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(Pages : 3)

Name.....

Reg. No.....

THIRD SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2015

(CUCSS)

Economics

ECO 3C 12—FISCAL ECONOMICS

(2010 Admission onwards)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each bunch of four questions carries a weightage of 1.

(A) Multiple Choice :

- 1 The committee recommended abolition of tax rebates under section 88 :
(a) Chelliah Committee. (b) Kelkar Committee.
(c) Shome Committee. (d) None of the above.
- 2 The budget estimate for effective revenue deficit for 2011-12 stands at :
(a) 3.5 % GDP. (b) 2.3 % GDP.
(c) 1.8 % GDP. (d) 1.3 % GDP.
- 3 Thirteenth Finance Commission was constituted under the Chairmanship of :
(a) Y. S. P. Thorat. (b) Vijai L Kelkar.
(c) T. S. Vijayan. (d) Laxminarayan.
- 4 The rate at which banks lend to RBI is known as :
(a) Bank rate. (b) Repo rate.
(c) Reverse Repo Rate. (d) Interest Rate.

(B) Multiple choice :

- 5 The twelfth Finance Commission was appointed on :
(a) April 2001. (b) June 1, 2001.
(c) June 1, 2002. (d) November 1, 2002.
- 6 Consolidated funds includes :
(a) Government revenues. (b) Loan raised.
(c) Recoveries of loan granted. (d) All the above.

Turn over

7 Market failure of public goods is due to :

- (a) Non-rival in consumption. (b) Non-excludability.
(c) Externality. (d) All the above.

8 Sales tax is collected by :

- (a) Central Government. (b) State Government.
(c) Both (a) and (b). (d) Panchayat.

(C) Fill in the blanks :

- 9 Deficit budgeting is _____.
10 Open Market Operation' is a part of _____.
11 Corporate tax is imposed by _____.
12 Primary deficit is _____.

(D) State True or False :

- 13 Gadgil Formula provided a basis for the transfer of assistance to the state.
14 Budgetary determination of the Government is based on voting.
15 Zero base budgeting is an infinite deficit financing.
16 Finance Commission is a non-statutory body.

(16 × ¼ = 4 weightage)

Part B (Short Answer questions)

Answer any ten questions not exceeding one page each.

- 17 Explain Public goods.
18 What is meant by externalities ?
19 Write a note on functional finance.
20 Explain the rationale for Government intervention in the distribution of goods.
21 Write a note on fiscal federation.
22 Discuss the theory of second best.
23 Explain the features of tax system in India.
24 Write a note on agricultural taxation in India.
25 Explain the major trends in public debt in India.
26 Discuss the optional provision of public goods.

- 27 Discuss the different sources of public revenue.
- 28 Write a note on Zero based budgeting.
- 29 Explain the measures of budgetary deficit.
- 30 Discuss the Chelliah Committee Report on taxation.

(10 × 2 = 20 weightage)

Part C (Essay Questions)

Answer any three not exceeding three pages each.

- 31 Discuss the role of Government in the national economy.
- 32 Analyse the fiscal crisis in India.
- 33 Examine the reforms in direct and indirect taxes in India.
- 34 Discuss the major recommendations of 13th Finance Commission in India.
- 35 Examine the stabilization policy of the Government in an open economy.

(3 × 4 = 12 weightage)