POST-GRADUATE COURSE

Term End Examination — June, 2023/December, 2023
ECONOMICS
Paper-XI : PUBLIC ECONOMICS

Time : 2 hours]　　　　　　　　　　　　　　　　　[Full Marks : 50

Weightage of Marks : 80%

Special credit will be given for precise and correct answer. Marks will be deducted for spelling mistakes, untidiness and illegible handwriting. The figures in the margin indicate full marks.

Use of scientific calculator is strictly prohibited.

1. Answer any *four* of the following questions :　　　　　$2\frac{1}{2} \times 4 = 10$

   a) In what sense national defence is a pure public good ?

   b) What is meant by the 'leaky bucket' proposition put forward by Okun ?

   c) What is Wiseman-Peacock Hypothesis ?

   d) What is external debt ?

   e) What is GST ?

   f) What is meant by fiscal federalism ?

2. Answer any *four* of the following questions :　　　　　$5 \times 4 = 20$

   a) What is Coase theorem ? What are the assumptions of the Coase theorem ? What does Coase theorem state and suggest ?　　$1 + 2 + 2$

   b) Write a critical note of Wagner's law of increasing state activities. What are its limitations ?　　　　　　　　　　　$3 + 2$

   c) What is Laffer curve ? Explain it with a diagram. What are its limitations ?　　　　　　　　　　　　　　　　$1 + 2 + 2$

   d) What is public debt ? Explain why management of public debt is important.

  e) What are the advantages of direct taxes ?

  f) What is Finance Commission of India ? What is the fundamental task of Finance Commission of India ?

3. Answer any *two* of the following questions :   10 × 2 = 20

  a) State different features of a good tax system.

  b) Critically examine Dalton's Principle of Maximum Social Advantage and state its limitations.

  c) What is the rationale behind federalism ? Why are the ideas of fiscal federalism relevant for all kinds of government ? Explain.

  d) Explain various reasons for the growth of public expenditure in India.

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