
 - (c) Public goods.
 - (d) None of the above.
6. Final resting place of tax burden :
 - (a) Impact.
 - (b) Shifting.
 - (c) Incidence.
 - (d) None of the above.
7. Wagner's law is about :
 - (a) Public Expenditure.
 - (b) Public revenue.
 - (c) Public Debt.
 - (d) None of the above.

8. The Economist who rejected the theory of balanced budget ?
 (a) Adam Smith. (b) Robert Malthus.
 (c) J.M. Keynes. (d) None of the above.
9. The Champion of Functional Finance :
 (a) Musgrave. (b) A.P. Lerner.
 (c) A.C. Pigou. (d) None of the above.
10. Who imposes property tax ?
 (a) Central Government. (b) State Government.
 (c) Local bodies. (d) Public sector undertakings.

(10 × 1 = 10 marks)

Part B

*Answer any eight questions.
 Each question carries 5 marks.*

- ✓11. What are club goods ? List their salient features.
 ✓12. What are merit goods ? List their characteristics.
 ✓13. Explain Tiebout hypothesis.
 ✓14. Write a note on the distributional consideration in Public Finance.
 ✓15. Illustrate the multiplier effect of Balanced Budget.
 ✓16. Explain zero based budgeting.
 17. Briefly explain public choice theory.
 18. Write a note on financing social infrastructure.
 ✓19. Write a note on the Median votes theorem.
 20. What is Fiscal decentralisation ? Explain.
 ✓21. Explain the salient features of FRBM Act.
 22. Write a note on the Public Debt Management in India.

(8 × 5 = 40 marks)

Part C

*Answer any two questions.
 Each question carries 15 marks.*

- ✓23. Explain and illustrate Coase theorem with suitable examples.
 ✓24. What are the various Fiscal and Monetary policies ? List the policies adopted in India.
 25. List the reasons for the growth of Public Expenditure in India. Suggest measures to manage and control public expenditure.
 ✓26. Explain the role of Finance Commissions in India. What are the prominent changes in the Centre-State relations during reform period.

(2 × 15 = 30 marks)