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ECONOMICS

( Major )

Paper : 6.1

( **Public Economics** )

*Full Marks : 60*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

1. Answer the following questions : 1×7=7
- (a) What do you mean by incidence of tax?
  - (b) What do you mean by regressive tax?
  - (c) Define taxable capacity.
  - (d) Define government budget.
  - (e) State one important objective of fiscal policy.
  - (f) Bring out the meaning of federal finance.
  - (g) What do you mean by tax-sharing as far as fiscal federalism is concerned?

( 2 )

2. Answer the following questions :  $2 \times 4 = 8$

- (a) Bring out the distinction between direct and indirect tax.
- (b) Bring out the difference between balanced and unbalanced budget.
- (c) Differentiate between proportionate tax and progressive tax.
- (d) State two important principles of federal finance.

3. Answer any *three* questions from the following :  $5 \times 3 = 15$

- (a) Explain four factors determining taxable capacity.
- (b) Write a note on the Benefit Principle of Taxation.
- (c) Differentiate between revenue and capital budget.
- (d) Explain the various components of fiscal policy in brief.
- (e) Write a short note on zero-base budgeting.

( 3 )

4. Answer any *three* questions from the following :  $10 \times 3 = 30$

- (a) What are the various canons of taxation? Explain.
- (b) Critically analyze the distributional effect of taxation.
- (c) Critically examine the role of taxation in developing countries.
- (d) Give an overview of the classification of public budget. Also explain the various types of government budget.
- (e) Critically analyze the role of fiscal policy in a developing economy.
- (f) Briefly explain the various recommendations of the 13th Finance Commission of India.

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