

2023
ECONOMICS
ECON-3026
(Public Finance)
Total Marks : 80
Time : 3 Hours

Total number of printed pages -2

The figures in the margin indicate full marks for the questions

1. Answer the following : 4×5=20
 - (a) Explain the allocation, distribution and stabilization functions of the government in an economy.
 - (b) Differentiate between tax exemption and tax deduction.
 - (c) Write a short note on GST
 - (d) Explain the equity and economic efficiency criteria for policy evaluation.
2. Answer any three of the following : 3×10=30
 - (a) Explain how logrolling prevents tyranny of the majority in public provision.
 - (b) Using indifference curve analysis, explain lump-sum and price distorting tax in an economy.
 - (c) Discuss the allocation and distribution effect of excise subsidy.

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(d) Explain the problems of centre-state financial relations in India.

(e) Explain the Coase Theorem and also mentions its applicability.

3. Answer any two of the following :

(a) Define the structure and importance of a public budget and explain the components in details. $7+8=15$

(b) Define Fixed -Quantity Subsidy for Marketed Goods. Explain how fixed quantity subsidy can results in both over-consumption as well as under consumption. $3+12=15$

(c) Describe the theory of Clubs. How does Tiebout Hypothesis take this theory forward? $8+7=15$

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