2022

(Held in 2023)

ECONOMICS

(Theory Paper)

Paper Code : ECO 3.4

(Public Finance)

Full Marks – 80

Pass Marks – 32

Time – Three hours

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

1. Answer the following questions (within 50 words each) :   2×4=8

   (a) What is subsidy ?

   (b) What is revenue receipt ?

   (c) Explain the meaning of tax credit.

   (d) Explain the characters of club good.

[Turn over

2. Answer the following questions (within 150 words each) :

                                                5×4=20

(a) Explain about the main policies of the government to reduce deficit.

(b) Write a short note on GST.

(c) Explain Welfare cost of Deficit Budget in a country.

(d) Write a short note on Bouncy and Elasticity of Taxation.

3. Answer any *two* of the following questions :

                                            10×2=20

(a) Determine efficient output of a public good. Explain the corrective policies and viability of Government intervention in this regard.

(b) Critically explain the Tiebout Model.

                                            6+4=10

(c) What are the main sources of public debt ? Explain the impact of public debt in an economy like India.   6+4=10

(d) Elaborate the Theory of Balanced Budget Multiplier.   4+6=10

4. Answer the following questions :   16×2=32

(a) Explain the Ricardian Equivalence theorem. Elaborate the importance of Ricardian Equivalence theorem in an economy.

                                            10+6=16

Or

(b) Critically explain Musgrave's Budget Incidence Theory.

(c) Explain Zero-based Budgeting. How does the theory different from incremental budgeting ?

Or

(d) Critically discuss the Coase's theory.