

Total No. of printed pages = 3

63/2 (SEM-3) ECO 3.4

2021

(held in 2022)

ECONOMICS

(Theory Paper)

Paper Code : ECO-3.4

(Public Finance)

Full Marks – 80

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 public good ?

(b) What is revenue deficit ?

(c) What is free rider problem ?

(d) Explain about the biggest source of public revenue.

[Turn over

2. Answer the following questions (within 100 words each): $5 \times 4 = 20$

- (a) Explain about excess burden of tax and taxable capacity.
- (b) "Pump priming is a compensatory means of fiscal device." Explain.
- (c) Explain a short note on theory of club.
- (d) Distinguish between pay as you use and pay as you go.

3. Answer any *two* of the following questions : $10 \times 2 = 20$

- (a) Explain the impact of deficit finance on the capital market.
- (b) Explain the modern theory of public budget? How the theory does is different from Incremental budgeting? $6 + 4 = 10$
- (c) What is subsidy? Explain about fixed quantity subsidy on marketed good.
- (d) Elaborate the Maximum Welfare Principle of Budget.

4. Answer the following questions : $16 \times 2 = 32$

- (a) Explain the Cost Benefit Principle Government Expenditure. Why the theory is important?

$10 + 6 = 16$

Or

- (b) What is externality? Describe various corrective policies under taken by government related to externalities. To correct externality do you think government intervention is necessary?

- (c) Explain about the Role of Government in an economy.

Or

- (d) Critically discuss the theory of voluntary Bargaining of Small Group.