LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION - ECONOMICS

THIRD SEMESTER – NOVEMBER 2013

EC 3809 - PUBLIC ECONOMICS - I

Date : 07/11/2013   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)**

1. What are the limitations of borrowing finance mechanism?
2. Why do we need the provision of non-national public goods at the local body level?
3. Define market failure.
4. Why do we need to minimize voter externality cost in the public choice decision making?
5. Distinguish between social discount rate and internal rate of return.
6. What are the essential characteristics of a good theory of public expenditure?
7. List out the cost and benefits arising out of constructing a dam.

Part – B

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

8. Evaluate the various methods of public sector pricing in India.
9. Critically examine the disinvestment policy of government of India.
10. Burden of India's public debt – Elucidate.
11. State and explain the principles of public debt management.
12. Explain Sharp and Escaraz model of public expenditure.
13. Distinguish between commercial and social cost benefit analysis in terms of their objectives.
14. Explain the political transaction cost model developed by Gorden Tullock.

Part – C

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

15. Evaluate the financial performance of public sector units in India since 1991.
16. Analyze the term structure of India's public debt since 1991. Explain the reasons behind the growth of Revenue and Fiscal deficits.
17. Explain Bowen and Lindahl's model of public expenditure. Bring out its limitations.
18. Compare and contrast crude and time discounted methods of public sector project selection and explain their relative merits and demerits.

*****