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ECONOMICS

( Major )

Paper : 6.1

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 progressive tax?
  - (b) What do you mean by impact of tax?
  - (c) What is absolute taxable capacity?
  - (d) What do you mean by unbalanced budget?
  - (e) Bring out the meaning of fiscal policy.
  - (f) Give an example of a tight federation.
  - (g) What do you mean by fiscal consolidation?

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

- (a) Distinguish between proportionate tax and regressive tax.
- (b) Distinguish between revenue budget and capital budget.
- (c) State two components of fiscal policy.
- (d) State two factors determining taxable capacity.

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

- (a) 'Taxable capacity' and 'ability to pay' are distinctly two different issues relating to the economics of taxation. Explain.
- (b) Explain how tax is shared between buyers and sellers.
- (c) Write a short note on performance budgeting.
- (d) Explain briefly the role of fiscal policy in a developing economy.
- (e) Give an overview of the classification of public budget.

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

- (a) Critically analyze the characteristics of a good tax system.
- (b) Explain critically the ability to pay theory of taxation.
- (c) Analyze the effect of taxation on production and distribution.
- (d) Give an overview of the objectives of fiscal policy.
- (e) Bring out the meaning and purpose of government budget. Write a note on budget framing. What do you mean by incremental or zero-base budget?  $5 + 2 + 3$
- (f) Give a brief overview of the 14th Finance Commission.

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