

**2 0 1 9**

( 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/Fill in the blanks of the following : 1×8=8
- (a) State two shortcomings of GST.
- (b) Which one of the following accounted for the substantial share of revenue expenditure of the Government of India in 2018-19?
- (i) Defense expenditure
  - (ii) Interest payments
  - (iii) Subsidies
  - (iv) All of the above
- (c) A Finance Bill is a bill
- (i) which would authorize expenditure out of the Consolidated Fund of India

- (ii) to authorize expenditure out of the Contingency Fund of India
  - (iii) introduced annually to give effect to the financial proposals of the Union Government for the next financial year
  - (iv) introduced annually to ratify the financial proposals of the Union Government adopted in the preceding financial year
- (d) Salaries and pensions of the judges of the Supreme Court in India is a \_\_\_\_\_ expenditure.
- (e) Which one of the following is not a source of the Union tax revenue?
- (i) Property tax
  - (ii) Income tax
  - (iii) Corporate tax
  - (iv) Customs duties
- (f) Which one of the following States is not a high-income State according to the report of the 14th Finance Commission?
- (i) Assam
  - (ii) Goa
  - (iii) Haryana
  - (iv) Gujarat
- (g) In the budget estimates for 2019-20, what is the extent of fiscal deficits fixed, as a percentage of GDP?
- (h) Write the meaning of fiscal federalism.

2. Write short notes on any *four* of the following (within 150 words each) :  $4 \times 4 = 16$
- (a) Salient features of Indian tax system
  - (b) Positive impact of public expenditure on Indian economy
  - (c) Implications of fiscal deficit on Indian economy
  - (d) Limitations of fiscal policy
  - (e) Vertical fiscal imbalances in India and its remedies

Answer the following questions (within 500 words each) :

3. (a) Explain the meaning of rationalization of tax system. Discuss the role of tax system in market economy.  $6+6=12$

Or

- (b) Write a critical note on the structure, pattern and policies of taxation in developing countries. 12
4. (a) Explain the trend and pattern of public expenditure in India. Do you think all these public expenditures were helpful in increasing welfare of the people? Justify.  $6+5=11$

Or

- (b) Explain the nature and magnitude of public debt in India. Do you think the Government of India is borrowing too much in recent times? Justify.  $7+4=11$

5. (a) What are the important features of programme and zero-base budgeting? Explain their weaknesses.  $6+5=11$

Or

- (b) Explain the salient features of the Union Budget 2019–20. What are the major changes proposed in tax rates? Mention three weak areas of the latest budget.  $6+2+3=11$

6. (a) What are the objectives of fiscal policy in developing and developed economies? Explain the role of fiscal policies in developing economies.  $6+5=11$

Or

- (b) Explain the major fiscal reform measures undertaken in India in early 1990s. Were these measures beneficial for the Indian economy? Justify.  $6+5=11$

7. (a) Discuss the principles followed in India for allocation of resources between Centre and States. Are these adequate? Justify.  $8+3=11$

Or

- (b) Explain the major recommendations of the 14th Finance Commission. Mention three ways in which its recommendations differ from those of the 13th Finance Commission.  $8+3=11$

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