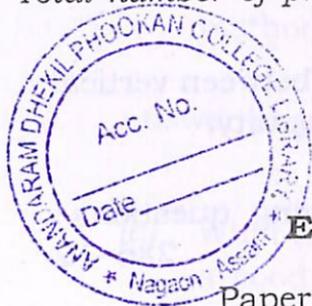


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1A (Sem-1) ECO/ITEP

2025

ECONOMICS

Paper : ECO0100204-N

(Public Finance)

Full Marks : 60

Time : 2½ hours

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

1. Answer the following questions : $1 \times 8 = 8$
- (a) Define Public finance.
 - (b) What are the main sources of government revenue in public finance?
 - (c) Name one source of public debt.
 - (d) Mention one economic effect of taxation.
 - (e) What is the free rider problem.
 - (f) Define the term "Public Goods."

(g) What is meant by "Dead Weight Loss" in taxation?

(h) Mention *one* difference between vertical equity and horizontal equity.

2. Answer **any six** of the following questions :
2×6=12

(a) What is the role of the government in a mixed economy?

(b) State *two* differences between internal debt and external debt.

(c) Mention *two* major recommendations of the Finance Commission of India.

(d) What is the significance of public goods in public finance?

(e) Define externalities. Give *one* example.

(f) What do you understand by the ability-to-pay principle?

(g) Differentiate between public goods and private goods.

(h) Mention *two* causes of market failure.

(i) What is zero-based budgeting? How is it different from traditional budgeting?

(j) What is debt redemption? Give *one* method.

3. Answer **any four** of the following questions :
5×4=20

(a) What is tax? Write *any four* features of a good tax system.

(b) Write a short note on Keynes' views of Fiscal Policy.

(c) Explain the role of public debt in developing economy like India?

(d) What do you mean by the term Budget? Give its importance.

(e) Explain the system of financial adjustment in a federal system.

(f) Explain the problem of free rider and its various impacts.

(g) What is the significance of public finance in the development of a welfare state.

(h) What are the principles of Public Expenditure?



4. Answer **any two** of the following questions :
10×2=20

- (a) Define taxation. Briefly discuss Adam Smith's canons of Taxation. 2+8=10
- (b) Explain the concept of overconsumption and underconsumption in Public Expenditure.
- (c) What are the scope of public finance? Point out its role in developing countries. 5+5=10
- (d) What do you mean by Public Debt Management. Give its main principles. 2+8=10
- (e) Describe briefly the different states of the development of federal finance in India.

