

4/10/17
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B. Economics
Q.P. Code :06851

[Time: $2\frac{1}{2}$ Hours]

[Marks : 75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Figures to the right indicate full marks.
 3. Draw neat diagrams whenever necessary.

Q.1 Attempt any Two of the following

- a) Explain the meaning and scope of public finance.
- b) Discuss Musgrave's Maximum Welfare Principle of Budget Determination with the help of diagram.
- c) Explain the meaning and characteristics of functional finance.

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Q.2 Attempt any Two of the following

- a) State the merits and demerits of indirect taxes.
- b) Discuss the sources of non-Tax revenue of the Govt.
- c) Explain the Factors determining the incidence of taxation.

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Q.3 Attempt any Two of following.

- a) Discuss the reasons for sharp Increase in public expenditure of India since 1991.
- b) Discuss the burden of internal debt.
- c) Critically examine FRBM Act 2003.

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Q.4 Attempt any Two of Following

- a) Discuss various components of Indian money market.
- b) Discuss the reform in Indian capital market since 1991.
- c) Explain the structure of Indian capital Market.

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Q.5 a) State with reason whether the following statements are true or false? (Any four)

- i. According to functional finance, Government must be a passive spectator.
- ii. Marginal social sacrifice increases with an increase in units of taxation.
- iii. Impact and incidence of direct tax falls on same person.
- iv. Greater the elasticity of demand, the larger will be the incidence on seller.
- v. Railway Budget is an example of departmental Budget.
- vi. Capital Levy is recurring nature.
- vii. Money market deals with long term monetary transactions.
- viii. SEBI has allowed the companies to determine the par value of shares issued by them.

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B) Choose the correct answer and rewrite the statement (Any seven)

- i. Marginal Social Benefit curve -----
 - a) Diminishes
 - b) increases
 - c) Remains constant
 - d) None of these
- ii. ----- Budget should be followed during depression.
 - a) Deficit
 - b) Surplus
 - c) Balanced
 - d) none of these.

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