 LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

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

THIRD SEMESTER – NOVEMBER 2012

# EC 3809 - PUBLIC ECONOMICS - I

Date : 03/11/2012 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

**Part – A (5 x 4 = 20)**

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

1. Explain the impact of free riders’ problem in the provision of public goods.
2. Distinguish between tax purchase and borrowing purchase mechanism. Which one is a feasible option?
3. State Wagner’s law.
4. What is administered price mechanism?
5. How our government should utilize disinvestment proceeds?
6. Define shadow prices. Why are they necessary?
7. Define fiscal, revenue and primary deficits.

**Part – B (4 x 10 = 40)**

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

1. Compare and contrast commercial benefit cost analysis with social benefit cost analysis.
2. Explain various types of cost and benefits arising out of a public sector project.
3. Explain voluntary exchange model of provision of public goods.
4. Critically evaluate Alan. T. Peacock and Jack Wiseman model of public expenditure.
5. What are the consequences of rising internal debt of government of India?
6. Compare planning programming and budgeting system with traditional budgeting procedure.
7. Critically evaluate the welfare objectives of public sector pricing policies.

**Part – C (2 x 20 = 40)**

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

1. How do we select public sector projects for execution by following discounting methods?
2. Critically evaluate Paul Antony Samuelson’s model of public expenditure.
3. Assess the role of public sector units in India.
4. What is fiscal mismanagement? What is the role of public debt in fiscal mismanagement?

\*\*\*\*\*