

B.A. DEGREE C.B.C.S.S.) EXAMINATION, OCTOBER 2018
Fifth Semester

B.A Corporate Economics
Core Course—FISCAL ECONOMICS—I

Time : Three Hours

Maximum Marks : 80

Define the following :

1. Merit Goods.
2. Incidence of tax.
3. Private Good.
4. Public expenditure.
5. Direct tax.
6. Budget.
7. Fiscal Policy.
8. Horizontal equity.
9. Taxable capacity.
10. Decentralisation.

(10 × 1 = 10)

Part B

*Answer any **eight** of the following questions in a **paragraph** each.
(Not exceeding 100 words).
Each question carries 2 marks.*

11. Scope of Public Economics.
12. Public Good.
13. Progressive Tax.
14. Forward and backward shifting.
15. Regressive expenditure.
16. Impact of tax.
17. Benefit principle.

Turn over

18. Contractionary fiscal policy.
19. Capital Expenditure.
20. Local Finance.
21. Fiscal federalism.
22. Deficit finance.

(8 × 2 = 16)

Part C (Short Essays)

*Answer any six of the following questions in one and a half pages each
(Not exceeding 150 words).*

Each question carries 4 marks.

23. Explain the role of State in economic activities.
24. What is burden of tax ?
25. Discuss the limitations of fiscal policy.
26. What are the characteristics of a public good ?
27. Discuss the canons of public expenditure.
28. Discuss the sources of public revenue.
29. What are the merits of direct taxes ?
30. What are the objectives of fiscal policy ?
31. Discuss the effects of taxation.

(6 × 4 = 24)

Part D (Long Essays)

Answer any two of the following questions.

(Not exceeding four pages each).

Each question carries 15 marks.

32. Discuss the factors affecting taxable capacity.
33. Discuss the principle of maximum social advantage.
34. Discuss the reasons behind the growth of public expenditure.
35. Illustrate Wagner's Law.

(2 × 15 = 30)