

**QP CODE**  
**C2008**

**Enrollment Number:** .....

**Name:** .....

**M.A. DEGREE EXAMINATIONS, JULY 2025**  
**Third Semester**  
**M.A. Economics**  
**M23EC09DC – Public Finance**  
**(2023 July admissions)**

**Time: 3 Hours**

**Max Marks: 70**

**Section A**

**Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.**

1. Who proposed the 'Theory of Clubs'?
2. What is the main source of non-tax revenue in India?
3. Define 'Deadweight Loss'.
4. Define VAT
5. What are public goods?
6. Mention the name associated with 'Benefit Principle' of taxation
7. What is meant by vertical fiscal imbalance?
8. Which theory explains the shifting of tax in terms of supply and demand?
9. Expand FRBM.
10. Who authored Economics of the Public Sector?
11. What is the key difference between public and private finance?
12. Which model explains voting under direct democracy?
13. Name one pure theory of public expenditure.
14. What is social cost-benefit analysis?
15. What is meant by fiscal deficit?

**(1X10=10)**

**Section B**

**Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.**

16. Define public choice theory.
17. What is the Tiebout Model?
18. Explain Zero-based budgeting.
19. What is compensatory finance?

20. List the major recommendations of the 15th Finance Commission.
21. Differentiate between tax and non-tax revenue.
22. Explain the 'Tragedy of the Commons'.
23. What is the purpose of a balanced budget multiplier?
24. Mention any two sources of local finance in India.
25. What is meant by double taxation?

(2X5=10)

### **Section C**

**Answer any five of the following questions in a paragraph each. Each question carries 4 marks.**

26. Discuss the features of pure public goods with examples.
27. Explain the equity-efficiency trade-off in taxation.
28. What are the causes of growth in public expenditure?
29. Describe the principles of tax incidence.
30. Outline the burden and management of public debt.
31. Compare public and private goods.
32. Discuss the criteria for public investment.
33. Explain any two fiscal instruments used to control inflation.

(4X5=20)

### **Section D**

**Answer any three of the following questions in two pages each. Each question carries 10 marks.**

34. Examine the role of the government in a market economy.
35. Analyse the structure of public debt in India.
36. Discuss the theories of shifting of tax burden.
37. Evaluate fiscal federalism in India with reference to centre-state financial relations.
38. Explain Wagner's and Peacock-Wiseman's hypotheses of public expenditure.
39. Critically assess the Goods and Services Tax (GST) in India.

(10X3=30)