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5 SEM TDC DSE ECO (CBCS) 6 (H)

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(Nov/Dec)

ECONOMICS

(Discipline Specific Elective)

(For Honours)

Paper : DSE-506

(**Public Economics**)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks
for the questions.*

1. Choose the correct option/Answer the following : 1×8=8

(a) According to Musgrave, the major function of public finance is

(i) allocation function

(ii) distribution function

(iii) stabilization function

(iv) All of the above

(2)

(b) "Public finance is concerned with the income and expenditure of public authorities and with the adjustment of one to another." Who gave this definition of public finance?

- (i) Hugh Dalton
- (ii) Philip E. Taylor
- (iii) R. A. Musgrave
- (iv) None of them

(c) Marginal cost of provision of pure public good is

- (i) zero or close to zero
- (ii) one
- (iii) equal to price
- (iv) very high

(d) Define market failure.

(e) Distinguish between direct and indirect tax.

(f) What is the full form of IGST?

(g) Give two examples of Non-Tax revenue.

(3)

(h) The Direct Taxes Enquiry Committee, 1970 was appointed under the chairmanship of

- (i) Rai
- (ii) Chelliah
- (iii) Rekhi
- (iv) Wanchoo

2. Write short notes on any four of the following (within 150 words each) : 4×4=16

- (a) Public sector
- (b) Lindahl's equilibrium of public expenditure
- (c) Positive and negative externalities
- (d) Ability to pay taxation theory
- (e) GST Council

Answer the following questions (within 500 words each) :

3. (a) Explain the subject matter of public economics. Discuss the importance of public economics in an underdeveloped country. 6+5=11

Or

(b) Explain the role of fiscal functions in developing countries. 11

4. (a) What are public goods? State the characteristics of public goods. Distinguish between public and private goods. $3+4+4=11$

Or

- (b) Critically discuss Samuelson's theory of Public Expenditure. 11

5. (a) What are externalities? Discuss the types of externalities. How does externality cause market failure? $3+4+4=11$

Or

- (b) Critically explain the Coase theorem. 11

6. (a) What is meant by public revenue? Discuss the main sources of public revenue. $4+7=11$

Or

- (b) Discuss the effects of taxation on production and distribution. 11

7. (a) Explain the main features of Indian tax system. Give an account of major tax reforms since 1991. $4+8=12$

Or

- (b) What do you mean by public debt? Explain the nature and magnitude of public debt in India. $3+9=12$
