

**NOTE: All Questions are compulsory**

**All Questions carry equal marks.**

**Draw neat diagrams wherever necessary.**

**Q.1.A) Explain the following concepts:- (Any Five)**

**(10)**

1. Public revenue
2. Externalities
3. Regressive tax
4. Incidence of tax
5. Internal public debt
6. Non transfer public expenditure
7. Capital budget
8. Fiscal federalism

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

**(10)**

1. Deficit budget should be followed during depression.
2. Free rider problem is feature of public good.
3. Direct taxes are imposed on income and wealth.
4. Tax on rich and luxury goods will check inflation.
5. Public expenditure on education and health will have negative effect on people's ability to work.
6. Atal Pension Yojana will have provide cashless treatment to patients.
7. External public debt is less burdensome on the country.
8. Fiscal policy does not directly deal with money supply.
9. The main objective of contra – cyclical fiscal policy is to achieve economic stability.
10. Budget serves as a tool for fiscal management and accountability

**Q.2. Answer Any Two of the following:**

**(20)**

- A. Define public finance: What are the fiscal operations of modern government?
- B. Examine Musgraves approach on principle of maximum social advantage.
- C. Define market failure and explain its causes.

**Q.3. Answer Any Two of the following:**

**(20)**

- A. Discuss the cannons of taxation.
- B. Explain how elasticity of demand and supply factors influences on incidence of taxation.
- C. Explain the economic effects of taxation.

**Q.4. Answer Any Two of the following:**

**(20)**

- A. Explain the classification of public expenditure.
- B. Discuss the causes of rise in public expenditure.
- C. Examine external burden of public debt.

**Q.5. Answer Any Two of the following:**

**(20)**

- A. Explain the objectives of fiscal policy.
- B. Discuss the principles of functional finance.
- C. Explain the different types of public budget.

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