

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.A. DEGREE EXAMINATION – ECONOMICS**

AN 17

FIFTH SEMESTER – NOVEMBER 2007

**EC 5503 - FISCAL ECONOMICS**

Date : 01/11/2007  
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

**PART – A**

(5 x 4 = 20 marks)

**Answer any FIVE questions in not exceeding 75 words. Each answer shall carry the maximum mark of four only.**

1. Define Public Finance.
2. What are the canons of Public Expenditure?
3. Define Tax. What are the elements of a Tax?
4. Bring out the advantages of Progressive Tax.
5. What is MODVAT?
6. State the forms of Public Debt.
7. What are the functions of Finance Commission?

**PART – B**

(4 x 10 = 40 marks)

**Answer any FOUR questions in not exceeding 300 words. Each answer shall carry the maximum mark of ten only.**

8. Examine the doctrine of Maximum Social Advantage as the fundamental principle of Public Finance.
9. Discuss the merits and demerits of direct taxes.
10. State and explain absolute and relative taxable capacity.
11. Explain the sources of Public borrowing.
12. Discuss various kinds of Public Budget.
13. What is meant by Deficit Financing? Bring out the effects of deficit financing.
14. Examine the Centre – State financial relation in India.

**PART – C**

(2 x 20 = 40 marks)

**Answer any TWO questions in not exceeding 900 words. Each answer shall carry the maximum mark of twenty only.**

15. Discuss the effects of public expenditure on production and, consumption.
16. Examine the ability to pay principle. How would you measure the ability of the tax-payers?
17. What is Fiscal Policy? Explain the role of fiscal policy in India.
18. Give a brief account of recommendations of Twelfth Finance Commission.

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