



QP CODE: 21100320



Reg No : .....

Name : .....

**B.A DEGREE (CBCS ) EXAMINATION, FEBRUARY 2021**

**Fifth Semester**

B.A Corporate Economics Model III

**Core Course - EC5CRT04 - FISCAL ECONOMICS - I**

2017 Admission Onwards

BBE72A8D

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries 2 marks.*

1. Define fiscal economics.
2. State the relationship between the Great Depression and public finance.
3. Distinguish between private expenditure and public expenditure.
4. State the canon of elasticity of public expenditure.
5. What is meant by grants?
6. Define the principle of equal sacrifice.
7. Distinguish between forward shifting and backward shifting.
8. What do you mean by individual income tax?
9. Why was expenditure tax repealed?
10. Distinguish between specific and advalorem tax.
11. Define taxable capacity.
12. Mention any three factors determining taxable capacity.

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries 5 marks.*

13. What are the objectives of fiscal operations?
14. Explain the relationship between budget and public finance.





15. Define public expenditure. What is the role of public expenditure in the modern economy?
16. How are public expenditure classified?
17. Examine Adam Smith's canons of taxation.
18. Examine the contributions of Musgrave to the theory of tax incidence.
19. Define corporation tax. What are its features?
20. What are the advantages of value added tax?
21. How do we measure the taxable capacity of a nation?

(6×5=30)

**Part C**

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Analyse the principle of maximum social advantage.
23. Examine the effect of public expenditure on allocation, production & distribution.
24. Define public revenue. Explain the various sources of public revenue.
25. What are the characteristics of a good tax system?

(2×15=30)

