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(November)

ECONOMICS

(Major)

Course : 502

(**Public Economics : Policy Issues**)

Full Marks : 80

Pass Marks : 32/24

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer/Choose the correct answer of the following : 1×8=8
- (a) Mention a major item which is kept outside the proposed goods and services tax (GST).
- (b) Non-plan revenue expenditure does not include expenditure incurred on
- (i) interest payment
 - (ii) maintenance of capital goods
 - (iii) flood control
 - (iv) All of the above
- (c) A government may cover up the deficit by
- (i) withdrawing its cash balances from the central bank of the country

- (ii) borrowing from the central bank and commercial banks
- (iii) Both (i) and (ii)
- (iv) Neither (i) nor (ii)
- (d) The objective of fiscal policy in developing countries is
- (i) rapid economic growth
- (ii) price stability
- (iii) equitable distribution
- (iv) All of the above
- (e) Mention one limitation of fiscal policy in the context of a developing economy.
- (f) The Budget, 2018-19 promises to limit fiscal deficit as percentage of GDP at
- (i) 3.3
- (ii) 3.5
- (iii) 4.4
- (iv) None of the above
- (g) The current income tax slab of 30% is applicable for tax payers above the income
- (i) ₹ 5.0 lakh
- (ii) ₹ 6.0 lakh
- (iii) ₹ 8.0 lakh
- (iv) ₹ 10.0 lakh
- (h) Who is the Chairman of Fifteenth Finance Commission of India?

2. Write short notes on any *four* of the following
(**within 150 words** each) : $4 \times 4 = 16$

- (a) Rationalization of tax system in India
- (b) Impact of public debt on Indian economy
- (c) Role of fiscal policy in India
- (d) Fiscal deficit, revenue deficit and primary deficit
- (e) Role of Finance Commission in India

Answer the following questions (**within 500 words** each) :

3. (a) Write a critical note on the importance and effectiveness of tax system in market economy. 12

Or

(b) Explain four features of Indian tax system. Give an account of the recent tax reform measures of Government of India. 4+8=12

4. (a) What are the major heads of public expenditures in India? Discuss the pattern of public expenditure. 4+7=11

Or

(b) Explain the nature and volume of external and internal public debt in India. Discuss how the government borrowing is helping Indian economy.

$7+4=11$

5. (a) Explain the meaning of programme and zero-base budgeting. Discuss the importance of budget as an instrument of economic policy. 3+3+5=11

Or

- (b) What are the core objectives of the Union Budget, 2018-19? State the major features of the Budget, 2018-19. 4+7=11

6. (a) Examine the suitability of fiscal policy for developing countries like India. 11

Or

- (b) Explain the fiscal reform measures taken in India in the context of new economic policy. Do you think these measures are adequate? Give justifications. 7+4=11

7. (a) State the meaning of fiscal federalism. Explain the principles of allocations of resources. 4+7=11

Or

- (b) Explain the major differences between 13th and 14th Finance Commissions' recommendations. Will the recommendations of the 14th Finance Commission impact the special category States? 8+3=11
