

TDC Odd Semester Exam., 2018

**ECONOMICS**  
**( Honours )**

**( 3rd Semester )**

Course No. : ECOH-302

**( Public Finance )**

Full Marks : 50

Pass Marks : 17

Time : 2 hours

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

Answer **five** questions, taking **one** from each Unit

**UNIT—I**

1. (a) What is public finance? 4
- (b) Explain the relevance of the study of public finance. 6
2. (a) Bring out the essential points of difference between public and private goods. 5
- (b) Discuss the positive and negative externalities with suitable examples. 5



UNIT—II

3. (a) What is public revenue?  
(b) Mention different sources of collection of public revenue.
4. (a) Briefly discuss different classifications of public expenditure.  
(b) Account for the growth of public expenditure in recent years.

UNIT—III

5. Write notes on any *two* of the following

- (a) Characteristics of a good tax  
(b) Benefit principle of taxation  
(c) Taxable capacity

6. (a) What is public debt?

(b) Give the classification of public debt.

(c) What are the effects of public debt in a growing economy?



UNIT—IV

7. (a) Define fiscal policy. 3

(b) "Fiscal policy along with monetary policy can play a vital and comprehensive role in accelerating the rate of growth and bringing about stability in the economy." Explain. 7

8. (a) What is deficit financing? 2

(b) Is deficit financing necessarily inflationary? Justify. 2

(c) Under what situation can deficit financing be justified? 6

UNIT—V

9. (a) What is public budget? State the importance of a budget. 2+2=4

(b) Distinguish between revenue account and capital account of a budget. 6

10. (a) Discuss the role of Finance Commission in India. 4

(b) What are the important recommendations of the current Finance Commission of India? 6

