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

**2024**

( November )

**ECONOMICS**

( Discipline Specific Elective )

( For Honours )

Paper : DSE-6

( **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) Which of the following is a public good?

(i) National highways

(ii) Medical service

(iii) Electricity

(iv) Educational service

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- (b) What do you mean by efficient allocation of public goods?
- (c) Write one example of positive production externality.
- (d) Which of the following is a regressive tax?
- (i) Income tax
  - (ii) Gift tax
  - (iii) Sales tax
  - (iv) Wealth tax
- (e) When  $E_s > E_d$ , more incidence of taxation is on
- (i) buyers
  - (ii) sellers
  - (iii) government
  - (iv) None of the above
- (f) Fiscal deficit is defined as
- (i) total expenditure less total receipts excluding borrowing
  - (ii) primary deficit plus interest payment
  - (iii) Both (i) and (ii)
  - (iv) Neither (i) nor (ii)

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( Continued )

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- (g) Shortcoming of public debt is
- (i) political slavery
  - (ii) danger of insolvency
  - (iii) danger to country's freedom
  - (iv) All of the above
- (h) Define merit good.
2. Write short notes on any *four* of the following (within 150 words each) : 4×4=16
- (a) Scope of public economics
  - (b) Internalization of externalities
  - (c) Principles of taxation
  - (d) Stages of budget preparation
  - (e) Problems of public debt policy
3. (a) Explain the allocation, distribution and stabilization functions of the government. 11
- Or
- (b) Explain the coordination and conflict of allocation, distribution and stabilization functions of the government.
4. (a) Critically explain Samuelson's pure theory of public expenditure. 11
- Or
- (b) Critically explain the Lindahl theory of efficient allocation of public goods.

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( Turn Over )

5. (a) What is externality? Explain how existence of externalities makes production and consumption of public goods inefficient. 2+9=11

Or

- (b) Explain Coase theory when the property rights are assigned to the polluter using suitable diagram. 11

6. (a) Analyze the subjective and objective approaches to ability to pay in imposing taxes. 7+5=12

Or

- (b) Explain the trade-off between efficiency and equity in taxation in the context of optimum taxation system. 12

7. (a) Write three characteristics of Indian tax system. Write a note on the latest tax reform measures to overcome the defects of Indian tax system. 3+8=11

Or

- (b) What are the functions of the Finance Commission in India? Discuss briefly the differences between 14th and 15th Finance Commission recommendation. 6+5=11

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