



K.R. MANGALAM UNIVERSITY

THE COMPLETE WORLD OF EDUCATION

Roll No.....

End Semester Examination, December, 2024
B.A. Economics (Hons.) – V Semester
PUBLIC ECONOMICS (SHES315A)

Time: 2.5 hrs.

Max Marks: 50

Note: All Questions are compulsory. Marks are indicated against each question.

PART-A

Q.1 Answer any 5 Questions:

(2x5=10)

- | | |
|--|----------------|
| (i) What are the primary objectives of public expenditure? | [CO-1] [L-2] 2 |
| (ii) Describe the Ability to Pay Principle in taxation | [CO-1] [L-2] 2 |
| (iii) Why is the canon of certainty important in taxation? | [CO-1] [L-2] 2 |
| (iv) Explain the concept of Merit Goods | [CO-1] [L-2] 2 |
| (v) Mention two assumptions of the theory of Maximum Social Advantage. | [CO-1] [L-2] 2 |
| (vi) Describe the concept of Market failure. | [CO-1] [L-2] 2 |
| (vii) Explain the concept of a Budget Deficit. | [CO-1] [L-2] 2 |

PART-B

Attempt all the Questions

Q.2 (i) Define and differentiate between current accounts and capital accounts in government budgeting. What are the implications of each for economic planning?

[CO-2] [L-2] 10

OR

(ii) Analyze the concepts of balanced, surplus, and deficit budgets. How do these budget types affect economic stability and growth?

[CO-2] [L-4] 10

Q.3 (i) Explain the concepts of allocation and distribution in public expenditure. Why are these concepts crucial for effective public finance management?

[CO-3] [L-4] 10

OR

(ii) Explain Wagner's Law of increasing state activities and its implications for public expenditure in developed economies.

[CO-3] [L-4] 10

Q.4 (i) Explain the various Canons of Public Expenditure. Why is public expenditure continuously increasing in India. [CO-4] [L-4] **10**

OR

(ii) Explain the various sources of public revenue and discuss the role of taxes in the generation of revenue for the government. [CO- 4] [L-4] **10**

Q.5 (i) Discuss the major types of taxes in India, including income tax, goods and services tax (GST), and corporate tax. Analyze their impact on economic growth and income distribution. [CO-1] [L-2] **10**

OR

(ii) Explain the Laffer Curve and its relevance to tax policy. How does the Laffer Curve illustrate the relationship between tax rates and tax revenue? [CO- 1] [L-4] **10**