

- Note**
1. All the questions are compulsory.
 2. All questions carry equal marks.
 3. Draw neat, labelled diagrams wherever necessary.

Q.1. A) Define the concepts (any 5)

10 Marks

1. Public Finance
2. Market Failure
3. Regressive Taxation
4. Incidence of Tax
5. Merit Goods
6. Unproductive Debts
7. Budget
8. Fiscal federalism

Q.1 B) State whether the following statements are True or False.

10 Marks

1. Deficit budget should be followed during the depression.
2. Market failure is due to inefficient allocation of resources.
3. Incidence is the ultimate burden of the tax.
4. Subsidies can increase consumption demand.
5. Ayushman Bharat Yojana provides cashless treatment to patients.
6. Government must avoid productive expenditure.
7. GST came into effect on 1st July 2020.
8. The FRBM act has no limitations.
9. Public debts do not create any burden on the economy.
10. There is only one source of public revenue.

Q.2 Attempt (Any 2)

20 Marks

1. Define public finance and explain its scope.
2. Discuss Dalton's principle of maximum social advantage.
3. Explain the role of the government in correcting market failure.

Q. 3 Attempt (Any 2)

20 Marks

1. Discuss the merits and demerits of direct and indirect taxes.
2. How do elasticities of demand affect the incidence of taxation? Explain with the help of a suitable diagram.
3. Discuss the economic effects of Taxation on savings, consumption, and redistribute effects of taxation.

Q.4 Attempt (Any 2)

20 Marks

1. Discuss the economic effects of public expenditure.
2. Explain the Wiseman-peacock hypothesis.
3. Explain the meaning and the classification of public debt.

Q.5 Attempt (Any 2)

20 Marks

1. Discuss fiscal policy and state its limitations.
2. Explain the concept of public budget and its types
3. Discuss fiscal decentralization and its components in detail.