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**5 SEM TDC DSE ECO (CBCS) 6 (H)**

**2025**

( Nov/Dec )

**ECONOMICS**

( Discipline Specific Elective )

( For Honours )

Paper : DSE-506

( **Public Economics** )

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Choose the correct option/Answer the following : 1×8=8

(a) According to Musgrave, the major function of public finance is

(i) allocation function

(ii) distribution function

(iii) stabilization function

(iv) All of the above

( 2 )

(b) "Public finance is concerned with the income and expenditure of public authorities and with the adjustment of one to another." Who gave this definition of public finance?

- (i) Hugh Dalton
- (ii) Philip E. Taylor
- (iii) R. A. Musgrave
- (iv) None of them

(c) Marginal cost of provision of pure public good is

- (i) zero or close to zero
- (ii) one
- (iii) equal to price
- (iv) very high

(d) Define market failure.

(e) Distinguish between direct and indirect tax.

(f) What is the full form of IGST?

(g) Give two examples of Non-Tax revenue.

( 3 )

(h) The Direct Taxes Enquiry Committee, 1970 was appointed under the chairmanship of

- (i) Rai
- (ii) Chelliah
- (iii) Rekhi
- (iv) Wanchoo

2. Write short notes on any *four* of the following (within 150 words each) : 4×4=16

- (a) Public sector
- (b) Lindahl's equilibrium of public expenditure
- (c) Positive and negative externalities
- (d) Ability to pay taxation theory
- (e) GST Council

Answer the following questions (within 500 words each) :

3. (a) Explain the subject matter of public economics. Discuss the importance of public economics in an underdeveloped country. 6+5=11

Or

(b) Explain the role of fiscal functions in developing countries. 11

4. (a) What are public goods? State the characteristics of public goods. Distinguish between public and private goods.  $3+4+4=11$

Or.

- (b) Critically discuss Samuelson's theory of Public Expenditure. 11

5. (a) What are externalities? Discuss the types of externalities. How does externality cause market failure?  $3+4+4=11$

Or.

- (b) Critically explain the Coase theorem. 11

6. (a) What is meant by public revenue? Discuss the main sources of public revenue.  $4+7=11$

Or

- (b) Discuss the effects of taxation on production and distribution. 11

7. (a) Explain the main features of Indian tax system. Give an account of major tax reforms since 1991.  $4+8=12$

Or

- (b) What do you mean by public debt? Explain the nature and magnitude of public debt in India.  $3+9=12$

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