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DOON UNIVERSITY, DEHRADUN
Final-Semester Examination, Fourth Semester, 2013
School of Social Sciences

M.Sc. (Economics)
SSEI 221 Public Economics-II

Time Allowed: 3 Hours

Total Marks 50

SECTION-A

(2marks X 10 =20)

Explain the following concepts. *(Please note that you are asked to explain the concept and not to give examples. Without a conceptual explanation, mere examples are meaningless)*

- (a) Deficit and Debt
- (b) Revenue and Capital Expenditure
- (c) Direct and indirect taxes
- (d) Buoyancy of tax
- (e) Tax base
- (f) Dalton's absolute incidence
- (g) Progressive, Regressive and Proportional taxation
- (h) General services in Indian Budgetary System
- (i) Marginal sacrifice in the context of taxation
- (j) Pure public goods

SECTION-B

(5Marks X 6 =30)

Answer any six questions

Q-1: Briefly examine the principle of maximum social advantage in the context of public finance.

Q-2: "Taxes cause a drain in economic resources". Examine the relevance of the statement in the context of older and newer economic thoughts.

Q-3: Critically examine Adam Smith's views on canons of taxation.

Q-4: Examine the relevance of short run and long run factors affecting absolute taxable capacity.

Q-5: Examine the aggregate regression approach suggested by 9th Finance Commission in India to assess relative taxable capacity.

Q-6: What do you mean by demand and supply theory of sharing the burden of taxation? Show with diagrams, different conditions in which sharing of the burden differ in an economy.

Q-7: What do you mean by effects of taxation in an economy? With the help of a diagram, examine the effect of taxation in a model economy.

Q-8: With the help of suitable examples, explain the functional classification of items in Indian budgetary system.