

4th Sem
Neutral T. Progress
Labour Saving T-D 215-17 Mly
Developer

3 (Sem-5) ECO M

2014

ECONOMICS

(Major)

41/63

Paper : 5.1

(Elements of Public Finance)

Full Marks : 60

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer the following questions 1x
- (a) Mention the modern perspective of the scope of public finance. ✓
 - (b) What is capital gains tax? ✓
 - (c) Mention one source of external debt.
 - (d) Give one example of non-tax revenue.
 - (e) Write one difference between plan and non-plan expenditures. 182 OMP
 - (f) When does a country fall into debt trap?
 - (g) What do you mean by burden of public debt?

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2. Answer the following questions :

- ✓ (a) Distinguish between ad valorem tax and value-added tax.
- ✓ (b) Write two differences between public goods and private goods.
- ✓ (c) Give two reasons why external debt is a greater cause of concern than internal debt.
- ✓ (d) Explain briefly two sources of revenue receipt.

3. Answer any three from the following questions :

5×3=

- ✓ (a) Explain the factors that are responsible for widening the scope of public finance in modern times.
- ✓ (b) Explain briefly the advantages and disadvantages of direct taxes.
- ✓ (c) "Public debt plays a very important role in mobilization of resources in developing countries." Explain.
- ✓ (d) Briefly explain Wagner's law of public expenditure.
- ✓ (e) Write the different sources of public debt.

(3)

22
14
41

5

4. Answer any three from the following questions : $10 \times 3 =$

(a) Is public finance a positive science or a normative science? Explain your view.

(b) Distinguish between revenue receipt and non-revenue receipt. Trace the sources of both forms of receipt. $4+6=$

(c) Explain the effects of public expenditure on production and distribution.

(d) What are the various means of redemption of public debt? Explain briefly.

(e) Discuss the role of indirect taxes in a developing economy. Explain how direct tax and indirect tax are complementary to each other. 5-

(f) "Public expenditure is growing in modern times due to increasing activities of government." Do you support the statement? Give reasons for your answer.

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