



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

FOURTH SEMESTER – NOVEMBER 2016

EC 4808 - PUBLIC ECONOMICS - II

Date: 17-11-2016
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART A

Answer any FIVE questions in about 75 words each

(5 x 4 = 20)

1. Briefly explain the various types of grants-in-aid.
2. What is non-developmental expenditure?
3. Distinguish between active and passive fiscal policy.
4. Write a short note on GST.
5. Distinguish between fiscal deficit and revenue deficit.
6. Write a short note on Zilla Parishads.
7. What is shifting of taxation?

PART B

Answer any FOUR questions in about 300 words each

(4 x 10 = 40)

8. Briefly explain the recommendations of 12th Finance Commission.
9. Enumerate the various advantages and disadvantages of VAT.
10. Explain the importance of coordination between monetary and fiscal policies in maintaining stability in the economy.
11. Explain the Lindahl model of public expenditure.
12. With the aid of a diagram explain the concept of multiplier.
13. Explain the views of Keynes with regard to effectiveness of monetary and fiscal policies.
14. What are the new features of Budget 2016-17 that has impressed you as an economist? Give reasons.

PART C

Answer any TWO questions in about 1200 words each

(2 x 20 = 40)

15. Explain the causes for deficit financing. What are its consequences?
16. Explain the role of compensatory finance in maintaining stability in an economy.
17. Elucidate the process of shifting and incidence of taxation under perfect competition.
18. What are the reasons for financial constraints of local bodies in India? Suggest measures to improve the financial status of local bodies.
