 LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**M.A.** DEGREE EXAMINATION - **ECONOMICS**

THIRD SEMESTER – **APRIL 2012**

# EC 3809 - PUBLIC ECONOMICS - I

Date : 24-04-2012 Dept. No. Max. : 100 Marks

Time : 1:00 - 4:00

**Part – A**

**Answer any FIVE questions in about 75 words each: (5 x 4 = 20 marks)**

1. Distinguish between National and Non-national public goods.
2. What are the three basic characteristics of a good theory of public expenditure?
3. Briefly explain four governmental interventions which will bring about more equal distribution of income.
4. What is Social Discount Rate? What are its limitations?
5. What is administered pricing? What are its pros and cons?
6. List out the direct and indirect benefits arising out of laying a new railway line.
7. List out the burden arising out of external public debt.

**Part – B**

**Answer any FOUR questions in about 250 words each: (4 x 10 = 40 marks)**

1. Explain planning programming and Budgeting system(PPBS). Bring out its pros and cons.
2. Explain crude investment criteria.
3. What are the objectives of public sector enterprises in India?
4. Explain the process of disinvestment in India in the recent years.
5. What are the steps to be considered in the selection of a public sector project for execution?
6. What is the role of allocation function in an economy?
7. State and explain Peacock and Wiseman hypothesis.

**Part – C**

**Answer any TWO questions in about 900 words each: (2 x 20 = 40 marks)**

1. Explain the budget model of public expenditure. Bring out its merits and demerits.
2. How do we select public sector projects with the help of net present value criteria? Give numerical examples.
3. Measure the magnitude of public debt of Government of India since 1991. Suggest measures to control the same.
4. Explain various methods of pricing of public sector goods. Bring out their relative merits and demerits.

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