2020

PUBLIC FINANCE AND TAXATION — HONOURS

Paper : DSE-5.1T

Full Marks : 80

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Answer *any eight* questions.

1. Explain the principle of maximum social advantage. Distinguish between 'public finance' and 'private finance'. 5+5

2. What do you mean by fiscal deficit? How is it different from primary deficit? Briefly explain the reasons behind India's high fiscal deficit in recent years. 5+5

3. Distinguish between 'benefit approach' and 'ability to pay' approach to taxation. 10

4. Explain the concept of 'equal sacrifice' under the 'ability to pay' approach. 10

5. How does Samuelson attempt to solve the problem of public good allocation? 10

6. What are the different sources of public revenue? Mention the various categories into which public revenue can be classified. 6+4

7. Compare 'public debt' and 'taxation' as ways to finance public expenditure. 10

8. What do you mean by 'management of public debt'? How do governments attempt to 'manage' such debt? 6+4

9. Give an account of the recommendations of the Fourteenth Finance Commission of India. 10

10. Explain the major heads of revenue of the Government of India. Distinguish between 'Capital Account' and 'Revenue Account' in this context. 6+4

11. Give an account of the tax reforms initiated in India since 1991. 10

12. Examine the changing pattern of financing Five Year Plans in India from the Eighth Plan onward as compared to the pre-reform period. 10

13. What are the major heads of expenditure of the State Governments in India? 10

14. Critically discuss about the salient features of the GST as introduced in India recently. 10

15. What do you mean by 'externalities'? Does it lead to market failure? How can the Government attempt to correct such market failure? 3+2+5

16. Examine the impact of public expenditure on 'investment'. Can taxation act as a stabiliser in the economy? 5+5

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