LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – **ECONOMICS**

THIRD SEMESTER – NOVEMBER 2015

EC 3809 - PUBLIC ECONOMICS - I

Date : 05/11/2015   Dept. No.   Max. : 100 Marks
Time : 09:00-12:00

PART–A

AnsweranyFIVEquestionsinabout75wordseach   **(5x4=20)**

1. Write a short note on voter externality cost.
2. With the aid of a diagram explain the concept of displacement cost. (Diagram & brief explanation)
3. What are the forms of public debt in India?
4. What is shadow pricing? What are its limitations?
5. Distinguish between tangible and intangible benefits and costs.
6. What is social discounting rate? What are its uses?
7. Write a short note on internal rate of return (IRR).

PART–B

AnsweranyFOURquestionsinabout300wordseach   **(4x10=40)**

8. State and explain Wagner's law.
9. Explain how and why social goods encounter market failure.
10. What are the pricing strategies used for public services? Explain the scope of implementing them.
11. Explain the salient features of Planning Programming Budgeting System (PPBS).
12. Enumerate the political interaction cost theory of Buchanan and Tullock.
13. How does the government carry out its stabilization function using the instruments of stabilisation?
14. Explain the basic steps involved in assessment of cost-benefit analysis.

PART–C

AnsweranyTWOquestionsinabout1200wordseach   **(2x20=40)**

15. Explain the theoretical approach to the efficient provision of public goods.
16. Elucidate Musgrave's modified version of general equilibrium approach.
17. Analyse the reasons for increase in public debt in India. Suggest measures to curtail its growth.
18. Explain the role and objectives of the public sector.

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