LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

THIRD SEMESTER – NOVEMBER 2010

# EC 3809 - PUBLIC ECONOMICS - I

Date : 01-11-10 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

**Part – A**

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

1. What are the characteristics of a good theory of public expenditure?
2. Compare private goods with public goods.
3. Explain the process of providing public goods through majority voting.
4. What are decision making costs?
5. Explain the social benefits and social cost arising out of construction of a dam.
6. What is Planning Programming Budgeting System?
7. Interpret the size and sign of primary deficit.

**Part – B**

**Answer any FOUR questions in about 300 words each. 4 x 10 = 40 marks**

1. Explain positive, negative and neutral management of public debt.
2. Contest the operation of Wagner’s Law in actual practice.
3. Explain Sharp and Escaraz model.
4. List out and explain the steps to be considered in the selection of public sector project.
5. Narrate various types of costs and benefits arising out of a public sector project.
6. Trace the size and growth of public sector in India since 1991.
7. Account for the low rate of return on public sector investments?

**Part – C**

**Answer any TWO questions in about 900 words each. 2 x 20 = 40 m**arks

1. Explain the role of modern governments in the execution of allocation, distribution and stabilization functions.
2. Assess the contribution of James M. Buchanan to the theory of public goods.
3. Measure the revenue-expenditure gap of central and state government in India. What are its causes? List out some remedial measures.
4. Explain the use of discounting techniques in the selection of public sector projects.

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