

4/ECO-250 Syllabus-2023

2025

(May-June)

FYUP : 4th Semester Examination

ECONOMICS

(Public Economics)

(ECO-250)

Marks : 75

Time : 3 hours

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

Answer **five** questions, taking at least **one**
from each Unit

UNIT—I

1. Define public economics. How is it different from public finance? Explain the nature and scope of public economics. 2+3+10=15
2. Explain with the help of a suitable diagram, the principle of maximum social advantage according to Musgrave. What are its limitations? 10+5=15

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(Turn Over)

(2)

3. Evaluate the macroeconomic functions of the government in terms of allocation, distribution and stabilization. $5+5+5=15$

UNIT—II

4. What are public goods? Explain with the help of a suitable diagram, the efficiency condition required for the provision of public goods. $3+12=15$
5. Explain with the help of a suitable diagram, how negative externalities lead to inefficiencies in a perfectly competitive market. What steps can the government take to control negative externalities? $10+5=15$
6. What is the difference between provision and production of public goods? Elaborate on some of the different methods of public provision used in the real world. $5+10=15$

UNIT—III

7. Explain the concepts of incidence and shifting of tax burden under partial equilibrium analysis. Discuss the incidence and shifting of tax burden when the elasticity of demand is (a) equal to 1, (b) greater than 1 and (c) less than 1. $3+(4+4+4)=15$

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(Continued)

(3)

8. Discuss the key features of the Goods and Services Tax (GST). How is it an improvement over Value-Added Tax (VAT)? $10+5=15$
9. Explain Wagner's law of increasing State activities. How is it different from the Peacock-Wiseman hypothesis? $10+5=15$

UNIT—IV

10. What is public debt? What are the different sources of public borrowing in India? What are the advantages and disadvantages of public debt in a developing economy like India? $3+6+6=15$
11. What is a budget? Briefly explain the components of a budget. Discuss the functional classification of a budget. $2+8+5=15$
12. What is fiscal policy? How does fiscal policy achieve full-employment and price level stability? $3+12=15$

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