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

2 0 2 2

(Nov/Dec)

ECONOMICS

(Discipline Specific Elective)

(For Honours)

Paper : DSE–6

(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) The book, *Principles of Public Finance*, first published in 1922, was written by

      (i) Hugh Dalton

      (ii) R. A. Musgrave

      (iii) Philip E. Taylor

      (iv) Adolph Wagner

(*Turn Over*)

(b) Define public good.

(c) What are market externalities?

(d) Mention a source of non-tax revenue of the Government of India.

(e) What is the full form of SGST?

(f) The burden of long-term public loan is on

    (i) present generation

    (ii) past generation

    (iii) future generation

    (iv) None of the above

(g) The Finance Commission of India is a/an

    (i) Term Body

    (ii) Advisory Body

    (iii) Planning Committee

    (iv) Tax Commission

(h) The main objective of tax is

    (i) regulation of economy

    (ii) increase in production

    (iii) increase in consumption

    (iv) None of the above

                (Continued)

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

    (a) Importance of public finance

    (b) Samuelson's theory of public expenditure

    (c) The Coase theorem

    (d) Economic effects of taxation

    (e) Advantages of Goods and Services Tax

Answer the following questions (**within 500 words** each) :

3. (a) Discuss the meaning and scope of public economics.   11

Or

  (b) Discuss critically the need for public sector in an underdeveloped country.   11

4. (a) Explain the various characteristics of public goods. How would you distinguish pure public goods from impure public goods? Why does free-rider problem occur in case of public goods?   5+2+4=11

Or

  (b) (i) Explain the efficient allocation of public goods.   5

      (ii) Explain Lindahl's equilibrium of public expenditure.   6

             (Turn Over)

5. *(a)* Distinguish between positive and negative externalities. What are the various ways to internalise them? 3+8=11

Or

(b) What do you mean by market failure? Explain the characteristics of externalities. 4+7=11

6. *(a)* State the meaning of ability to pay taxation theory. On what factors does the ability of a person to pay taxes depend? 4+7=11

Or

(b) What do you mean by incidence of taxation? Discuss the importance of the concept of incidence of taxation. Mention the factors affecting incidence of taxation. 2+4+5=11

7. *(a)* What is public budget? Explain the budgetary procedures in India. 2+10=12

Or

(b) What is public debt? Distinguish between internal and external debt. Briefly analyse the trend of public debt in India since Independence. 2+5+5=12

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