D 110352 (Pages : 2) Name..

Reg. No...................................

FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION NOVEMBER 2024

Economics

ECO 5B 07—FISCAL ECONOMICS

(2019 Admission onwards)

Time : Two Hours and a Half   Maximum : 80 Marks

Section A (Short Answer Questions)

Maximum marks in this Section is 25.
Students can attempt **all** *questions.*
Each question carries a maximum of 2 *marks.*

1. Progressive and regressive taxation.

2. Public goods.

3. Black money.

4. Deadweight loss.

5. Steps of project evaluation.

6. Public debt management.

7. Revenue deficit and capital deficit.

8. Cost-benefit analysis.

9. Ability-to-pay principle.

10. Objective of deficit financing.

11. Income tax calculation in India.

12. Deficit financing.

13. Principle of Maximum Social Advantage.

14. Functions of local finance.

15. Public finance and private finance.

Turn over

Section B (Short Essay/Paragraph Questions)

Maximum marks in this Section is 35.
*Students can attempt **all** questions.*
Each question carries a maximum of 5 marks.

16. What is the difference between impact, incidence and shifting of taxation ?

17. Explain the origin and scope of public finance.

18. Which is fiscal policy ? Explain contra-cyclical fiscal policy.

19. What is meant by public expenditure ? Describe the canons of public expenditure.

20. Explain Peacock-Wiseman hypothesis.

21. *Adam Smith developed four famous canons of taxation*. Explain.

22. Evaluate the effects of public expenditure on Indian economy.

23. Write a note on the structure and functions of NITI Aayog.

Section C (Long Essay Questions)

*Answer any **two** questions.*
Each question carries a maximum of 10 marks.

24. What is the importance of federal finance ? Explain the role of Finance Commission ensuring smooth Central – State financial relations.

25. Explain the procedure of budgeting in India. Differentiate between performance budgeting, programme budgeting and zero base budgeting

26. Critically evaluate Wagner's view of public expenditure.

27. Differentiate between direct and indirect taxes. What are the major taxes India ?

(2 × 10 = 20 marks)

D 110352–A   (Pages : 4)   Name...

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FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION NOVEMBER 2024

Economics

ECO 5B 07—FISCAL ECONOMICS

(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.

2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.

3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.

4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 07—FISCAL ECONOMICS

(Multiple Choice Questions for SDE Candidates)

1. The Benefit Principle of taxation states that tax should be paid in proportion to :

    (A) Income.
    (B) Expenditure.

    (C) Benefit.
    (D) Utility.

2. Corporate Income tax is the tax levied on :

    (A) Corporations.
    (B) Municipalities.

    (C) Co-operative societies.
    (D) Companies.

3. Which one of the following is Adam Smith's Canon of Taxation ?

    (A) Productivity.
    (B) Certainty.

    (C) Flexibility.
    (D) Stability.

4. Which one of the following is not a method for redeeming public debt ?

    (A) Sinking fund.
    (B) Capital levy.

    (C) Terminal annuities.
    (D) Grants in aid.

5. The Finance Commission in India is appointed by :

    (A) President.
    (B) Prime Minister.

    (C) Chief Minister.
    (D) Finance Minister.

6. Displacement effect is associated with :

    (A) Financial Administration.
    (B) Public Expenditure.

    (C) Public Debt.
    (D) Budget.

7. Functional Finance concept was introduced by :

    (A) Marx and Angels.
    (B) Keynes and Lerner.

    (C) Dalton and Pigou.
    (D) J. S. Mill.

8. The most accepted theory of taxation in modern times :

   (A) Benefit theory.   (B) Cost of service.

   (C) Financial Theory.   (D) Ability theory.

9. The rate of income tax in India is :

   (A) Regressive.   (B) Progressive.

   (C) Proportional.   (D) Degressive.

10. The Classical economists asserted that public expenditure is :

    (A) Unproductive.   (B) Productive.

    (C) Stagnant.   (D) All of these.

11. Equals treated equally in taxation leads to :

    (A) Vertical equity.   (B) Real equity.

    (C) Horizontal equity.   (D) None.

12. Which is the main point on the basis of which public finance can be separated from private finance ?

    (A) Borrowing.   (B) Price policy.

    (C) Motive of spending.   (D) Secrecy.

13. Deficit financing leads to :

    (A) Fall in price.   (B) Stagnant price.

    (C) Control of price.   (D) Rise in price.

14. Which of the following is a non-tax revenue ?

    (A) Wealth tax.   (B) Octroi.

    (C) Grants.   (D) Customs duty.

Turn over

15. The tax imposed on individuals independently of his income, wealth, occupation, age and other , characteristics is cabled :

    (A)   Direct tax.   (B)   Grants-in-aid.

    (C)   Indirect tax.   (D)   All.

16. The Great Depression occurred during :

    (A)   1919-23.   (B)   1929-33.

    (C)   1949-53.   (D)   1901-05.

17. Tax is a ————— payment.

    (A)   Optional.   (B)   Open.

    (C)   Compulsory.   (D)   Elective.

18. People with similar income should pay the same amount of tax follows :

    (A)   Horizontal equity.   (B)   Vertical equity.

    (C)   Diagonal equity.   (D)   None.

19. Deficit financing may lead to :

    (A)   Poverty.   (B)   Unemployment.

    (C)   Inflation.   (D)   Satisfaction.

20. Unfunded debts are also known as :

    (A)   Funded debts.   (B)   Floating debts.

    (C)   Irredeemable debts.   (D)   None.